Summer 2001

Cargo News

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Message from our Vice President

WITH summer now in full swing,
Air Canada Cargo is geared up to provide
our customers with top-notch worldwide
service in the shipping of this seasons
diversified market commodities. From
cherries to lobsters, Air Canada Cargo has
the experience and the network to ensure
that the shipment of perishable goods
arrives fresh and on time to markets
around the world.

"Our industry is facing a challenging year, overall the slowdown in the economy has affected market trends and cargo flows," said Claude Morin, Vice President, Air Canada Cargo. "Despite these challenges, Air Canada Cargo is moving forward, strengthening its commitment to employees, customer service and the development of new technology to ensure our customers receive the very best service when shipping their commodities."

This summer we have increased cargo

capacity on several key routes, namely Toronto/São Paulo/Buenos Aires, Toronto/Munich, New York/Vancouver, Vancouver/Hong Kong and Vancouver/Seoul. In terms of space and weight, these changes translate into twice as much capacity on these attractive cargo routes.

On the technology front, we continue to develop new processes to ease the way for our customers to do business with us. From E-Commerce applications to air waybill imaging and the introduction of a new VIS system, we are working hard to ensure a seamless customer service experience.

Globally, all Air Canada Cargo facilities are now operating under one roof, providing customers with fast, efficient and reliable movement of their shipments. In Toronto, construction will continue throughout the summer on the new Air Canada Cargo facility. In the fall, employees will begin



training in preparation for the opening of the new state-of-the-art facility.

"As we all know in the cargo business, summer is traditionally a slower time of year with many manufacturers and businesses especially in Europe closing for the summer months," said Claude. "With thoughts of summer vacation or a few days off to enjoy the weather, I would like to take this opportunity on behalf of all the employees at Air Canada Cargo to wish our customers a safe and happy summer."

Welcome aboard

JEAN-CAMILLE PONS was appointed



Director, Cargo-Asia Pacific, on June 1, 2001.

In his new position he will be responsible for all aspects of the airline's cargo activities in the Asia Pacific markets.

Jean-Camille Pons

Jean-Camille brings 30 years of commercial and operational cargo experience to Air Canada Cargo. His extensive cargo career with Air France Cargo spanned the globe and included postings in cities such as Tokyo, Nairobi, Paris, Hong Kong and Montreal.

Jean-Camille and his family live in Paris, France. ♥

Airport Change in Seoul

AT the end of March, Air Canada Cargo moved its operation in Seoul Korea to the new Incheon International Airport.

Located 55 kms from downtown, the new airport was developed as a transportation and commercial hub to accommodate the projected rise in Northeast Asian air traffic and support industrial development in the region.

Providing around-the-clock flight operations and state-of-the-art facilities, Incheon has a current handling capacity of 1.7 million tons of cargo per year ranking it as the sixth largest cargo handler in the world.

The cargo area consists of 24 aircraft parking spaces and three cargo terminals equipped with automated cargo transfer, loading and sorting facilities and state-of-the-art communication systems for efficient cargo handling.

Developed on an island, there is future potential to develop an inter-modal cargo system integrating rail, air and sea transport. For more information on the airport check out their website at www.airport.or.kr.

Air Canada Cargo Appointment

AIR Canada Cargo is proud to announce

the appointment of Steve Gibbs, Senior Director, Corporate Sales, the Americas & South Pacific -Cargo Sales.

In his new role, Steve will be responsible for the management of the Cargo



Branch Corporate Sales Program and field sales activities in the Americas and South Pacific region.

Station Profile: JFK



with B767 aircraft

ON July 4. Air Canada introduces a new

ON July 4, Air Canada introduces a new daily B767 wide-body service from New York, JFK to Vancouver. The new service

will provide customers with same day connection opportunities to Air Canada's Asian destinations, Beijing, Hong Kong, Nagoya, Osaka, Seoul, Shanghai, Taipei and Tokyo.

In addition to Asia the new service will offer customers connection opportunities through Vancouver to Sydney, Australia.

From New York, Air Canada offers road feeder service to Montreal and Toronto with onward connections to Europe and the Middle East.

With thirty-eight flights a day between Canada and New York* there is an

excellent opportunity for Air Canada to develop a market niche for its small package and Express products.

* Includes New York, La Guardia and Newark.

