

## **IPC FoMBA Space Allocation Processes**

### **Template for Forecasting, Allotment Template building and Booking of Mail**

#### **IPC Future of Mail by Air initiative**

#### **Document Version History**

<b>Version</b>	<b>Specification change</b>	<b>Date</b>	<b>By</b>
0.0	Original Draft	23/04/09	Jörgen van Mook
0.1	<b>Added SAP05</b>	28/07/09	Edgar Johansen/David Hamilton
0.2	<b>Added SAP01 and SAP04</b>	10/08/09	Peter Smet
0.3	<b>Added SAP02</b>	10/08/09	Mette Boisen
0.4	<b>Added SAP03</b>	18/08/09	David Hamilton
0.5	<b>Draft with update from FoMBA meeting</b>	22/09/09	David Hamilton
1.0	<b>Draft including comments &lt; 1 Oct 2009</b>	2/11/09	Mette Boisen

#### **Document Approval**

<b>Approved by</b>	<b>Date</b>
FoMBA Action Group	
FoMBA Task Force	1/10/2009
FoMBA Executive Meeting	7/10/2009

This document has been signed off as approved, pending approval that the comments received before 30 September 2009 are included herein at the TELECON of 2/11/2009.

## **Introduction**

This document describes the future business processes for mail carriage by air based on the vision specified in the FoMBA Road Map. The document is a template and working document for the Space Allocation action group as well as the reference for draft FoMBA space allocation procedures.

It describes the processes from the early stages of sourcing of transport suppliers by the Post to the concrete step of confirmed consignment specific booking of mail to meet required service levels (both flight and non flight specific booking).

The document is based on the process steps described in the FoMBA business process document and numbering of process steps in this document is in line with the FoMBA business process document.

The FoMBA participants may not yet be able to implement the space allocation process as defined in the FoMBA business process document due to various reasons including the fact that it requires some enhancements to current electronic systems and messaging capabilities.

FoMBA pilot trial participants shall work out local interim FoMBA business processes and related operational and messaging procedures, before all the participants have put in place the necessary systems enhancements.

There is a need for these Interim local FoMBA business processes and procedures to be documented as these interim procedures include particular local business requirements and current system developments of the FoMBA participants and lanes concerned. Having documented both the generic FoMBA business processes as well as the location specific FoMBA interim processes will ensure a smooth implementation and will help share and document the experience on pilot trials for different participants and for different lanes.

The same goes for the operational and messaging procedures. Stakeholders in each location can use the templates to write their own local procedures and then write their training material.

All these materials are located under the FoMBA Extranet.

## The Space Allocation process steps

The Space Allocation process steps are grouped in five part processes:

SAP01	Contract solicitation
SAP02	IATA season Forecast & Allotment Template building
SAP03	Day specific Forecasting & Pre-booking procedure
SAP04	Correction pre-booking & production alert
SAP05	CARDIT-RESBIT

**Pilot Trial and IPC Forecasting Tool** (this section to be worked out before February 2009)

- **Definitions**
  - Despatch
  - Consignment
  - Destination
  - Lane
  - Route
  - Transport Leg
  - IATA season
- **Data used for forecasting**
  - PREDES data are used for each mail category subclass
  - User defines products by selecting and consolidating mail category subclasses which will be used to calculate, can be set by route and season
- **Method of calculation**
- **Development plan**
- **Test plan**
  - Test phase I – Allotment template building using PREDES data used on a single Airport to Airport lane (no transit)
  - Test phase II PREDES data used on multiple transport legs routings between multiple Airports.
- **Time line**
  - Overview of test plan with milestones for each phase

## **SAP01 – Contract solicitation**

### **FBP01-01 –Mail transport solicitation**

Before every IATA season Posts send out a tender to the Carriers for the transport of mail during that season (summer or winter). Some Posts may use longer contractual periods than the IATA season.

Service specifications and terms and conditions are stipulated in a contract between Posts and Carriers.

