IGHC Ground Handling Conference

Opening by Master of Ceremony

Joseph Suidan
Head of Ground Operations, IATA
IGHC Ground Handling Conference

Honoring the Business Relationship

Bob Gurr
Director Sales & Marketing, BidAir Services (Pty) Ltd.
Honoring the Business Relationship

Moderator
• Bob Gurr, BidAir Services (Pty) Ltd.

Panelists
• David Laufer, Laufer Aviation GHI Ltd.
• Sally Leible, Airport Terminal Services
• Salih Samim Aydin, Celebi Aviation Holding Inc.
• Marsha Rivera-Ragusa, British Airways
• Cedric Chretien, IATA
Background

➤ GSPs concern that some airlines ignore payment terms as recorded in Annex B’s

➤ SGHA does not allow proper protection for GSP in terms of payment, if airlines that do not pay their accounts and is silent on consequences for solvent customers who choose to delay settlement

➤ This potentially places a huge cash flow burden on handlers
Background

This matter has been discussed at the meeting of the AGSA and working group is seeking IGHC members opinion in order to determine if it is appropriate to including some wording to be included in the Main Agreement.
Some Food for Thought!

- Is the situation that the “purchaser” of services is also the “custodian” of the agreement normal and/or correct?
- Why do some airlines treat GSP’s as banks?
- Who really pays for “bad debt”?
- Is this a Main Agreement issue or one for the Annex B?
- Should more use be made of the Clearing House option?“
- What remedies can be considered for non-payment?
IGHC Ground Handling Conference
Should Ground Handling be a Certified Trade?

David Clark
Head of Ground Operations Quality and Training, British Airways
Should Ground Handling be a Certified Trade?

Moderator
• David Clark, British Airways

Panelists
• Nico Lommerse, KLM
• Dimitrios Sanos, IATA
• Christian Paris, Menzies Aviation (Romania) S.A.
• Henrick Ambak, Cargolux Airlines Int. S.A.
• Javed Malik, Bangkok Flight Services
• Vinay Bhalla, Emirates
Background

- Airline operations are already regulated and licensed by NAAs
  - Airlines are fully responsible for Ground Operations even if outsourced
- More than 50% of Ground Operations are outsourced
  - Regulatory requirement on airlines for oversight and training
- Many NAAs reviewing direct oversight/licensing of GSPs
  - Minimum standards and training requirements
  - GSPs responsibility and liability will be clearly defined
  - Eg in EU - “Better Airports Package” versus EASA/ECAST?
Some Food for Thought!

- Will licensing of GSPs improve safety and quality?
- Would licensing eliminate waste and reduce airline training & oversight costs?
- What impact would licensing have on GSPs, including costs?
- If licensing was introduced should it be driven by ICAO to ensure consistency across NAAs globally?
- How can IATA’s initiatives on standards (IGOM/AHM), audit (IOSA/ISAGO) and training for aviation professionals play a role in the global approach?
Some Food for Thought!

Could GSP training programmes (management and technical) be accredited by a state or international body?

How would instructors be validated to train on multiple types of GSE and who would control the standards (asa, IATA, GSE manufacturer, airframe manufacturer)?
Networking Break in the Exhibition Areas
IGHC Ground Handling Conference
Cost Versus Service – The Ground Handling Business Model Conundrum

Marsha Rivera-Ragusa
Director Contracts, Procurement Ground Operations, British Airways
Cost Versus Service – The Ground Handling Business Model Conundrum

Moderator
- Marsha Rivera-Ragusa, British Airways

Panelists
- Barry Nassberg, Worldwide Flight Services
- Salah Zainal, Air Arabia
- Walter Riggans, Emirates
- Carlos Romero, LSG Sky Chefs
- Anna Lysik, GDN Airport Services Sp. Z.o.o.
- Michael Thuersam, Swissport Group Services LLC
- Max Corsi, Air Transat
Background

“Does driving down the ground handling costs affect service, especially on the ramp regarding safety?”

This has been the $1.5 million dollar question since the Wright Brothers needed someone to help then return their aircraft to stand.
Background

- Every year the airlines continue to outsource their ground operations to the independent handlers to lower their high cost base.

- But also, the airlines put pressure on their existing ground handlers to lower price year on year.
Background

- There is "cut-throat" competition between the ground handlers but …
  
  Whose throat is at risk?

- This issue has been raised during past round table discussions but now we are going to lay the cards on the table and have the debate
Some Food for Thought!

- Is there a ground handling business model conundrum?

- Does service quality and past performance become a major proportion of the overall ground service provider's evaluation?
Would a ground service provider intentionally put an operation at risk if they are not able to achieve the margins necessary to run their business
• e.g. reducing training and staffing?
Some Food for Thought!

While airlines are struggling to sustain their business models, Ground service providers are consistently approached to assist in cost reduction programs however…

The converse does not apply. Why?
Some Food for Thought!