		AC320
ROUTING	JFK - YVR	YVR - JFK
STATUS	July 4	July 3
DEPARTURE	07:30	14:55
ARRIVAL	10:30	23:15
AIRCRAFT	B767	B767
FREQUENCY	Daily	Daily

M.A.C.C. Update

THROUGHOUT the summer months work on the new Air Canada Cargo facility in Toronto continues full steam ahead. The new automated equipment is being installed and test scenarios are being conducted to ensure that everything will operate as planned.

First, each section of equipment must be shown to function properly in its own right. Then, each individual area must work together in tandem through a computer software program called Inventory Control System, or ICS for short.

"The new ICS system will be responsible for

the movement of cargo throughout the new terminal and will provide our employees with the ability to quickly determine the location of freight anywhere in the warehouse," said Will Hercus, Manager Customer Service, Cargo Operations. "Import and Export freight will be entered into the ICS system upon arrival and will be tracked until it leaves the terminal, either to be loaded on a flight or into the hands of the customer."

Freight will be stored either in the Automated Storage and Retrieval System (AS/RS) in roll boxes, or in ULD/pallet racks. ULDs and pallets will slide along automated roller beds. Roller bed transfer vehicles will be used to transfer the freight to roller bed dollies. Roll boxes containing loose freight will be transferred in and out of storage via their own automated elevating and conveyance system. The new facility will also be equipped with an automated small package handling system that will extend from the customer counter area back into the terminal.

Training for Air Canada Cargo employees in Toronto is now underway to ensure a smooth transition to the new state-of-theart terminal.

Customer Service Update

THIS year, from a customer service perspective, Air Canada Cargo developed and implemented an aggressive plan to ensure that our customer's receive top-notch service around the globe. "Now that summer has arrived, I am pleased to report that we are on track with our plan and moving full steam ahead implementing systems and practices to ease the way for our customers," said Jean-Luc Paiement, General Manger, Customer Service, Cargo Operation, the Americas.

In the Americas our facilities are now under one roof. The consolidation at all our stations has better equipped us to handle the volume, streamlining our services and providing our customers with one drop-off and pick-up location.

We are continuing our focus on employee training. Regulatory training is on target and

running parallel with on the job training, coaching and customer service training. In addition, we are supporting our Toronto employees by providing Change Management training to ensure that the transition to the new terminal will be a smooth one.

Virtual Integrator Suite, or VIS, is on track and will move Air Canada Cargo into the 21st century. The change from a DOS environment to a Windows environment will be more user-friendly, enabling employees to provide enhanced customer service.

When we talk about key initiatives at Air Canada Cargo, safety is paramount in everything that we do. Through our continuous focus and training, Air Canada Cargo remains one of the industry leaders in safety. Safety however, involves everyone, from employees to shippers and consignees, as we all have a role to play. As such, we are

continuing to develop a closer partnership with our customers to improve processes and ensure a safe environment.

"With the construction moving full steam ahead at the Toronto Airport, this summer will present some challenges to both customers and employees," said Jean-Luc. "We have maintained our standards by working together with our customers and modifying processes as the construction and demolition continues around our facility."

As we all know, summer is traditionally the season for perishables. Our employees at all our stations throughout the Americas are geared up and ready to support local industries and markets. From maritime lobsters to fresh crops from western Canada and the western U.S. our employees have the commitment and expertise to ensure that your perishables arrive at market fresh.

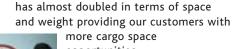
Air Canada Cargo adds more capacity

Toronto / São Paulo / Buenos Aires



BEGINNING July 3, Air Canada introduces A340-300 service on its

Tord Aire offe is g Can cus aircraft from a B767-300 means that cargo capacity



opportunities.

The A340 aircraft is Air Canada's flagship, a state-of-the-art longrange intercontinental aircraft; it has the ability to carry exceptional cargo loads despite heavy passenger volume.

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				AC1101
ROUTING	Toronto – São Paulo	São Paulo – Buenos Aires	Buenos Aires – São Paulo	São Paulo - Toronto
STATUS	July 3	July 4	July 4	July 4
DEPARTURE	22:00	10:45	16:45	20:40
ARRIVAL	09:10	13:33	19:15	06:10
AIRCRAFT	A340-300	A340-300	A340-300	A340-300
FREQUENCY	Days 2,3,4,5,6,7	Days 2,3,4,5,6,7	Days 1,3,4,5,6,7	Days 1,3,4,5,6,7

SOUTH AMERICA CONTACTS: Malba Pinho – São Paulo ▼ Tito Zaninovich – Buenos Aires

Munich



BEGINNING July 4, Air Canada Cargo offers increased capacity on its daily service between Toronto and Munich.

