

D. DEALING DIRECTLY WITH CARRIERS

Air Freight

Air freight is the fastest mode. Air rates are usually also the highest. Therefore, air is best used to move goods which are either high in value or which require fast delivery and thus either are able to or must bear the higher cost of moving them by air. Examples include jewellery, live animals, computer parts, pharmaceutical products, spare parts and other valuable items. One airline executive suggests that products worth \$2 per pound or more are suitable for air transport. [3] Other products suitable for air transport are goods which are perishable or fragile, or which are required in an emergency. Moreover since air transport has been deregulated in the United States many air carriers have become very aggressive in seeking freight that might normally move by other modes and are willing to negotiate rates for actual or potential large volume air shippers.

Some shippers use air freight as a method of eliminating regional warehouse requirements thereby reducing one aspect of overall distribution costs. The speed and reliability of air freight can justify shipping directly to branches or clients eliminating not only the need for regional storage space, but also reducing point-of-origin inventory, cutting in-transit time and improving the flow of goods by allowing smaller but more frequent shipments.

Most carriers offering service to the mainland Western U.S., Hawaii and Alaska are able to offer next day (i.e., 24 hour) service, including origin pickup, terminal to terminal transportation, and destination delivery. In some cases, (i.e., between the highest density city pairs) more rapid service may be available at a premium. For export traffic, customs clearance at the destination airport is an important element of potential time consumption. If required export documentation is not prepared properly, (see Section IV), customs clearance delays can eliminate time savings associated with the speedy air mode. In this regard it is noteworthy that the majority of air freight shippers use the services of an air freight forwarder offering ancillary documentation services to ensure that the goods arrive at the premises of the consignee on time.

If you choose to organize an air cargo movement yourself, you should be aware that not all carriers are authorized to haul air freight from every origin to every destination. Therefore, certain carriers make extensive use of trucks for portions of the haul which can add to shipment time significantly. Other air carriers use a designated axis or hub through which all air shipments are routed for redistribution and delivery to final destination. Yet other air carriers, of necessity, have arrangements with associated airlines to interline air cargo over a common airport where the two airlines meet. Therefore when you are making the arrangements to ship goods by air you should find out which airline will be physically carrying the goods; if it is an airline other than the one with which you are making the

3. Frank Kirkman, Cargo Manager of Nordair in Montreal as quoted in Canadian Transportation and Distribution Management - February, 1984 - "Eight Rules for Buying Air Cargo Service".