

Cargo Transfer Opportunities at Alaska

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Air Cargo Transfer Opportunities at Alaska

Alaska offers international air carriers unique opportunities to operate a flexible and efficient system of air cargo services, thanks to:

1. Stevens Amendment
2. DOT Exemption Authority
3. Open Skies Agreements

1. Stevens Amendment

Allows non-US airlines to carry international cargo between US points as part of an interline itinerary if and only if the interline connection occurs in Alaska.

Conditions:

(a) Non-US carrier must be authorized to serve Alaska.

(b) Cargo being carried on the domestic leg of an interline itinerary must be carried on behalf of a US airline (code sharing, blocked space, etc.).

2. DOT Exemption Authority

On August 19, 2010, DOT reinstated exemption authority making it advantageous to use Alaska as a cargo hub:

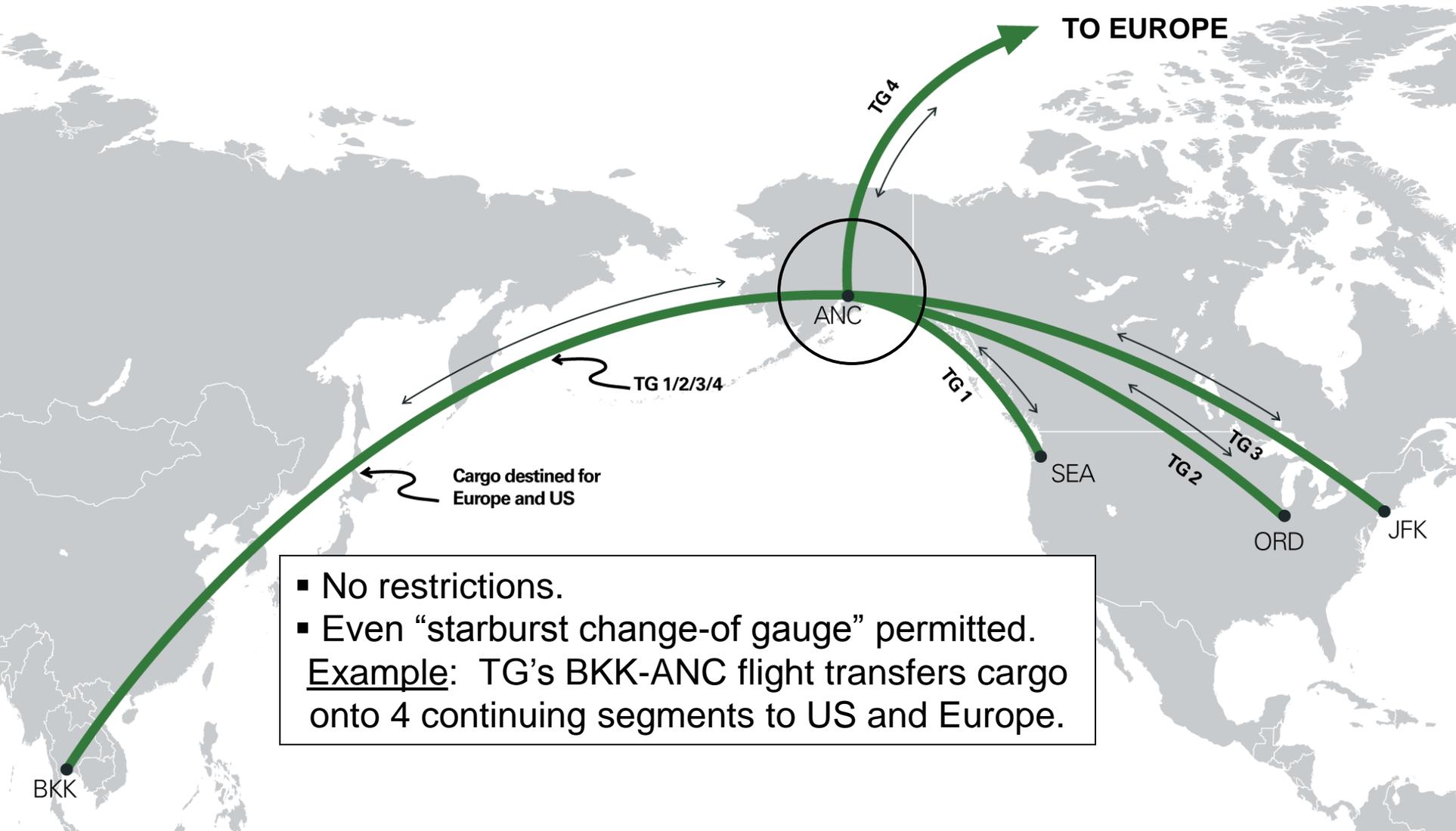
- Flexible on-line transfers
- Change-of-gauge (including “starburst”)
- Commingling US international cargo with non-US
- US and non-US carriers can transfer cargo freely with each other where origin and destination are outside the US
- Any non-US carrier serving the US allowed to serve Alaska
- Carriers invited to apply for new routes to the US provided new points to be served will be served via Alaska.

