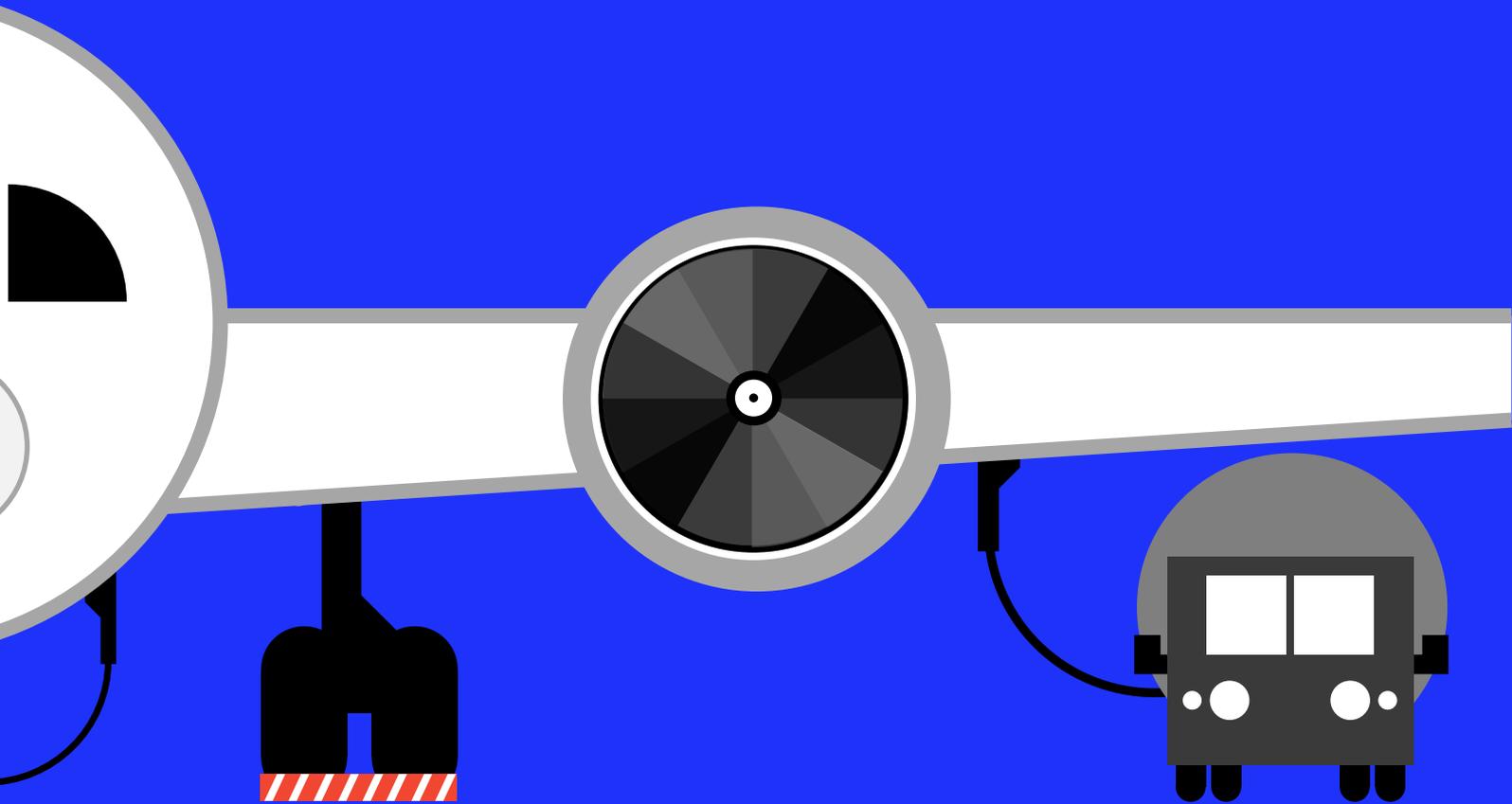




# Best practices for fuel supply chain return to service

## Edition 1 – August 2020



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## 1. Introduction and Objective

This guidance is intended to facilitate a **smooth restart of the fuel supply chain** in the wake of a major industry crisis (such as the Covid-19 pandemic) and mitigate the risk of disruption at an airport by ensuring timely supply of dry, clean, on-specification fuel that meets demand, with adequate manpower and serviceable equipment to enable refueling operations to be promptly carried out.

