



CARGO EXPRESS



JAN-FEB 2018

A publication for ABX Air employees, families and friends



2017 THE YEAR IN REVIEW

In this issue I'd like to share with you an overview of our key accomplishments in 2017. These achievements were the result of contributions from each and every member of the ABX Air team. I appreciate the work you do every day to ensure ABX Air continues its trajectory of success. Working together, there are no challenges that we as a company cannot overcome. - Dave Soaper

ON-TIME SERVICE PERFORMANCE

Our on-time service performance as measured by arrivals within 15 minutes for airline controllable delays:

2017	On-time arrivals ¹
DHL	97.72%
Amazon	98.40%
Combined	98.11%
¹ Within 15 minutes These numbers are tentative and subject to final approval by the customer.	

"Safe and reliable service is critical to our customers' success and to ABX Air's success. Our customers closely monitor service performance minute by minute and make judgments about our performance daily. We are constantly working to improve our service performance." - Dave Soaper

SAFETY

"We are serious about safety." This is the first sentence in our Core Value of "Safety." Serious about safety means we focus on safety every day.

- In 2017, we successfully completed the IATA Operational Safety Audit (IOSA) which renewed our IOSA registry until October 2019.
- The FAA approved our Safety Management System (SMS). To help us focus on safety, we implemented SMS Pro, a new web-based software, which allows every employee to report safety issues. SMS Pro helps us track issues, ensure compliance, identify hazards, and complete risk analysis.

- We developed new safety metrics to measure how we improve the effectiveness of our SMS.

All of these accomplishments help us develop a more positive safety culture.

STAFFING LEVELS

We've added additional staffing to the airline. The total number of non-crew employees increased by 24 in 2017. In specific areas, we increased the number of crew schedulers and added a second manager to better serve crew members' needs. We added an additional Systems Control Manager to better serve our customers and manage operational performance. We assigned key line maintenance personnel to CVG to work with DHL and AMES to support the operations. We hired out-based Line Maintenance Representatives to support new locations for our customers.

FLEET

The ABX fleet decreased by three aircraft in 2017 as DHL redeployed two aircraft to the Middle East.

Northern Air Cargo (NAC) took delivery of a dry lease aircraft for Aloha Air Cargo ending ABX service to Honolulu. At year end, ABX had 27 aircraft in service comprised of eighteen 767-200s and nine 767-300s.

BUDGET

In 2017, a number of revenue-generating and cost-saving initiatives were undertaken to turn a forecasted operating loss on Earnings Before Interest & Taxes (EBIT) to break even by year end.

Continued...

OTHER KEY ACCOMPLISHMENTS

AIRCRAFT MAINTENANCE

- Introduced Reliability Maintenance Special Visits to improve overall reliability and system performance.
- Implemented a chronic discrepancy analysis to mitigate chronic issues more quickly.
- Selected and began implementation of a new maintenance software to replace the aging PMI software.
- Moved the C-check cycle to 24 months to better align the heavy maintenance cycle with the calendar year.
- Awarded the FAA's Diamond Award of Excellence with 100% of Aircraft Maintenance Technicians completing additional aviation maintenance training.

FLIGHT OPERATIONS

- Changed pilot staffing to ensure proper coverage, minimize risk, and improve quality of life.
- Significantly reduced involuntary assignments on days-off.
- Regularly interfaced with pilots via town hall meetings, visits to CVG crew areas, and monthly pilot email updates.
- Collaborated with the Maintenance Department to implement weekly flight deck cleanings.
- Worked with DHL to upgrade the crew bunk rooms at CVG.
- Worked with the Union Housing Committee to:
 - Offer meal choices on catered flights.
 - Select hotels in new cities.
 - Change hotels in cities with inadequate facilities.
- Implemented a fleet upgrade program to replace flight deck flooring, seat covers and cushions during scheduled C-checks.

GROUND OPERATIONS

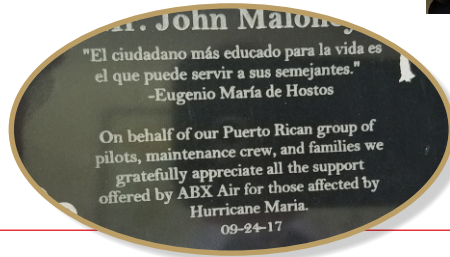
- Reduced the number of aircraft ground damage events.
- Reduced the number of weight & balance loading errors.

GENERAL

- Restructured key leadership positions within the Company.
- Introduced new Employee Wellness programs for employees who are covered by the Company-sponsored health insurance plans including:
 - **Livongo** - A new way to use technology to help diabetics manage their condition.
 - **Spine & Joint Centers of Excellence** - A United HealthCare program that identifies the best doctors and hospitals for spine and joint surgeries.
 - **Virtual Visits** - Online doctors for simple acute medical needs and in 2018 there is zero copayment for Virtual Visits for employees enrolled in the Company sponsored Enhanced PPO and Value PPO plans.
- Introduced a new employee discount program for all employees through [Beneplace](#) offering thousands of discounts on goods and services.
- Provided humanitarian and schedule relief to employees and their families affected by Hurricane Maria in Puerto Rico.



