

Focus to be on future developments



From transpacific cargo charter carrier to major, global operator of a scheduled-service network, Polar Air Cargo, Inc. (Polar) has come a long way in the 10 years since it first started flying. However, as senior executives of the fast-growing, all-cargo carrier are keen to stress, their focus is very much on developments to come rather than just on achievements to date.

"If you ask anyone in Polar right now, they will all tell you we still have a long way to go before we achieve what we really want to achieve," said Edward Hernandez, Polar's Senior Vice President of Sales and Marketing. "Over the last few years, we have done wonders in terms of enhancing our service integrity and reliability and in establishing a strong network in the air. Now, we have to take that to the next stage and develop a solid network on the ground."

The continuing potential for further business expansion and development, Hernandez said, was also one of the reasons the carrier had been able to attract a lot of talented managers from other major international scheduled airlines. "They could see a company that had come a long way but which was still full of opportunity," he said.

Polar was originally created by US group Polaris Leasing to take advantage of a void in the international air cargo service coverage provided by US carriers and a glut in aircraft availability at the time. It was first certificated to start operations in July

1994, using B747-100 freighters converted from former Pan Am passenger aircraft to provide cargo charter services, initially on transpacific and transatlantic routes.

At that time the company was basically a charter operator that engaged in scheduled services. "Basically, the company followed the cargo – it would go wherever there was traffic to be carried," Hernandez said.

Subsequently, Polar's original owners were bought out by US multinational company General Electric, which then started to implement a quality program to bring the carrier up to the sort of service standards that would make it viable as a strategic alliance partner for major airlines around the world.

That program included a series of specific initiatives. Two of the key ones, which started implementation in 2000, focused on schedule integrity and fleet reliability. "In other words, flying when and where we said we were going to fly and doing that reliably, day in and day out," Hernandez explained. So, Polar focused on becoming a reliable, scheduled service operator and, as a result, its overall performance started to improve.

The next significant event for Polar occurred in November 2001 when the carrier was bought by Atlas Air Worldwide Holdings, Inc. (AAWW), whose Atlas Air, Inc. (Atlas) subsidiary is the world's leading ACMI (aircraft, crew, maintenance and insurance) freighter aircraft provider.

In effect, Polar became the scheduled service provider in that group, with freight

forwarders and agents as its customer base, while Atlas continued to supply B747 freighters on a wet or dry lease basis to major airlines around the world.

One of the key advantages that Polar gained from becoming part of AAWW was access to extra capacity when market conditions demanded it. This has proved particularly valuable during peak season periods eastbound across the Pacific. Currently, Polar is operating eight B747-400Fs and five other B747Fs (-200s and -300s) in scheduled service covering most of the world's major trade lanes. These include the transpacific, transatlantic, south Pacific, Trans-Asia, Middle East and South America markets. It also operates charter flights where it has spare capacity to meet particular customer requirements.

Polar's future development plans were given a further important boost at the end of July – by coincidence the airline's 10th anniversary – when AAWW and its subsidiaries emerged from the US Chapter 11 bankruptcy protection they had originally sought in January.

A joint plan of reorganization became effective, with the new holding company board of directors focusing on getting the group as a whole back to basics. "High-level strategic initiatives have been launched by the group's senior management, and we're getting fully back on track," Hernandez said.

Encouraged by its parent company's new focus, Polar, which continued to provide its full range of scheduled services worldwide during the group's period under Chapter 11 protection, is now seeking further expansion of its global network, notably in China.

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