To work towards this objective and as discussed with the industry, a Fuel Restart Coordination Group (FRCG) was set up. This is an industry-led initiative which is not part of the IATA governance structure but is supported and facilitated by IATA.

The purpose of the FRCG is to establish guidance for a process/best practices for a smooth communication flow:

- (i) from the airlines towards Fuel Supply Chain Participants [fuel suppliers, into-plane service providers (ITPs) and fuel infrastructure providers] about increases in flights and traffic development in the short and medium term, so that the necessary fuel supply capacity is available when flights are being restarted, and
- (ii) from Fuel Supply Chain Participants to the airlines about any lead times and/or risks to ramp up the capacity in time.

**Important:** For legal compliance reasons, the flow of information must only go “one way.” In other words, when airlines disclose their future intentions, that information should only flow from that individual airline to Fuel Supply Chain Participants and never to other airlines. Similarly, when an individual Fuel Supply Chain Participant discloses its lead times, etc., that information can only go to the airlines and never to competing Fuel Supply Chain Participants.

The FRCG has five Regional Groups (RGs) - for North America, Latin America & Caribbean, Europe, Africa/Middle East and Asia – and these RGs have met virtually several times from June to August 2020.

Each RG has representatives from airlines and Fuel Supply Chain Participants.

The aim of this guidance document is to provide a standard set of recommendations for the fuel value chain; however each region could have different circumstances – in some regions and for some airline-supplier relationships, the information flow works well and there is little room for improvement, whereas in other cases and regions, substantial improvements can be made by establishing a proper communication process. Therefore, regional considerations have been added in [Appendix 1](#) for relevant regions based on inputs from the respective Regional Groups.

The FRCG exercise is not aimed at providing actual schedule, traffic or supply information to the parties involved. Instead, it is about identifying a process that can be used as guidance in the relationship between the airlines and the Fuel Supply Chain Participants. In any case, no commercially sensitive information is exchanged in the FRCG.



Best practice guidance relies on regular communication and sharing of relevant and compliant information within the supplier-airline relationship. The key interaction is between airline and supplier/into-plane service provider. At airport locations where flights are restarting or have restarted:

- Airlines seek reliable and on-time supply of on-specification fuel
- Suppliers seek to source an optimal amount of fuel to supply to airlines
- Into-plane service providers seek to plan adequate manpower resources to be able to carry out prompt refueling.

## 2. Best practices for information sharing during restart

Strong industry collaboration and a smooth flow of communication in the fuel supply chain will be key to support the initial return to service, as well as the more stable recovery phase that is expected to follow. The guidance below highlights the minimum communication requirements that airlines and suppliers could follow (if they are not already doing so), in addition to their internal processes.

### 2.1. AIRLINE to SUPPLIER / ITP\*

\* In situations where the airline has a direct relationship with the ITP; otherwise, the same information should flow through the supplier. Regarding fuel facility operators, who also need to be informed on expected volumes, this information should flow through per existing processes.

WHAT	WHY	WHEN	HOW
<ul style="list-style-type: none"> <li>• 1. Flight schedule</li> <li>• 2. Airline's fuel volume forecast</li> </ul>	<ul style="list-style-type: none"> <li>• To inform on fuel needs (both '1' and '2' are relevant, although '2' is preferred)</li> <li>• For ITPs' operational planning</li> </ul>	<ul style="list-style-type: none"> <li>• During the initial restart phase: at least one month in advance** to be provided in the first week of the month</li> <li>• As stability returns in the industry (e.g. as indicated by a consistent increase in flights operated by airlines over a continuous 3-month period), the timeframe could be increased to two/three months in advance to be provided in the first week of the month</li> </ul>	<ul style="list-style-type: none"> <li>• Email from the Airline (typically Fuel Department) with schedule information:               <ul style="list-style-type: none"> <li>(i) Days of operation</li> <li>(ii) Route</li> <li>(iii) ETD</li> <li>(iv) ETA</li> <li>(v) Aircraft type</li> </ul> </li> <li>and</li> <li>fuel volume forecast where available.</li> <li>Information to be provided preferably in Excel format.</li> <li>Where applicable, the same information should be provided to suppliers and ITPs.</li> </ul>



