

Gridlock at the Main US Airports – What is the cause?

US Airport terminals are experiencing severe congestion which is resulting in aggravating bottle-necks.

As a result, import shipments are stuck in the terminals and can experience break-downs and retrieval delays to the extent of weeks.

What is causing these gridlocks at the main US airports?

Main US Airports are:

JFK (New York) ATL (Atlanta)
ORD (Chicago) MIA (Miami)

LAX (Los Angeles)

These are the main US Cargo airports as they are serviced by most of the freighter airlines, charter carriers and are used as hubs for the passenger airlines.

The driver of the congestion at these airports is fourfold;

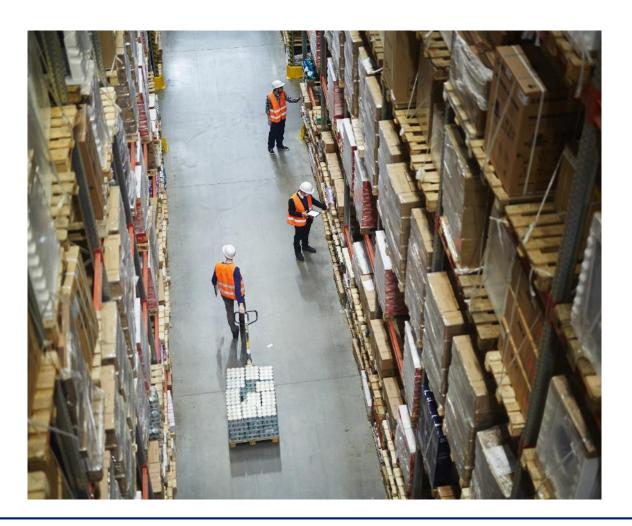
- 1. Increased demand of Air cargo
- Shifted Air cargo capacity
- 3. Airport Infrastructure
- 4. Ground Handling Labor





Increased Demand

Dependent on oceanfreight supply chain stabilization



Increased Demand – Air Freight

Although the world has been in a global pandemic for 18 months, US consumer confidence remains high. This has resulted in strong spending by the US consumer and general increased demand for US imported products.

Another driver for increased Air Freight demand is driven by Ocean- to Air conversions.

At the start of the pandemic when global supply chains were paused, Ocean terminals where closed and sailings blanked.

A mix of delaying containers, continued consuming, hoarding of products, factory closures / re-opening and container imbalance has led to the worst ocean freight supply chain in history.

18 months into the pandemic the Ocean Freight situation has worsened and over a hundred container ships are waiting to get processed at US terminals. These supply chain issues have nation wide attention and involvement of US president Joe Biden, acclaiming a 24-hour working system to generate more throughput at the Ocean terminals.

Relaxation in demand for US bound Air Freight is not expected until the Ocean freight supply chains are back under control.



Shifted Capacity

Less Air Cargo space on Passenger Aircraft



Shifted capacity – Air Freight

In a pre-pandemic world, Air Freight capacity was facilitated 50% on Passenger airlines (belly hold) and 50% on freighters. Due to the travel restriction, there was less passenger airline capacity and more dependency on freighters capacity.

Freighter aircraft cannot operate from any airport as there are terminal, equipment and staffing requirements to the airports from which they can operate.

As a result, on the Main US Airports freighter aircrafts increased and added pressure on the workforce and infrastructure.

In addition to the influx of freighters, passenger airlines in the 18-month time-frame are also starting to rebuild networks and as a logic result of passenger travel from the main cities, airlines re-started services from Hubs which also are the Main US airports.



Airport Infrastructure

Airport infrastructure – Cargo vs. Passenger facilities

US Airports in the last decades have not received the same level of invested on the cargo front as they did on the passenger end. Cargo terminals on the Main US Airports are not up to speed with the latest technology, work with old equipment and due to the increased demand of Air cargo, lack the square footage to store freight properly.





Ground Handling

Complexities and gridlock

Ground Handling – Re-Starts and Re-Hires

Blue collar work force are the backbone of the cargo terminals. Breaking down an aircraft ULD (Unit Loading Devise) knowing how to handle Hazardous goods and other commodities such as Pharmaceuticals is something that requires training and time.

The ground handling agent due to its nature of working in a custom bonded environment and in proximity of aircrafts, will need a clean record and strict background checks prior to receive access to the terminals and tarmac.

High demand for warehouse staff driven by re-start of economies has made it extremely hard for Ground Handlers to re-hire staff to work at these terminals.

Adding further complexity to ground handling operations is the newly imposed 100% screening mandate for freighters as per Jun 30th

This new requirement results in 100% screening for all US export freight.

Taking away time from the import break crews to prioritize export freight as aircrafts need to depart on time.





US Main Airports

Details and Comments

JFK

Critical

Critical situation with cargo break down delays up to 21 days.

Lack of investment to upgrade and expend terminals and severe shortage of work force staffing the terminals for break down of ULDs.

Truckers not willing to enter JFK or retrieve cargo due long waiting times.

Advisory

- Dedicated DSV Import ULDs
- Improve packing to withstand outside storage
- Alternative airports: EWR, PHL, IAD

ORD

Critical

Ground Handling Agents increased storage cost to motivate quick collections.

Highly competitive market for work force and extreme shortage of ground handling staff to execute ULD break downs.

Advisory

- Dedicated DSV Import ULDs
- Improve packing to withstand outside storage
- Alternative airports: DTT
- Rockford DSV Charter Network

LAX

High

Situation concerning and break downs delays experienced up to 7 days.

Terminal's infrastructure better compared to ORD and JFK and main driver of delays driver by lack of workforce.

Ground Handling companies increased handling fees to compensate and attract workforce.

Advisory

- Dedicated DSV Import ULDs
- Improve packing to withstand outside storage
- Alternative airports: SFO



US Main Airports

Details and Comments

ATL

Moderate

Situation is Moderate and best compared to other US Main Airports. Cargo breakdown waiting time runs up to 4 days.

Warehouse staffing issues also here the case but easier to attract staff vs. other US Main Airports.

Advisory

- Dedicated DSV Import ULDs
- · Improve packing to withstand outside storage
- Huntsville DSV Charter Network

MIA

Moderate

MIA being a cargo in-transit focused airport is more equipped to handle the influx of additional freighters and on-airport transfers.

Terminal and workforce are an issue but not to the extend as other US Main Airports.

Expect delays up to 2 days.

Advisory

- Dedicated DSV Import ULDs
- Improve packing to withstand outside storage