Typically, the contract contains the following provisions:

- Scope of the agreement;
- Duration and termination;
- Rates;
- Service requirements;
- Contracting party's performances;
- Security;
- Handover and receipt;
- Documentation;
- Liability and disputes;
- Invoicing and terms of payment;
- Legal clauses.

The agreement can have several appendices, like:

- Rates;
- Contact list;
- Routing plan;
- Allocated volumes
- Handover and receipt procedure;
- Performance requirements;
- EDI messaging procedure and data quality
- Minimum handling standards,
- Documentation.

The standard UPU/IATA Transport Framework Agreement is a good reference for the contract solicitation process. Procedures for Space Allocation agreed herein need to be proposed to the UPU/IATA Contact Committee for inclusion in the UPU/IATA Transport Framework Agreement.

## **SAP02 - IATA season forecast and allotment building**

### **FBP01-02 – Volumes forecast**

Before the process of forecasting of volumes is applied the Post agrees with the contracted Carriers on how to proceed, e.g. which lanes to allocate volumes (the idea is to avoid allocation to destinations with for example volumes under 10 kg).

The Forecasting and Booking Tool in CAPE Vision calculates a forecast of volumes for IATA season per lane per weekday. Volumes calculated in the system are based on PREDES messages for corresponding season last year, adjusted to take into account recent and ongoing changes in actual volumes dispatched in the recent past. The forecast of volumes is calculated no later than one month prior to next IATA season.

#### **FBP01-03 – Transport scheduling**

The forecasted volumes are to be scheduled with contracted carriers for the next IATA season. This is done in the CAPE Vision Forecasting and Booking Tool.

It is recommended that the Post revise the scheduled transport per lane with the contracted Carriers no later than two to four weeks prior to next IATA season.

#### **FBP01-04 – Allotment template request**

The allotment template request per lane for the next IATA season is to be forwarded to the relevant carrier. This is done no later than two weeks prior to next IATA season.

#### **FBP01-05 – Allotment template and tolerance level confirmation**

Carrier confirms the allotment template request for IATA season and informs tolerance levels no later than one week prior to next IATA season.

The request for and the confirmation of the allotment template are made either by EDI or in the CAPE Forecasting and Booking Tool.

#### **SAP03 - Day specific Forecasting & Pre-booking procedure**

##### **FBP01-06 –Transport schedule update**

The transport provider sends the Transport Schedule update to the Post.

##### **FBP01-07 – Advice of inability to maintain previously-agreed capacity**

Changes to scheduled transport previously confirmed, including aircraft type or configuration change, causing a loss in capacity and impacting the planned assignment of mail are to be communicated as soon as known by the transport provider to the Post.

##### **FBP01-08 – Volumes forecast update and pre-booking**

The Post monitors changes in anticipated volumes, and uses updated information in its pre-booking to take place minimum ten days in advance. Any changes in scheduled transport advised by the transport provider are also considered during pre-booking. Transport schedule changes that have been advised by the transport provider must be considered and action taken by the Post to prevent service failures.

The pre-booking takes place using the agreed EDI and/or other electronic messaging or the Forecasting and Booking Tool.

##### **FBP01-10 – Mail booking confirmation**

The transport provider confirms the pre-booking assignments to the Post, using the agreed EDI and/or other electronic messaging. Also, the PAWB number is provided for inclusion in subsequent CARDITs.

### **FBP01-11- Route map initiation**

To accommodate the parallel monitoring of the consignment in the CARGO2000 system a route map is initiated. Creating the route map begins the record for a consignment in the cargo system, and identifies the different milestones that are scheduled to take place during the existence of the consignment. Subsequent events are communicated to the cargo system, which updates the route map and are used to measure the quality of the actual handling compared to the planned handling of the consignment.

### **SAP04 – Correction pre-booking and Production alert**

### **FBP02-12 – Large mailings and correction of pre-booking**

Per IATA season the Posts create volume allotments per route and flight in the Forecasting and Booking Tool. The allotment template is agreed before the IATA season starts when the airline confirms the allotment request of the post. During the season Posts adapt the forecasted volumes, in order to reflect the actual volumes as precisely as possible. The pre-booking into the allotment template based on forecasting within the IATA season should be initiated about ten days in advance of consignment closure. Corrections, e.g. for large mailings, should be made at least three days in advance.