By changing the aircraft gauge from a B767 to an A330 aircraft, cargo capacity has almost doubled.

The Toronto - Munich route provides shipping opportunities into Germany and beyond, providing our customers with opportunities to and from the Continent.

		AC847
ROUTING	Toronto – Munich	Munich - Toronto
STATUS	July 4	July 5
DEPARTURE	19:25	11:45
ARRIVAL	09:30	14:55
AIRCRAFT	A330	A330
FREQUENCY	Daily	Daily

MUNICH CONTACT: Michael Sauer – Frankfurt

Other New Routes

THIS summer Air Canada and Air Canada Regional are adding 11 new routes to their summer schedule. Here is a summary of what's new:

DOMESTIC

TORONTO, OT - DEER LAKE, NF starts June 28 TORONTO, OT - SYDNEY, NS starts June 29 TORONTO, OT - GANDER, NF starts June 30

REGIONALS - DOMESTIC

ABBOTSFORD, BC - CALGARY, AL starts June 29 CALGARY, AL - VICTORIA, BC starts June 29

TRANSBORDER

TORONTO, OT - GREENSBOROUGH, NC starts June 11 TORONTO, OT - CHARLESTON, SC starts June 26 TORONTO, OT - NORFOLK, VA starts June 26 EDMONTON, AL – SAN FRANCISCO, CA starts June 29 VANCOUVER, BC - MIAMI, FL starts July 5 TORONTO, OT - JACKSONVILLE, FL starts July 16

UPCOMING EVENTS



Air Canada Golf Championship

ATTENTION all west-coast golf buffs! On Labour Day weekend, August 27 – September 2, Air Canada will host the Air Canada Championship in Surrey B.C. The first event in the PricewaterhouseCoopers Fall Finish will be played on the Ridge Course at the Northview Golf & Country Club.

With a field of 156 PGA TOUR players competing for a purse of 3.4 million U.S. its shaping to be an exciting weekend. Joe Durant,

the PGA TOUR's only two-time winner in 2001 and leading money-winner on TOUR will compete in the event.

As western Canada's premier golf event, the Air Canada Championship has raised close to four million dollars for charities in B.C. since the first event was held five years ago.

With an exciting line-up of players, and approximately 2,000 enthusiastic volunteers this year's event is shaping up to be another successful weekend of golf. Looking forward to seeing you there.

West Coast Seafood Show

THIS fall, the International West Coast Seafood Show will be held from October 7 through October 9 at the Los Angeles Convention Center in Los Angeles, California.

The only seafood-specific show on the west coast, it is the number one venue for buyers and suppliers from western Canada, the U.S. states west of the Mississippi, Hawaii, Mexico, Latin America, and the Pacific Rim.

The WCSS is also an important venue for Air Canada Cargo, providing an opportunity to showcase our services to the largest gathering of seafood buyers and transporters on the west coast. While at the show be sure to visit the Air Canada Cargo booth. We will be located in Hall A, booth number 332.

2001 Air Canada Grand Prix

FOR one weekend in June, Montreal comes alive with the roar of engines, fast cars and internationally renowned race drivers as the city plays host to the Montreal Grand Prix. Sponsored by Air Canada, the racing weekend began on Friday, June 8 with the practice session. The qualifying race was held on the Saturday, and then the ultimate adrenaline rush—the Grand Prix Race was held on Sunday, June 10.

It was an exciting day right down to the final lap. The air buzzed with a deafening yowl from the final 22 Formula One engines as they barrelled down the straightaway and into the Senna corner towards the finish line with the victorious Ralf Schumacher leading the way!

Enthusiastic crowds turned out in record numbers for the three days of racing beating last year's attendance record by several thousand spectators.

Air Canada Cargo provided their support to the racing teams ensuring that their shipments of tires, spare parts and several F1 cars arrived safely and on schedule.



