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IGHC 2019

IATA GROUND HANDLING CONFERENCE

MADRID, SPAIN | 26-29 MAY
Standard Agreements & SLAs

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Changes in AHM Ed. 39
AHM 801
Introduction to and Comments on SGHA
• Definitions and Terminology (new)

*Defined terms under Definition and Terminology and/or AHM Appendix B start with capital letters in all SGHA documents, for example “Ticket” or “Carrier’s Aircraft”.*

• Sub-Article 5.1 (new)

*If the Carrier and/or the Handling Company based their procedures on the IGOM, both parties should inform each other about the variations to IGOM. The Carriers procedures prevail as per 5.1, unless otherwise agreed.*
AHM 801- Introduction to and Comments on SGHA

• Annex A General (new)
Failing to select in your Annex B either “Provide” or “Arrange For“ may create misinterpretation that could have a cost impact. There should always be one option selected.

• Item 2.1.9 (new)
There are two ways to contract ticketing. Ticketing functions can be contracted under AHM 810. Extended ticketing functions can be contracted under General Sales Agreements or IATA Transportation Documents Service Agreements as published in AHM 815.

• Item 6.6.1 (new)
This relates to services performed on landside of the airport and not on airside, which is covered under items 3.6.2 and 3.6.5. Reflected in Yellow Pages
AHM 803
Service Level Agreement
**AHM 803 - Service Level Agreement**

- Cargo Delivery, Cargo Export and Import - examples of KPIs updated
- Safety Performance Indicator (SPIs) for cargo were added

<table>
<thead>
<tr>
<th>Target number</th>
<th>Service definition</th>
<th>Target</th>
<th>Measurement points, method</th>
<th>Measured by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target 1</td>
<td>Training (Should be indicated in more specific terms in accordance with ISAGO training requirements)</td>
<td>Target for training compliance: 100% staff to be trained in DG or x% of staff trained in ULD Build-up</td>
<td>Measured quarterly / spot check during self-assessments and regular carrier audits</td>
<td>Carrier/Handler</td>
</tr>
<tr>
<td>Target 2</td>
<td>ULDs Correct build-up, serviceability and non-conform ULDs</td>
<td>Target for cargo handler: number of rejected / corrected cargo ULDs at aircraft not to exceed x % based on all built ULDs</td>
<td>Measured monthly / incident reporting</td>
<td>Carrier/Handler</td>
</tr>
<tr>
<td>Target 3</td>
<td>Shipper or Forwarder Built ULDs</td>
<td>Number of rejected / corrected cargo ULDs at ready for carriage acceptance not to exceed x % based on all BUP ULDs</td>
<td>Measured monthly / incident reporting</td>
<td>Carrier/Handler</td>
</tr>
<tr>
<td>Target 4</td>
<td>Unmanifested Cargo</td>
<td>All unmanifested Cargo to be reported / Found Cargo</td>
<td>[insert]</td>
<td>Carrier</td>
</tr>
<tr>
<td>Target 5</td>
<td>Dangerous Goods</td>
<td>All non-compliances to be reported to Carrier and Authorities as required</td>
<td>[insert]</td>
<td>Carrier</td>
</tr>
</tbody>
</table>
AHM 810
Standard Ground Handling Agreement
AHM 810 – SGHA, Definitions

• Ticket and Transportation – new definitions

**TICKET** means the document issued by or on behalf of the Carrier as described by IATA Resolution 722

**TRANSPORTATION DOCUMENTS** means Ticket and Electronic Miscellaneous Document (EMD). The industry default for all ticketing processes is electronic but in case of limited capability paper documents such as Excess Baggage Tickets (EBT), Miscellaneous Charge Order (MCO) and Flight Interruption Manifest (FIM) may be used.
• Sub-articles 5.4 – missing text from Ed. 38 reinstated

5.4 The Handling Company shall carry out all other services in accordance with the Carrier's procedures and instructions. In the case of absence of instructions by the Carrier, the Handling Company shall follow its own standard practices and procedures.