Plaques presented in thanks for ABX hurricane relief efforts
L to R: Dave McBlane, Crew Scheduler;
Carlos Nieves-Garcia, First Officer;
John Maloney, VP Flight Operations



"All employees should take pride in these accomplishments. Whether it is Safety, Service, or Budget Control, it is important that everyone remain focused on continuous improvement as we move forward. Our Customers expect nothing less from us." - Dave Soaper

In the next issue of *ABX Cargo Express*, we will take a look at our corporate goals for 2018.



UPDATE:



Anti-Drug Program

The Department of Transportation (DOT) final rule amending the 5-panel drug test for all safety-sensitive employees became effective January 1, 2018. This change affects the opiate category by adding semi-synthetic opioids (e.g., hydrocodone, oxycodone, hydromorphone, oxymorphone).

WHAT DOES THIS MEAN FOR OUR EMPLOYEES?

Opioids are the more common ingredient in prescribed pain medication versus the natural opiates in cocaine and morphine. Common pharmaceutical names are OxyContin®, Percodan®, Percocet®, Vicodin®, Lortab®, Norco®, Dilaudid® and Exalgo®.

If you are taking one of these medications it will show up on the laboratory drug test. If you are prescribed this medication and taking it as prescribed you will be asked to provide proof of the prescription to the Medical Review Officer (MRO). Upon acceptance of the prescription by the MRO, the result will be reported as negative. However, the MRO will notify the Company that an employee is taking the medication and it may preclude the employee from performing safety-sensitive functions. As a reminder, it is a violation under Federal Aviation Regulations (FAR: 14 CFR 62.53) to operate aircraft while using impairing medications. You may want to discuss your job duties with your prescribing physician to see if an alternative medication is available.

As a "drug-free workplace" all of our employees are subject to drug testing that follows the DOT 5-panel protocol. Whether you are in a safety-sensitive position or not, you should be aware of this update.



A word about Marijuana

Use of marijuana remains prohibited under federal law for employees in safety-sensitive positions as well as for all employees under the Drug-Free Workplace Policy. Even though some states have legalized marijuana for medicinal and/or recreational use, federal law supersedes state laws. **Simply put, if you test positive for marijuana, you will lose your employment.**

If you have any questions about the Anti-Drug and Alcohol Misuse Policy or the Drug Free Workplace Policy please contact Tina Reed, Designated Employer Representative (DER), or Jeff Walling, Program Manager.



SMS Pro and Safety Reporting

Recently, we have received safety-related information that has been submitted using email to the Chief Pilot or one of the Flight Department executives. If your issue is urgent and requires immediate action, please notify Flight Management or your functional area management; otherwise submit your report using SMS Pro.

All of the Safety Committee members to include Flight, Maintenance, Ground Operations management and the IBT 1224 APA/Safety Committee members will have access to view reports that are entered into SMS Pro. If action is required prior to the Safety Committee meeting, it will be coordinated with the appropriate functional area management.

Using SMS Pro allows us to document the report, results of investigations and corrective actions in our centralized SMS Pro database and provide feedback to the report submitter.

If you have any questions, please contact

BENEPLACE

The Employee Discount Marketplace is now active.

Register today at www.beneplace.com/ATSG and start enjoying discounts and special services offered by many well known and popular companies.



**Report crime or wrong-doing to
the We Tip Hotline at
(800) 782-7463.
Your call is anonymous.**



Capt. Larry Cavazos with John Maloney

Capt. Larry Cavazos,
For: Supporting the Flight Department's safety efforts, including the Aviation Safety Action, Flight Operation Quality Assurance, and Fatigue Risk Management programs. And for assisting with the B767 QRH and Extended Envelope Training.

Silver Wings of Excellence AWARD WINNERS



Rich Kafka with Gregg Wehrung

Rich Kafka, Manager, Reliability/Maintenance Programs
For: Researching, evaluating, and validating the 767 C-check program extension to 24 months. And for working through alternate means of compliance on the aft pressure bulkhead limitations for two aircraft.



Walter Pico with Rob Davis

Walter Pico, Manager, Planning
For: Leading the Company's efforts to provide humanitarian supplies for employees and their families in Puerto Rico affected by the devastation of Hurricane Maria.



Mathew Krakowiak with Rob Davis

Mathew Krakowiak, Powerplant Repair Controller
For: Outstanding customer service supporting the ABX engine program including inducting two new engines into the fleet and supporting unscheduled engines changes.



Scott Roe with Phil Flowers

Scott Roe, Project Coordinator
For: Outstanding customer service supporting AOG aircraft allowing the aircraft to be repaired and returned to service as soon as possible.



Anniversary Celebrations!



Please congratulate your colleagues who are celebrating milestone anniversaries this winter:

January

30 Years

Capt. David Bower
Carolyn Click, Technical Writer

25 Years

Capt. Steven Snapp

20 Years

First Officers:
Doug Turpin
Frank McKenzie
Jeff Kissell
Robert Logan

1 Year

Scott Roe, Project Coordinator
Tim Williams, Crew Scheduler

First Officers:
Bogdan Karashchuk
Carlos Santos Burgos
John Gloudemans
Matthew Mandino

February

30 Years

Kimberly Dean, Line Maintenance Representative (BWI)

25 Years

Capt. Greg Watts
Capt. Bill Harley

20 Years

Mark Kliewe, Line Maintenance Representative (PDX)

15 Years

Steven Neely, Manager, Heavy Maintenance

1 Year

Kevin Miller, Staff Engineer
Timothy Osborn, Maintenance Controller
Mathew Mannil, Base Lead Line Maintenance Representative (LAX)