



Special Report

IMAG INSIGHTS

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SPECIAL REPORT: AIRLINES LOOK TO EXPAND CARGO LIFT

AIRLINES LOOK TO USE PASSENGER JETS AS FREIGHTERS

Delta Air Lines said it will operate an unspecified number of passenger aircraft as freighters, joining what appears to be a growing list of airlines making the adjustment, recent news reports indicate.

[Wired.com](#) reports Delta will fly out of 13 American airports to 70 destinations overseas and the planes will be operated by Delta's cargo arm. Delta "is following [the lead of Korean Air](#) and Singapore's budget carrier Scoot. Others are likely to follow. Reps for British Airways and Cathay Pacific have said [they're considering similar moves](#). That may conjure visions of ghost planes carving through the air, but it's a natural outgrowth of the [Covid-19](#) pandemic," the Wired article says. Some IMAG members report that Virgin and Qatar Airways are also boosting their cargo services.

Over 185,000 passenger flights have been cancelled since the end of January in response to government travel restrictions, the [International Air Transport Assn.](#) (IATA) said. Vital cargo capacity has disappeared at its most urgent time, in the fight against COVID-19.

Experts think airlines can make the economics of converting to freighters work once they sort out flight crew assignments and ensure enough handlers with proper equipment. The article notes: "A Boeing 777-200 that can carry 332 people has about 44,000 pounds of cargo capacity, compared with 125,000 pounds for the freighter version. Combine super low jet fuel prices, pilots who are being paid whether or not they fly, and historically high freight rates, and it's easy to see Delta's thinking."

Of course, it won't come cheap for shippers. Experts say shipping costs have nearly doubled compared to typical rates at this time of year. It usually costs \$3 to \$3.50 per kilogram to send goods from Shanghai to Chicago, but analysts say that is now above \$6. In addition, transit times have roughly doubled, too, as more shipments must wait their turn, according to the Wired article. See also [Cargo Facts](#).

Shippers and consolidators report "crisis management" calls at their own companies multiple times a day to determine the best way to keep mail and goods moving. Unfortunately, there seem to be more questions than answers. Do they shift shipments sent via USPS to cargo carriers or vice versa? Does mail get loaded ahead of cargo on non-U.S. carriers as it would on U.S. carriers, which gives USPS an advantage? How is international mail service being impacted by the decreased airlift capacity? Is the Postal Service able to tap into capacity on UPS and FedEx?

As always, IMAG will share updates on service impacts as soon as we receive them.

In the meantime, an article in the [New York Times](#) from March 16 gives a nice detailed list on foreign carriers and their current service to the United States. Foreign carriers will continue to fly in and out of the United States to maintain “at least some air traffic connections to the USA from Europe,” according to [Lufthansa](#). There are then options with carriers such as Emirates and Turkish Airlines to connect to the rest of the world. From the article:

- **Air France** – In a statement on its website, Air France said it “plans to continue operations to Atlanta, Boston, Chicago, Detroit, Los Angeles, Miami, New York JFK, San Francisco and Washington.” The airline said it is working with its partners in the SkyTeam alliance (KLM, Delta Air Lines and Virgin Atlantic) on implementing a plan to continue service to and from the United States beyond March 28. [Air France Updates](#)
- **Air Canada** – Air Canada has not reduced flights between Canada and the United States. It operates 20 flights per day between Toronto and New York. The Star Alliance carrier has reduced service between Toronto, Montreal and seasonal destinations in Europe. [Air Canada Updates](#)
- **Lufthansa** – The airline will continue to operate service to Chicago, Newark and Washington Dulles – major hubs for its code-share partner, United Airlines. Austrian Airlines, part of the Lufthansa Group that also includes SWISS, announced it would temporarily stop flying entirely, as of Wednesday. [Lufthansa Updates](#)
- **British Airways** – It is a key partner to American Airlines in its trans-Atlantic routes as part of the Oneworld alliance. So far British Airways has not announced service reductions on its flagship routes between New York and London. British Airway's London hub is a major connecting point for Europe, the Middle East, Africa and Asia. [British Airways Updates](#)
- **Norwegian Airlines** – The low-cost carrier, already struggling financially, announced today it would stop all trans-Atlantic flights effective March 25 and would only fly a limited short-haul schedule in Scandinavia. [Norwegian Updates](#)
- **SAS** – The Scandinavian carrier said in a news release that it would continue to operate with a reduced schedule between Copenhagen and Chicago and New York, and between Stockholm and New York. [SAS Updates](#)

A March 16 article in the [Los Angeles Times](#) also includes updates on route reductions by U.S. and foreign carriers. Today's [news reports](#) are focusing on the airline industry's request for a \$50 billion bailout.

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The International Mailers' Advisory Group is the premier representative of the U.S. international mailing sector. Its core mission is to address barriers to the efficient flow of goods and information across borders for companies utilizing postal services.

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