• Sub-Article 5.6

The Handling Company shall ensure that a training program is established for all personnel to perform ground operations functions safely. As a minimum the training program shall include applicable requirements defined in AHM Chapter 11 ULDR Chapter 1.6 tables 1.6 A and 1.6 B and the relevant industry standards and practices as listed in Sub-Article 5.3 and all governing rules and regulations. The Handling Company agrees to ensure that the authorization of specialized personnel performing services for the Carrier is valid and current. If at any time the Handling Company is unable to provide authorized personnel as requested by the Carrier, the Handling Company shall inform the Carrier immediately.
• Sub-Article 5.12 – enhancements of the corporate responsibility

5.12 The Handling Company shall promote awareness and strive to achieve best practices in *Corporate Social Responsibility (CSR)* such as social, ethical, environmental and human rights concerns.

• Sub-Article 5.15 – new & change made also in AHM 840

5.15 Electronic Data Interchange ‘EDI’ messages shall be recorded and stored by the Handling Company, unaltered and secured, for a period of three (3) months unless defined by the regulatory body of the state of the registration or Carrier.
• Sub-Article 11.13 – Notwithstanding deleted due to duplication of wording

11.13 Notwithstanding When changes occur in the mandatory minimum wage enforced by the state or local government, which affect the handling costs, either Party shall have the right to request an adjustment to the handling charges as from the date of the change provided that the Party informs the other Party without delay.

• Sub-Article 11.14 – new provision was added to cover the situation when scope of the manuals (e.g. operations, service scope) significantly changes

11.14 In the event of a material change to the Carriers’ manual, procedures or instructions, which affect the handling costs, either Party shall have the right to request an adjustment to the handling charges as from the date of the change provided that the Party informs the other Party without delay.
1.1 For a single ground handling consisting of the arrival and the subsequent departure at agreed timings of the same aircraft, the Handling Company shall provide the following services of Annex A at the rates specified in sub-paragraph 1.2 of this Annex B.

<table>
<thead>
<tr>
<th>Section 1:</th>
<th>1.1.1 (a), 1.1.2 to 1.1.4, 1.2.1, 1.2.2, 1.2.3 (all activities to be mutually agreed locally), 1.2.4, 1.2.5(c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 2:</td>
<td>2.1.1, 2.1.2, 2.1.3, (a)1, (b)2 to (b)7, 2.1.4(a)5(b)1(b)2(b)3(b)4, 2.1.5(any fee to be paid by pax), 2.1.6(a), 2.1.7, 2.1.8(a)5(b)1(b)2, 2.1.9(a)(c), 2.3.4 (a1(a)2(a)3(5days)(b)5(a)6(b)7)</td>
</tr>
<tr>
<td>Section 3:</td>
<td>..........</td>
</tr>
</tbody>
</table>

The number of these sections/items to be listed as far as necessary depending of services contracted in this Annex B.
1.2 For the services listed in Paragraph 1 the Handling Company shall charge the Carrier for a single ground handling consisting of the arrival and the subsequent departure at agreed timings of the same aircraft.

<table>
<thead>
<tr>
<th>Aircraft Type</th>
<th>Rate per turnaround (currency)</th>
</tr>
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<tbody>
<tr>
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</tbody>
</table>
1.4.4 The Handling Company will be authorized to
(a) solicit
(b) negotiate
(c) commit
services on behalf of the Carrier, with the expenditure/commitment limit to be specified in Annex B, at the following locations
1. airport lounges
2. baggage delivery services
3. janitorial
4. newspapers delivery
5. laundry services
6. porters
7. other, *as specified in Annex B*
2.1.3 When requested by the Carrier,
(a) Provide
(b) Arrange for
special equipment, facilities and specially trained personnel, for assistance to
1. unaccompanied minors.
2. passengers with reduced mobility (PRMs)
3. VIPs.
4. transit without visa passengers (TWOVs)
5. deportees.
6. special medical transport
7. other, as specified in Annex B
• Annex A, 2.1.9 – amendments in the services

2.1.9 Perform the following ticketing/sales functions

(a) reservations

(b) issuance of Tickets

(c) issuance of Transportation Documents other than Ticket

(d) rebooking

(e) ancillary services

(f) other, as specified in Annex B

at the following locations:

1. check-in area
2. service counter
3. lounge
4. transfer counter
5. gate
6. off-airport
7. other, as specified in Annex B
• Annex A, 3.6.5 – amendments in the services

