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ISLAND LIFELINE

PAC is no stranger to change. Its chief executive tells **Roger Hailey how it has prepared to meet the latest challenges from Covid-19**

Airline management at Hawaii-based Pacific Air Cargo (PAC) has a 20-year history of adapting rapidly to changes in the airfreight market on its six-flights-a-week Honolulu-Los Angeles route segment.

The carrier, with its B747-400F on lease from US partner Kalitta Air, saw a massive drop in its airfreight volumes out of Honolulu when Covid-19 struck in March this year.

Chief executive Tanja Janfruechte, who took over in March 2018 after the untimely death of PAC founder and mentor Beti Ward, says: "We are coping with and adjusting to Covid-19."

"In the first quarter of this year, when it hit us, like everyone we thought it was going to be a short-term situation, but we have had to put new plans in place."

"Our business model has always changed over the years, so we are used to coping with change."

"But the change due to Covid was obviously a big one and the first thing we did was adjust our flight schedules because our volumes out of Honolulu fell by over 70%."

SOLID CREW

She adds: "We immediately asked our ground handling team that support our commercial aircraft partners if they wanted to work on the cargo flights and we are very fortunate that we didn't lose that many members, only a handful,

and they chose to take some time off. We are now actually in the process of hiring again."

In the first stage of the pandemic, as demand grew for personal protective equipment (PPE), the carrier worked with Honolulu airport to ship in all the hand sanitiser, machines and other supplies to fight the virus.

That help included freighter flights 'gifted' to the local community.

Says Janfruechte: "There was a panic shortage. Giving back to the community has been a big part of what we have done during this difficult period. We are helping to carry a lot of the supplies that the communities in Hawaii and American Samoa need."

The Honolulu-Los Angeles outbound volumes are still very much reduced because the bellyhold freight originating out of Asia on passenger flights into Honolulu is usually transferred to the PAC freighter.

That Asia network came to a complete halt, almost overnight, because of Covid.

Says Janfruechte: "We immediately asked: how can we support and replace those lost volumes? The first thing we did was partner with Kalitta to help us think of creative ideas."

The answer is that the six-times-a-week schedule out of Honolulu is maintained, but with one return flight, operated by Kalitta on Saturday, going on from Honolulu to Hong Kong and Incheon and on to Los Angeles: "Kalitta takes the aircraft out to Asia and we don't have to worry about the backload schedule."

Demand on the scheduled mainland flight back to Hawaii has been very high, which has prompted additional freighter charters, again required to supplement bellyhold capacity no longer available.

Rates have remained stable as lower fuel costs helped compensate for lost revenues.





PAC has also increased some niche services, such as operating weekly flights to Kona — better known for coffee — to pick up live cattle.

Animals of a different size, domestic pets, continue to enjoy a Very Important Pets (VIP) service with PAC, flying on the temperature-controlled maindeck and not in the hold.

This business continues to thrive because of the constant relocation of military families to and from Hawaii, one of the largest US air and naval bases in the world.

PAC's close business relationship with Kalitta, a major carrier that operates its own or other airlines' freighters, means that as Kalitta continues to expand its B767, B747 and B777 fleet, so the carrier will have access to additional freighter options in the future.

Says Janfruechte: "We are always looking at expansion, for sure. We have already operated a Kalitta Boeing 767 into Honolulu and we

Once Hawaii is really open again, I see it bouncing back relatively quickly and it might just be because US citizens may be a little hesitant to travel to Europe and want to save money by going to Hawaii

**Tanja Janfruechte,
Pacific Air Cargo**

are co-operating on another Boeing 767 flight in a few weeks to help us clear up some of the backlog we have. So, we get to test out all their different aircraft on occasions."

In terms of the PAC Group's ground handling business, that has been significantly affected by the cancellation of Qantas and Japan Airlines passenger flights, which carried US mainland destined cargo that was flown on PAC.

The flipside, however, has seen a 10-fold increase in handling other freighter operators at Honolulu.

Given its location, Hawaii can suffer some serious weather bumps during the hurricane season and, after a relatively quiet few years, the island was expected to suffer a major incident as hurricane Douglas brushed past the islands in August.

Although the threat petered out, preparations had already been put in place, which saw a number of Federal Emergency Management Agency (FEMA) charter flights for generators and other emergency supplies, some of the business going to PAC.

As the air cargo industry gears up for a global Covid-19 vaccine airlift, probably in the spring or summer of 2021, PAC wants to be the provider for Hawaii and Samoa and is already making plans for its schedule next year so that there are vaccine flights available.

Adds Janfruechte: "We are talking to several partners that are going to be very involved in carrying the vaccines about what we can do for them. That is definitely a focus for us."

Longer term, what are PAC management expectations for Hawaiian airfreight in a post-Covid world where some sort of normality returns to daily life on the island?

"Right now, everything changes so often that it's hard to predict but we are not expecting that much of a change for a year or so.

"We have spoken to several of our agents and

partners and they believe that once Hawaii is really open again, then flights might be first to come here.

"I see Hawaii bouncing back relatively quickly and it might just be because folks [US citizens] may be a little hesitant to travel to Europe and want to save money by going to Hawaii."

In such a scenario, airfreight demand will ratchet up quickly to serve a resurgent tourist market in Hawaii.

TRUST IN TOURISM

Says Janfruechte: "The hotels will open up and that is a huge market. We support all the food and products going into the hotels.

"Tourism is so big in Hawaii and we would certainly see that cargo business coming back."

One tourism-related business suffering from the pandemic is the car rental and new car dealership sector, with the islands awash with unused vehicles ordered before Covid struck.

PAC is now marketing a service to fly cars back to the mainland, as maindeck space allows.

The average 60% rise in ocean freight rates means that airfreight is now able to compete both on price and time, with expensive inventory winging its way back in six hours rather than nine days.

PAC management still proudly bears the badge of the airline's founder, Beti Ward, whose regular staff presentations focused on the need to adapt to change — one example being the collapse of the pineapple market out of Hawaii.

Says Janfruechte, who adopted Beti's dog, Boomer: "Those were small changes compared with what we are going through now, but we learned to shift over the years.

"Working with Beti and being mentored by her for so many years, means that we will always be prepared to go with the changes and to look at the other opportunities as they come up. In that respect, Beti is still teaching us from afar." ♦

Ready for action: PAC's B747-400F, on lease from Kalitta Air