These timings are indicative; bilateral agreements between Posts and Carriers may be in place to cater for specific local set ups.

The normal ten days out bookings can be accepted, partially accepted or refused by the Carriers in the Booking tool. Normally if the pre-booked volumes is within the tolerance level of the agreed allotment template the pre-booking is accepted.

Short notice changes, three days or less in advance of the flight's departure, generate an e-mail, SMS and or other alerts, from the booking tool to the Carrier's contact person.

### **FBP02-13 – Mail booking confirmation (of updated pre-booking)**

The carrier accepts, partially accepts or refuses the pre-booking in the booking tool and where applicable offers alternative solutions through the booking tool, in parallel alerted by e-mail to the Post's contact person.

In exceptional situations, e.g. less than a day before departure of the flight, Posts can find it necessary to contact the Carrier by phone to speed up the procedure.

### **FBP02-15 – Check of production build-up and correction of booking**

Production alerts:

In ideal situations, where Posts and Carriers have more advanced production systems, correction booking requests can be initiated only hours before flight departure.

The posts production system measures the volume build up against the pre-booked volumes for a particular flight. If the volume reaches a particular threshold in a certain time frame, the system sends out a CAPREQ (capacity requested) message to the Carrier.

The Carrier responds within an agreed timeframe with a CAPOFF (capacity offered) message.

In the Post's system the allotment is adapted automatically according to the capacity offer from the Carrier.

When maximum capacity is reached the system will pre-book the excess volumes on a back-up flight, if any.

The added value of using the EDI messaging for the pre-booking process is to do away with the need for human intervention and to limit costs and errors related to additional process steps. Nevertheless posts can decide to build in human intervention and set up a mechanism where the operator uses the response from airline systems to trigger the booking of volume on flights.

If no back-up solution exists, the post can decide either to pre-book the volume on the existing flight (best effort from the carrier) or use an alternative routing.

### **SAP05 - CARDIT-RESBIT**

The foundation for confirmed consignment specific booking of mail to meet required service levels is the use of CARDIT and RESBIT messages.

#### **FBP02-14 – Mail booking confirmation to sender**

For commercial mailers who provide electronic notification to the Post of specific mailings, a confirmation of mail transport booking is sent to the mailer. The Post uses the booking confirmation (RESBIT 6) from the transport provider to provide the booking confirmation to the mailer.

#### **FBP03-16 – Consignment closure and final/update CARDIT**

When the confirmed pre-booked volume is reached, the consignment is closed. Receptacle IDs are consolidated in/assigned to consignments, and are physically and electronically nested in equipment for handover at the AMU. Once the consignment is closed, a final CARDIT is sent to the carrier. The sending of CARDIT will be considered a booking and represents the final actual volumes of a particular consignment prepared for handover to the carrier.

#### **FBP04-17 – Mail receptacle IDs confirmed booked on transport**

The sending of RESBIT 6 will confirm the acceptance of the booking. The final volumes received by the transport provider are verified according to the RESBIT code 6. In the case of multiple leg transports where the first transport provider is responsible for all legs of the transport, the RESBIT code 6 confirms booking on all legs of the transport.

**The procedure for the various identified possible transshipment scenario's have to be worked out and included herein.**

#### **FBP07-18 – Final CARDIT (subsequent airlines)**

Airline A will have to take responsibility for airline B as well in multiple airline transport. In the absence of an interline agreement, the origin Post sends a CARDIT to each airline to provide the details of the expected transfer of responsibility of the subject receptacles from one transport provider to the next.

**FBP07-19 – Mail booking confirmation on connecting flight**

In the case of multiple transport legs where the first leg transport provider is not responsible for subsequent legs, each transport provider receives CARDIT and provides RESDIT code 6 to confirm the booking on the connecting flight(s).