3.6.5 *When requested by the Carrier,*

(a) Provide

(b) Arrange for

assembly and transport of

1. Baggage
2. General cargo
3. Special shipments
4. Mail
5. Documents
6. Company mail
7. Empty ULDs
8. Other, as specified in Annex B

between agreed points on the airport
• Annex A, 4.1.1 – editorial amendments
4.1.1 Deliver load control related documents between aircraft and airport buildings \textit{vice versa}

• Annex A, 4.3.11 – new service
4.3.11
(a) Monitor
(b) Update
A-CDM system
1. at the airport location(s), as specified in Annex B
2. at different airport location(s)
Annex A, 5.6.7 – new service

5.6.7 Perform acceptance check on pre-built ULDs and establish, if accepted:

(a) Provide

(b) Arrange for Mail Registration Devices (MRD) scanning:

1. During ramp handling (only if not containerized)
2. Arrival at the Cargo Facility
3. Departure from the Cargo Facility
4. At the Postal Facility

with scanning devices provided by:

(i) Carrier
(ii) Local mail company
(iii) Handling Company
AHM 810 – SGHA, Annex A

- Annex A, 6.6, 6.6.1 – editorial amendments

6.6 Landside Surface Transport

6.6.1

(a) Provide

(b) Arrange for

the transport of

1. passengers

2. baggage

3. cargo

4. post office mail

5. empty ULDs

6. other, as specified in Annex B

between

(i) airport and town terminal

(ii) airport and other agreed points

(iii) separate terminals at the same airport
AHM 815
Standard Transportation Documents
Service Agreement
AHM 815 - Standard Transportation Documents Service
Main Agreement

- Updated to reflect that paper ticket is not an industry standard
- Change of the Ticket, Ticketing and Travel Documents definitions
- Bulletins related to the blacklisting of credit cards
- Ticketing Locations
- Remote ticketing
5 minutes for Q&A
Proposed Changes for AHM Ed. 40
• IGOM as a minimum safety requirement for the ground handlers
• Changes and updates of services in Annex A
• Safety Performance Indicators for inclusion into SLA
SGHA & SLAs for AHM Ed. 40

Editorial Changes

- Use of capital letters for definitions
- Set up rules for words with compromising of defined and not defined words

"Passenger" and counter not defined, than combination will not be capitalized "passenger counter"

- Use of capital letters for industry know terms, which are note defined in “ “ followed by (abbreviation)
- Corrections of spelling errors, change from UK to Universal English

Applicability of new layout and editorial changes

- Rules will be applied directly in AHM 810 and 811 will be published in Ed. 40
- Disclaimer will be added to the “word document” stating that the pdf version/electronic/printed is the master documents in case of discrepancies/differences its prevail.
- The rules for capitalization in AHM 801 will have to be updated
- Review and amend all contracts in Chapter 8
SGHA & SLAs for AHM Ed. 40

New Layout
- Use of indents within Annex A

Current Format

1.4.6
(a) Prepare
(b) Request
(c) Obtain
the Carrier's
1.  Landing;
2.  Overflying;
3.  Other, as specified in Annex B
   Permission, at the Airport location(s), as defined in Annex B for
   (i) Seasonal/Scheduled flights;
   (ii) AD HOC flights

New Format

1.4.6
(a) Prepare
(b) Request
(c) Obtain
the Carrier's
1.  landing
2.  overflying
3.  other, [as specified in Annex B]
   permission, at the Airport location(s), [as specified in Annex B] for
   (i) seasonal/scheduled flights
   (ii) ad hoc flights
AGSA agreed to keep the terminology and definitions in AHM 810 and update App B
Simplified or detailed to very specific services?

It has been agreed that the contract should not be a manual and Annex A should not replace a procedure.