3. Open Skies agreements

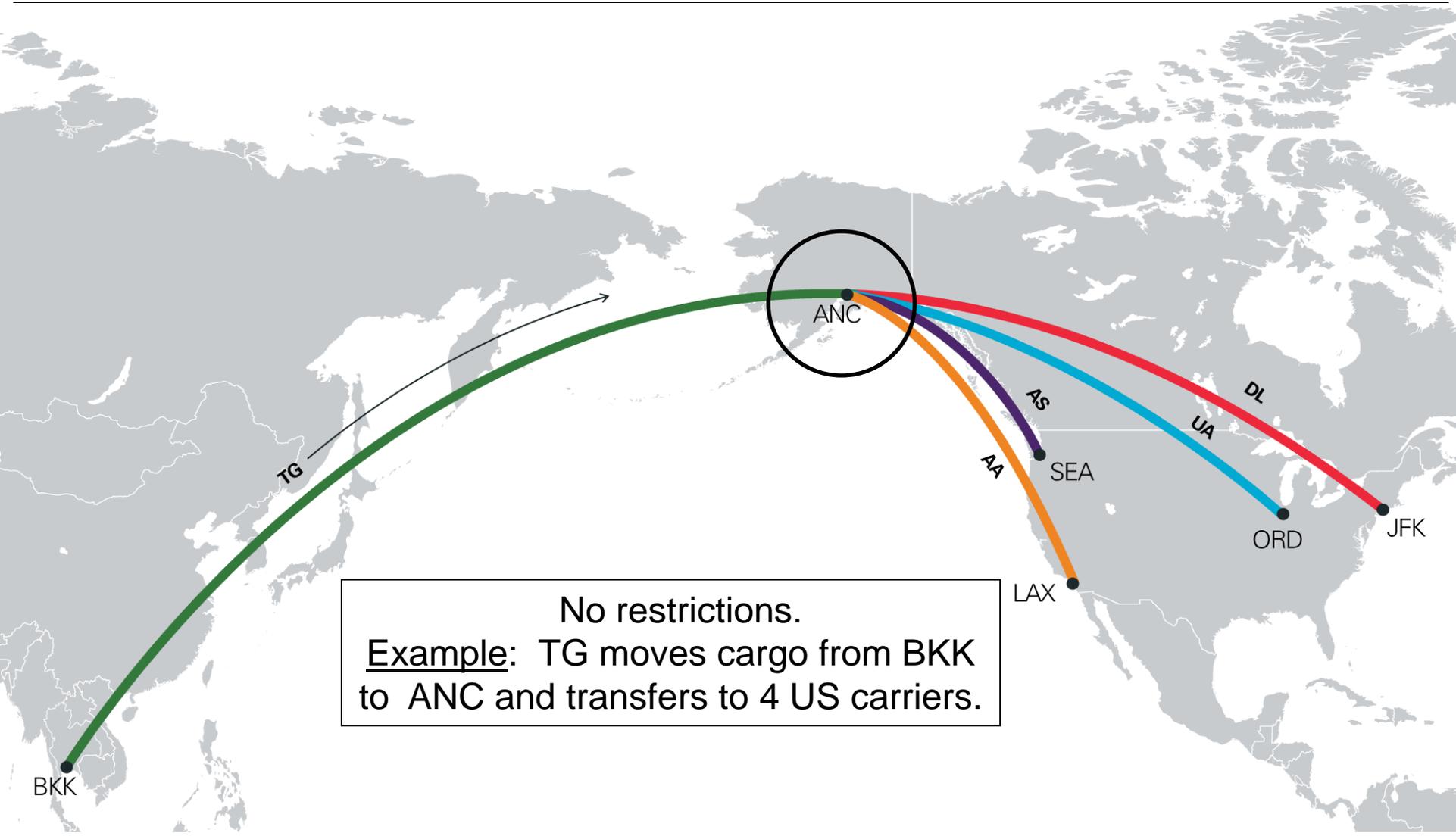
Airlines from countries with which the US has Open Skies agreements already enjoy the flexibility provided in DOT's August 19 order.