How can the airlines and ground services providers work together to provide a safe and quality operation?
IGHC Ground Handling Conference

IGHC Wrap-Up and Next Year’s Venue

Marsha Rivera-Ragusa
Director Contracts, Procurement
Ground Operations, British Airways

Joseph Suidan
Head of Ground Operations, IATA
Day 1 – Sunday 6th May 2012

SGHA Questions and Answers

• IGHC Officers explained the use of SGHA
• The reason for proposed 2013 changes were discussed

Welcoming New Members

• AHM/IGOM groups Chair/Vice-Chairmen Task Forces were presented
Day 2 – Monday 7th May 2012

 IGHC Chairman Marsha Ragusa opened the IGHC

 Joseph Suidan and Marsha Ragusa presented the new ground ops. Structure
  • Establishment of Ground Handling Council

 IATA Director of Operations Jens Bjarnason highlighted the endorsement of the ground operations structure by Operational Committee
Day 2 – Monday 7\textsuperscript{th} May 2012

PRG Airport CEO Jiri Pos welcome IGHC and introduced the PRG Airport

Assistant Director, Cargo, Safety and Standards, David Brennan introduced the Cargo Operations Advisory Group

- IATA airlines and GHA's
- Update cargo AHM standards and cargo initiatives
Day 2 – Monday 7\textsuperscript{th} May 2012

- Chair/Vice-chairmen of the working group presented working result and briefly explained the proposed AHM changes

- IGHC members voted on the AHM changes
  - Changes were agreed with greater than 2/3 majority
Day 2 – Monday 7th May 2012

داخل IATA Training for Aviation Professionals

• Discussion on industry training needs
• Industry should focus setting the minimum training standards per role
• Standards meet the requirements of airlines, GSPs and regulatory authorities.
Day 2 – Monday 7\textsuperscript{th} May 2012

¢ Have your Say on the Future of the AHM/IGOM
  • Collection of feedback on how to make AHM and IGOM more user friendly and serving the industry needs.
  • Monday focused more on AHM whereas Tuesday's discussions centered on IGOM
  • Many topics were discussed including the request to have a server-based product and reintroducing the booklet version to name but a few
Day 3 – Tuesday 8th May 2012

IATA Senior Vice-President Guenther Matschnigg presented the IATA vision on the Ground Handling

- New governance structure
- Ground Operations on focus
- Improving the safety and efficiency via different IATA and industry initiatives
Day 3 – Tuesday 8th May 2012

Catalin Radu, President of European Civil Aviation Conference

- Regulatory role in the Ground Operations
- ECAC endorsement to IGOM and ISAGO
Day 3 – Tuesday 8th May 2012

Round Table Discussion How Regulators and Airports Support or Hinder Ground Handling Operations

- Regulators are aware of the issues facing GPSs at Airports
- Regulators wish to assist their industry partners to establish a set of universal standards that safeguard GSPs activities
- Regulators do not wish to impose additional layers of administration to the oversight of GSPs
- Regulators support the ongoing development of programs such as ISAGO, IGOM
Day 3 – Tuesday 8th May 2012

Nancy Rockbrune Assistant Director Safety Management Systems presented
• Importance of data in performance management system
• Quality of the data
• Data driven decisions and measurable improvements of ground operation performance
Day 3 – Tuesday 8th May 2012

Monika Mejstrikova, Assistant Director Ground Operations
Audits presented latest plans in ISAGO

- Extension of pool membership to non-IATA airlines
- Mandatory reporting system to the GDDB to be incorporated into ISAGO standards
- IGOM implementation into ISAGO standards
- Working with ECAC states on implementation plan for ISAGO and IGOM
- ISAGO harmonization and simplification with other pool audit programs under the circle of excellence
How to Use your Risk Profile to your Advantage was presented by Carol Gates, Director, Risk Management & Insurance, IATA

- Airlines and GSPs have to manage their risk profile
- Risk profile can be used for negotiation with insurers to discount insurance premium
Day 3 – Tuesday 8th May 2012

Round Table Discussion How to Integrate IGOM & GDDB with ISAGO

- GDDB analyses should feed the AHM/IGOM/ISAGO
- The success of ISAGO should be measured via GDDB
- Implementation of IGOM should be done through incorporation the IGOM into ISAGO standards
- Information from the GDDB and ISAGO should lead to the Risk Profile of each Ground handler, and this should lead to the reduction of the insurance premium
Day 3 – Tuesday 8th May 2012

Tomorrow’s ISAGO (workshop)

- Safety performance of GSPs shall be measurable
- Results should be shared within ground handling industry
- The policy for ISAGO auditing resources needs to be reviewed in order to gain more pool members
- Implementation of Risk based approach to the future ISAGO audits based on the GDDB analysis
Day 4 – Wednesday 9\textsuperscript{th} May 2012

\begin{itemize}
  \item Round Table Discussion Honouring the Business Relations
    \begin{itemize}
    \item Bad/slow payment is an industry issue
    \item Contractual remedies are available
    \item Consideration should be give to payment solutions, such as IATA Clearing House
    \item Industry needs to take a view on issue and form a coherent position
    \end{itemize}
\end{itemize}
Round Table Discussion Should Ground Handling be a Certified Trade?

• The IGHC community must take responsibility and set its own standards, in order to avoid detailed regulation via collaboration and partnership
• It should learn from the DGR experience (non-bureaucratic way)
• The Ground Handling Council should have next year a clear strategy to achieve its goals
• Training is a benefit, it is not an overhead. It can reduce costs, it promotes multitasking and provides individuals with a career vision
Day 4 – Wednesday 9\textsuperscript{th} May 2012

Round Table Discussion Cost Versus Service – the Ground Handling Business Model Conundrum
IATA DG Endorsed the Ground Handling Council Today

Lets work together!
2013 Location: Vancouver, B.C., Canada
Networking Lunch in the Exhibition Areas