Annex A should list services as they are contract and detailed if they impact costs.
5.4.3 Preparation of ULDs prior to build-up according to agreed sequence, [as specified in Annex B]

5.4.7 Relevant to Truck Service:
   (a) Check seals are intact on inbound trucks
   (b) Offload truck prior to acceptance into warehouse
   (c) Load truck after formal release from warehouse
   (d) Place seals

5.6.7
   (a) Provide
   (b) Arrange For
   "Mail Registration Devices" (MRD) scanning
     1. During ramp handling (only if not containerized)
     2. Arrival at the cargo facility
     3. Departure from the cargo facility
     4. At the postal facility
     with scanning devices provided by
       (i) Carrier
       (ii) local mail company
       (iii) Handling Company
6.1.1
(a) Provide
(b) Arrange For
1. office space
2. storage space
3. other facilities,
to the Carrier as specified, [as specified in Annex B]

6.3.1
(a) Provide
(b) Arrange For
storage space for
1. passenger ULDs
2. cargo ULDs
3. post office mail ULDs
4. other ULDs

according to the maximum number and
type of ULDs, [as specified in Annex B]
(NEW)

6.3.3
(a) Take physical inventory of Carrier's own and/or leased ULD stock and maintain records.
(b) Compile and dispatch “ULD Control Messages” (UCM).
(c) Compile and dispatch “ULD Stock Check Messages” (SCM) at agreed timings, [as specified in Annex B]

(NEW)

6.3.6
(a) Assemble empty ULDs
(b) Build up pallets stacks
for hand over at agreed points on the airport
AHM 8xx
Subcontracting Agreement
Contractor
The Ground Handling Company which is contracted with a Carrier to provide ground handling services under the terms of a Standard Ground Handling Agreement (SGHA).

Subcontractor
Is a type of Ground Handling Company. Subcontractors also work on a contractual basis, and they also offer a particular set of skills which they perform for customers.

Key point
Subcontractors form agreements with the Contractor (Ground Handling Companies), not with the Customer (Carrier). Subcontractors often specialize in one specific area of Ground Handling and try to network with Ground Handling Companies who negotiate for the entire Ground Handling Agreement, that include this area of specialty.
Subcontracting Agreement

AGSA Team 2 along with IATA legal made a decision to use the Jan-2018 version. Otherwise the subcontracting agreement cannot pick up on the various modifications between drafts, changes to references, etc. and we would risk inconsistencies.

The Subcontracting agreement consists of:

- The Main Agreement
- Annex A
- Annex B
Subcontracting Agreement, based on the format of the IATA SGHA (AHM-810) version 2018

CONTENTS OF SUBCONTRACTING AGREEMENT

RECITALS
DEFINITIONS AND TERMINOLOGY

ARTICLE 1  PROVISION OF SUBCONTRACTED SERVICES
ARTICLE 2  FAIR PRACTICES
ARTICLE 3  SUBCONTRACTING OF SERVICES
ARTICLE 4  CARRIER'S REPRESENTATION
ARTICLE 5  STANDARD OF WORK
ARTICLE 6  REMUNERATION
ARTICLE 7  ACCOUNTING AND PAYMENT
ARTICLE 8  LIABILITY AND INDEMNITY
ARTICLE 9  ARBITRATION
ARTICLE 10 STAMP DUTIES, REGISTRATION FEES
ARTICLE 11 DURATION, MODIFICATION AND TERMINATION
ARTICLE 12 AUTHORIZATION TO CONTRACT
Article 3. SUBCONTRACTING OF SERVICES

The Subcontractor is not entitled to subcontract any of the Subcontracted Services.
Article 11. DURATION, MODIFICATION AND TERMINATION

11.11 The Subcontractor shall have the right at any time to vary the charges set out in the Annex(es) B provided, however, that the Subcontracting has given notice in writing to the Handling Company not less than sixty ninety days prior to the revised charges becoming effective; the first thirty days being a consultation period. The notice shall specify the revised charges, which the Subcontracting proposes to introduce, together with the date on which they are to be brought into effect.

We have increased the notice period – to allow for Handling Company to meet its requirements under agreement with Carrier.
Annex A - Ground Handling Services

Station management

1.4.2 Subject to prior authorization by the Carrier, the Subcontractor is authorized to represent the Carrier’s interest with regard to resolving governmental and local authorities matters.

“Subject to prior authorization by the Carrier”, is deleted, as this is already signed in the contract between the Carrier and the Handling Company, where authorization to subcontract the service is given already.
Annex B

PARAGRAPH 1.  SUBCONTRACTED SERVICES AND CHARGES

1.1 For a single ground handling consisting of the arrival and the subsequent departure at agreed timings of the same aircraft, the Subcontractor shall provide the following services of Annex A for the Carriers listed below at the following rates.

For Carrier(s): .................................................................