- US Open Skies partners include: Singapore, Taiwan, New Zealand, Brunei, Malaysia, South Korea, Pakistan, Sri Lanka, Samoa, Indonesia, India, Maldives, Thailand, Cook Islands, Australia, and Laos.
- Some Open Skies agreements include 7th-freedom rights between the US and third countries

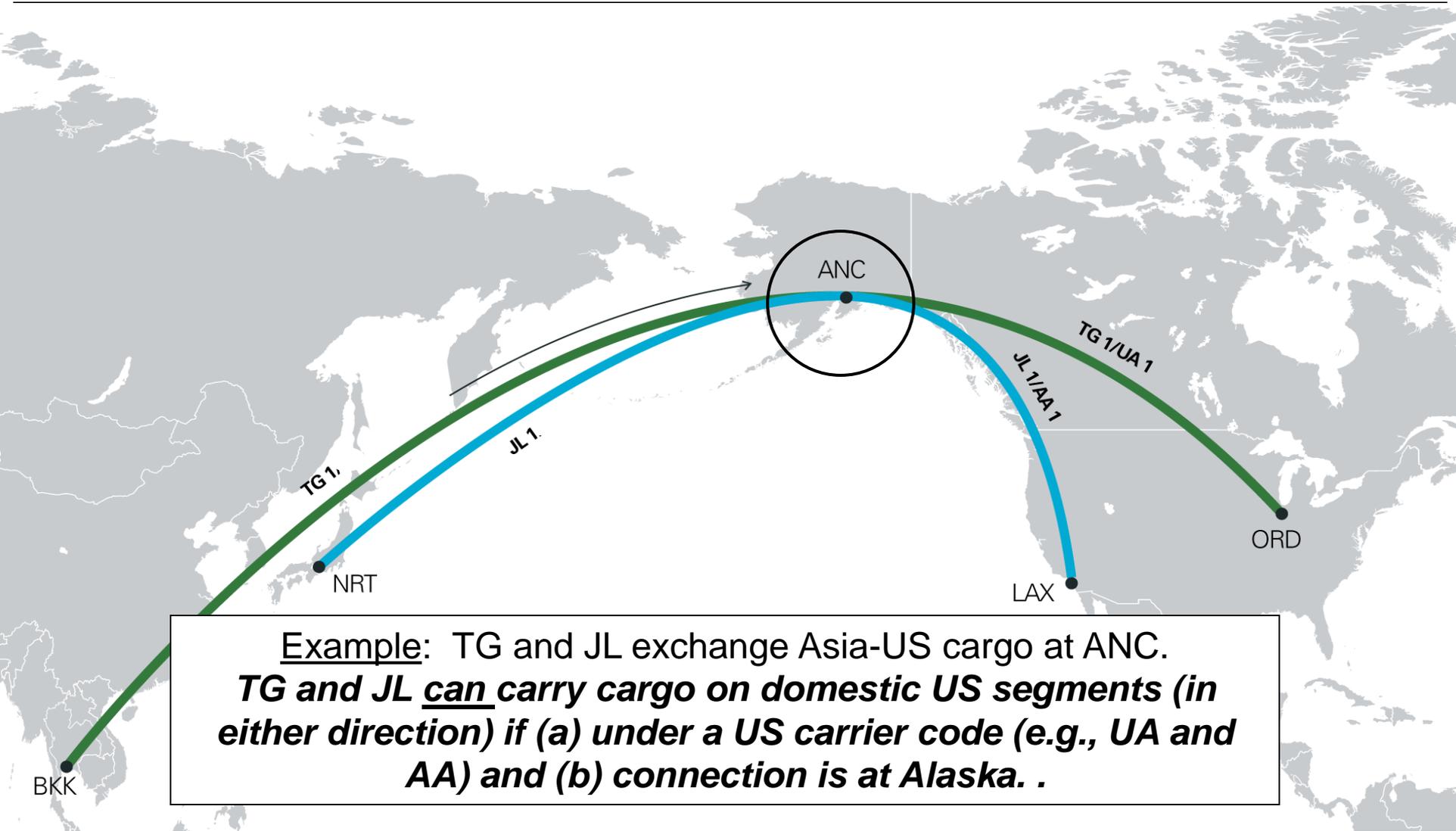
On-line transfers



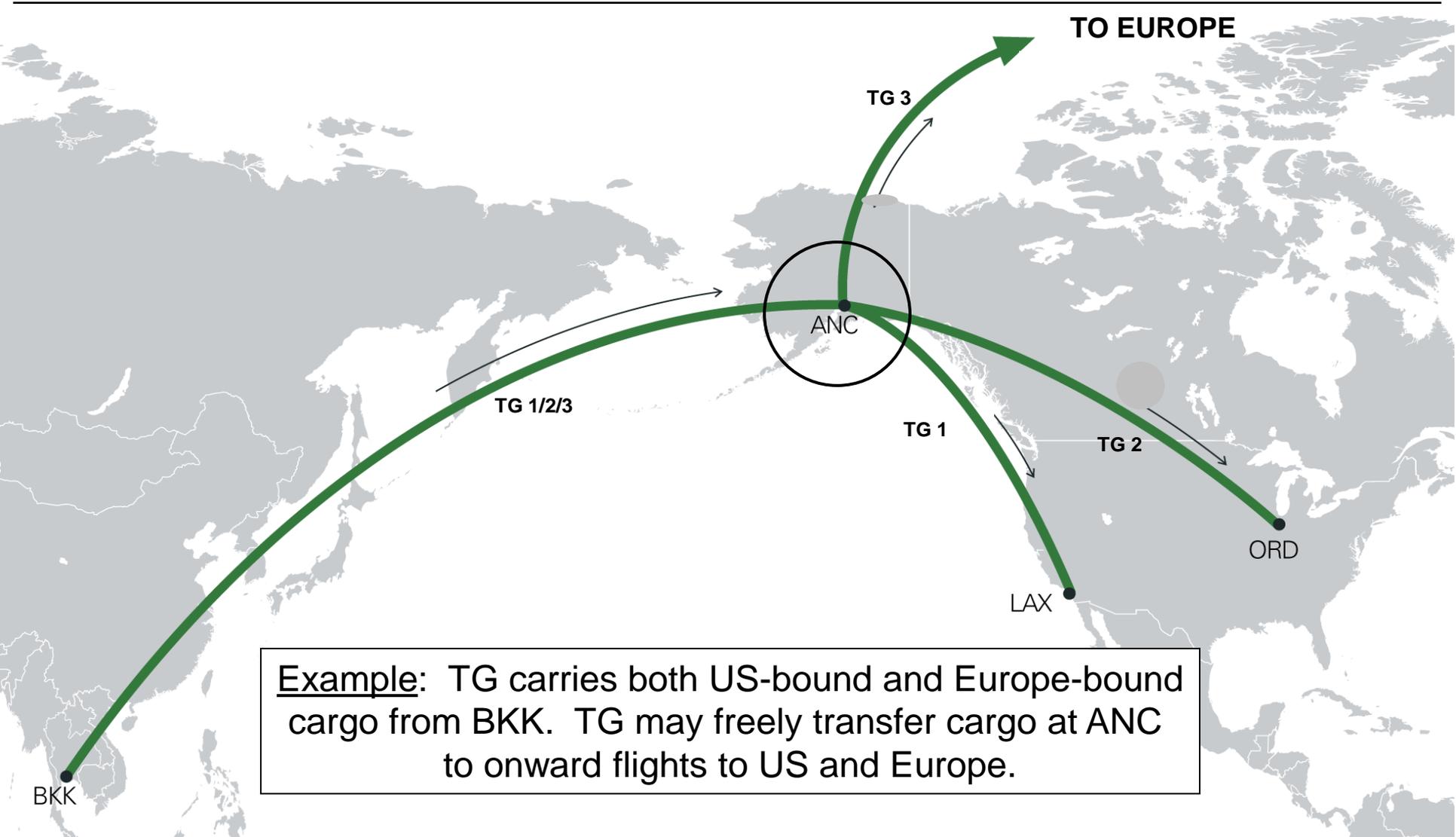
Interline to US: Asian carrier to US carrier



Interline to/from US: Two Asian carriers



Commingling US cargo with non-US cargo



Transferring non-US cargo at Alaska