<ul style="list-style-type: none"> <li>• Updates to flight schedule</li> </ul>	<ul style="list-style-type: none"> <li>• For operations: manpower planning and fuel supply</li> </ul>	<ul style="list-style-type: none"> <li>• As and when schedule changes are known</li> </ul>	<ul style="list-style-type: none"> <li>• Email from the Airline (ideally from Fuel Department) with updated schedule and aircraft type information</li> <li>• For daily changes, supplier to obtain from airport flight information system.</li> </ul>
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*\*\* It is important to note that requirements may differ depending on locations, as lead times may be longer when suppliers need to import fuel from certain countries (e.g.in Africa).*

## 2.2. SUPPLIER / ITP to AIRLINE

WHAT	WHY	WHEN	HOW
<ul style="list-style-type: none"> <li>• Supply or manpower restrictions at contracted airports               <ul style="list-style-type: none"> <li>- On manpower restrictions, ITP should communicate to the airline how its capacity is affected by staff lay-offs and what its ramp-up plan/lead time is to return to service</li> <li>- Suppliers should communicate any issues impacting their ability to produce and deliver jet fuel to meet demand at airports</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• To enable restart of supply at required time</li> </ul>	<ul style="list-style-type: none"> <li>• As soon as issues are known or when requested by airline</li> </ul>	<ul style="list-style-type: none"> <li>• Email</li> </ul>
<ul style="list-style-type: none"> <li>• Quality compliance and ready for start-up at contracted airports</li> </ul>	<ul style="list-style-type: none"> <li>• To be assured of fuel quality</li> </ul>	<ul style="list-style-type: none"> <li>• When requested by airlines</li> </ul>	<ul style="list-style-type: none"> <li>• Email</li> </ul>



## 2.3. OTHER INFORMATION SOURCES AND CONSIDERATIONS

- All parties may wish to consult other information sources, such as industry analyses and consultancy reports, to get an understanding of the longer-term macroeconomic trends and aviation industry developments. These are not part of the information flow described above but can support planning and forecasting.

More details on the information sources that have been identified by the FRCG can be found in [Appendix 2](#).

- Considerations regarding quality inspections:
  - While travel restrictions are in place, inspectors might decide to conduct “desktop inspections” until restrictions are eased.
  - If facilities/activities were further scaled down, e.g. due to a new wave of infection, additional testing on all stagnant product would be required as per the relevant guidelines.

## 3. Feedback on Guidance

Feedback on the contents of this guidance and its adoption can be shared by email to [FuelTeam@iata.org](mailto:FuelTeam@iata.org).



## Appendix 1:

### REGIONAL CONSIDERATIONS

#### 1. Africa/Middle East

Currently, fuel stocks are typically high and therefore, no problem is envisaged in the short term. However, when demand in Africa restarts and picks up, additional efforts could be required to ensure reliability of supply.

For the Africa/Middle East (AME) RG, a key issue has been identified, which is the long nomination time to bring fuel into some countries that do not have their own refining capacity. This issue is further detailed hereafter along other key considerations for the region.