ON April 5, 2001, Air Nova celebrated its 3rd anniversary of Dash 8 combi freighter service between Newfoundland & Labrador. Receptions were held in St. John's and Goose Bay to thank customers for their continued support. Volumes in this market segment have grown significantly with the combi aircraft carrying over 1,300,000 kilograms of freight and mail in 2000.

"The combi provides the perfect blend of additional cargo capacity and passenger seats, providing our customers with the right frequency in this important market," said David Rankin, Director of Cargo, Air Canada Regional. "It plays a

3 years of Dash 8 Service

key role in providing seamless cargo service to and from Air Canada Cargo's network and Star Alliance partners by accommodating market demand with a cost-effective aircraft."

Air Nova provides year-round combi service with two daily flights between St. John's, Happy Valley-Goose Bay and Labrador City-Wabush.

NB - The combi aircraft was developed to meet the increasing cargo capacity demand to and from Labrador as a result of the discovery of nickel in Voisey's Bay. Air Nova was the first airline in the world to operate a Dash-8 100 series in the 21-seat combi configuration.

Combi Specifications:

Capacity (Average): 3500 lbs (1360 kg)

Volume: 775 cu. ft. (21.9 m3)

Door Size: 50"W X 60"H (1.27m X 1.52m)

Compart. L & W: 18 ft (5.48m) X 7 FT (2.1M)

Max Piece Length: 14 ft (4.26m) Variable with width



E-Commerce Cargo

- Air Canada Cargo is currently evaluating various options to fast track E-solutions.
- Track and Trace is now online on the Air Canada Cargo website.

Cargo 2000

- ▼ Air Canada Cargo successfully participated in the testing of phase two. Cargo 2000 testing is designed around building a Road Map and then measuring various milestones against it—the Road Map being the original customer booking.
- ▼ Work continues with Cargo 2000 members to gain certification of routes and a station by the end of June.

VIS (Virtual Integrator Suite)

- ▼ We are on track to introduce this updated Cargo System in the second quarter of 2002.
- ▼ Currently testing Air Canada Cargo's specific program updates.

Decision Support

▼ We continue to work with vendors of this technology to develop a cost-effective model for Air Canada Cargo.

Air Waybill Imaging

▼ Air Canada Cargo successfully introduced the new Internet based application in Canada. The new system enables Air Canada Cargo's accounting and claims department to view the original documentation quickly and resolve any invoicing or claim issues.

Next Steps

- ▼ We are working with our London operation to image their air waybills and related documents.
- ▼ Work is ongoing with our supplier to develop a secure means for our customers to view the Air Waybill image over the Internet.

Transporting Dangerous Goods Safely

IN a strong commitment to safety, Air Canada Cargo has developed and maintained a reputation for the safe transportation of dangerous goods. Our extensive experience and employees' commitment ensures full compliance with ICAO and Transport Canada regulations.

The safe carriage of dangerous goods is everyone's responsibility. Shippers

are the first link to safety. All articles or substances of a hazardous nature tendered for air carriage must be properly identified, classified, packed, marked, labelled and documented in accordance with IATA's Dangerous Goods Regulations and in compliance with all government regulations applicable to the country of origin, transit and destination.

As published in the Dangerous Goods Act and Regulations, it is a legal requirement for all shippers to tender goods in line with this regulation. Failure to identify or declare dangerous goods in any shipment is prohibited by law and may result in prosecution by local or foreign authorities.

Air Canada Sponsors National Science Fair

AIR CANADA was the proud sponsor of the Canadian National Youth Science Fair held in Kingston Ontario from May 12 to May 20. Approximately 430 students representing Canada's provinces and territories participated in the nine-day event.

The fair organizers were pleased with the support and shipment coordination provided by both Air Canada and Air Canada Regional stations across Canada. In total, 2500 kgs of Science Fair projects were shipped from all over Canada to Air Canada's Cargo Hub in Toronto where they were transferred by truck to Kingston, Ontario.

Air Canada Cargo employees Barb Johnston, Denis Lebel and Simon Villeneuve attended the final day of the Science Fair and ensured that all projects were properly packaged, labeled and documented to ensure a safe journey back. "The children were wonderful and appreciated the Air Canada aircraft pins donated by Claude Morin, Vice President Cargo," said Barb Johnston, Manager, Cargo Processes and Procedures.

Next year's event will be held from May 11 to May 19 in Saskatoon and once again, Air Canada Cargo will be there to provide assistance.











