

Air cargo firm says rights vital to airport

BY FERGUS DUNCAN

COMPETITION and "fifth freedom" rights were crucial to establishing Chek Lap Kok as the primary express and cargo operations hub airport in Asia, US-based cargo giant UPS has said in a presentation to the Provisional Airport Authority (PAA).

The UPS position paper to the PAA also addressed issues including self-handling, express versus general cargo service and facility design.

The UPS stand on cargo handling operations is at variance with Hongkong Air Cargo Terminals Ltd (HACTL) and Government policy.

UPS director of air operations in the Asia Pacific region, Bill Caplan, said his company believed that a free competitive environment was in the best interest of the airlines, the airport and the people of Hongkong.

"There are a number of advantages to competition between vendors, including competitive pricing, flexibility in services offered and the challenge to provide the best service at the airport," he said.

"Those combined competitive elements already exist in Singapore's Changi Airport and we know, first-hand, how critical they are to business productivity and quality in the express air operator industry."

Equally important, Mr Caplan said, a serious conflict of interest could arise if vendors were also users of the same service.

UPS has said that the airport would be best used if fifth freedom rights, known as "beyond rights", were granted to express carriers, as well as those carriers interested in using Chek Lap Kok as an Asian hub.