<b>Airline's volume forecast</b>
<ul style="list-style-type: none"><li>• Communication between airlines and suppliers (e.g. provision of schedule/ volume forecast information by airlines to suppliers) on a regular basis has been lacking in some cases. Hence, adoption of the guidance is highly encouraged in this region. In addition, the involvement of airline station managers in the exchange of information is particularly important in the AME region.</li></ul>
<b>Lead time to ramp-up capacity</b>
<ul style="list-style-type: none"><li>• Currently, the nomination lead time is extensive for some African countries<ul style="list-style-type: none"><li>- Government schemes (e.g. DAR) – 3 months</li><li>- Inland import (e.g. LUN) – 2 months</li><li>- Coastal import (e.g. CPT) – 1 month</li><li>- In country refinery/import mix (e.g. JNB) – 2 months</li></ul></li><li>• The industry should lobby government/supplier to shorten the nomination period, obtain information on how long existing stocks would last and whether there is scope to further stock up in view of the long nomination period.</li></ul>

#### 2. Latin America & Caribbean

- Regulatory fragmentation and lack of a harmonized approach to government measures would require each country's supply chain restart timing and approach to be assessed individually.
- Specific best practices could apply, such as wide stakeholder consultation as conducted by the central government in the Dominican Republic, and a situation of delayed recovery and increased lead time to restart operation in Colombia arising from a tight lockdown and new requirements for detailed biosecurity protocols.



- Involvement of airline station managers in the exchange of information could be particularly important in the Latin America region.
- Some Latin American airlines are using online tools such as Google Data Studio to disseminate up-to-date schedule information at a country-specific level to all relevant suppliers, ensuring a regular flow of information to them in a semi-automated manner.

### 3. North America (USA and Canada)

Three distinct lines of communication have been identified for the US and Canada:

- (i) **Jet fuel supplied and transported by refiners, traders, resellers, pipeline companies and trucking companies**  
Airlines should be in regular, direct contact with their suppliers, and where applicable, the pipelines and trucking companies. Communication should flow both ways: with airlines communicating jet fuel demand forecast or changes; and suppliers and transportation companies communicating their ability to produce and deliver jet fuel to meet that demand at airports.
- (ii) **On-airport fuel systems managed by a third party operator: 65 airline-led consortiums and FBOs at medium and small locations**  
Fuel Facility operators oversee inventories and schedule pipeline or truck deliveries based on forecasted airline demand for the month. The operator should be in regular communication with the consortium chairs and, when necessary, consortium members to keep them apprised of the inventory situation for the entire airport.
- (iii) **Third party Into-plane Service Providers:**  
Airlines typically contract directly with the ITP company (not via their supplier). Therefore, that line of communication will be between those two parties. Airlines could conduct periodic reviews to evaluate the ITP's ability to support a steep increase in demand until the industry returns to pre-crisis volumes.



## Appendix 2

# OTHER INFORMATION SOURCES AND CONSIDERATIONS

All parties may wish to consult other information sources that can support planning and forecasting. Some identified information sources include the following:

- OAG
- Consultancy Reports
- CAPA Newsletters
- IATA Resources and Publications
  - Economic forecasts and industry outlook: [iata.org/economics](https://www.iata.org/economics)
  - COVID-19 Government Public Health Mitigation Measures: <https://www.iata.org/en/programs/covid-19-resources-guidelines/covid-gov-mitigation/>
  - COVID-19 Travel Regulations (IATA Timatic and Travel Centre) <https://www.iatatravelcentre.com/international-travel-document-news/1580226297.htm>
  - AIRRecovery (IATA-Oliver Wyman forecast tool) [AIRRecovery](https://www.airrecovery.com/)
- A4A Resources
  - Bulletin 2020.2 – Recommissioning of Fuel Facilities and Equipment due to Coronavirus [https://www.airlines.org/wp-content/uploads/2020/06/A4A-Bulletin-2020.2\\_Recommissioning-Due-to-COVID-19.pdf](https://www.airlines.org/wp-content/uploads/2020/06/A4A-Bulletin-2020.2_Recommissioning-Due-to-COVID-19.pdf)
- JIG Resources
  - COVID-19 CRISIS – Support Information for Operators <http://www.jigonline.com/hsse/covid-19-support-information-for-operators/>
- Oceania Jet Fuel Summary
  - Weekly report on fuel supply situation at major international airports in Australia, New Zealand and Fiji prepared by the National Operating Committee (NOC) for Jet Fuel Assurance.
  - Approval from NOC is required for wider distribution of this report.