1.1.1 Section(s) ......................................................... price ............................ per (aircraft type, etc.).

1.1.2 Section(s) ......................................................... price ............................ per .................................................................
AHM 8xx
Standard Inflight Catering Agreement
AHM 8xx- SICA

- Published in Passenger Service Conference Resolution Manual
- Catering team
  - Airlines and Airlines’ Caterers Association (ACA)
- Discussion on principles
  - Ethic policy
  - Liability rules
  - Governing law clauses
  - Affiliates clause
  - Crisis clause
  - Art. 2 Provisions of services additional costs
  - Art. 3 Sub-contracts
  - Art. 4 Carrier’s obligations
  - Art. 5 Standard of work
  - Art. 5 Nominated products
  - Inspection and Audits
  - Art. 6 Liability rules
  - Art. 8. Data protection
  - Article 11 Invoices
  - Art. 13/14 Liability and insurance
    Art. 17 Terms and conditions
  - Art. 18 Force Majeure
5 min for Q&A
Airlines, are you entitled to perform self-handling anymore?!

It's not that easy, you should take care of Sub-Article 3.3, it precludes this right to Carrier now! Unless …. its withstood in Annex B!

It's NEW to SGHA 2018!

3.3 The Carrier shall not perform self-handling on the services which the Handling Company has agreed to provide by virtue of this Agreement, except in such special cases as shall be agreed between the Parties.
Is IGOM mandated now to be used?!

Sub-Article 5.3 has the answer!

Ground Handler shall be aware that it's among the manuals that they shall follow in case absence of Carrier’s Instructions!

If not yet adopted by Ground Handler, both parties shall have a look on this Sub-Article 5.3!

5.3 In the case of absence of instructions by the Carrier, the Handling Company shall apply its own standard practices and procedures provided they follow the applicable IATA industry developed standards, which may include but not limited to:
- IATA Ground Operational Manual (IGOM) PSC RP1690b
Is new-technology in GSE mandated?

• AHM Chapter 9 has offered the solutions in adopting proximity sensors in GSE, and SGHA has recommended the Ground Handler to ensure compliance with such changes in chapter 9.

If you are not there yet in this area, please address this article in Annex B!

5.13 The Handling Company should ensure that all ground service equipment complies with the AIRCRAFT DAMAGE PREVENTION REQUIREMENTS Aircraft Damage recommendations as detailed in Chapter 9 of the AHM.
Handler’s business at risk cause Carrier’s insolvency or bankruptcy?

Sub-Article 7.4 offers a tailor-made solution!

• New to SGHA 2018!

7.4 If the Carrier becomes insolvent, makes a general assignment for the benefit of creditors, or commits an act of bankruptcy, or if a petition in bankruptcy, or for its reorganization, or the readjustment of its indebtedness be filed by or against it, provided the petition is found justified by the appropriate authority, or if a receiver, trustee or liquidator of all, or substantially all, of its property be appointed or applied for, the Carrier has to provide prepayment or cash payment with immediate effect to the Handling Company.
BRS? Where we can find it?

• 7.1.4 (2) or 6.2.2 (4)?

For Security reasons ... not BRS
SGHA and Annex A is NOT a manual

Should be AHM 801 enhanced to more comprehensive guidance material?

Item 6.6.1
(a) Provide
(b) Arrange For
the transport of
1. Passengers
2. baggage
3. Cargo
4. post office mail
5. empty ULDs
6. other
Between
(i) airport and town terminal
(ii) airport and other agreed points
(iii) separate terminals at the same airport

Guidance in AHM 801
This item relates to services performed on landside of the airport and not on airside, which is covered under Items 3.6.2 and 3.6.5
Where to focus next

1. Does your company digitalize Procurement to Pay process (PtP)?

2. How do you ensure that all data in are in the standardize format and a different financial system and software are talking each other?

**e-Procurement-to-Pay (PtP) process**

- IATA is looking into setting standards for connecting the e-SGHA to the e-invoice
- Digitalizing the services of Annex A
- IATA is looking into how to digitalize all processes of ramp handling
- The idea is to start with the services, which will lead to the e-procurement to pay process:
  1) Code the services
  2) Bundling – which services belong to which bundler
  3) Ad-hoc
Contact us: groundops@iata.org

Thank you