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LAX Expansion Update

By the DBI Staff Writer

Just this past December, LA City Airport commissioners approved the second major phase to the expansion and refreshing of the world's 3rd busiest airport. A \$1.25-billion midfield concourse terminal has been approved which will add an additional 11 passenger gates to the ever-evolving Tom Bradley International Terminal. The MCT will be 1,300 feet west of the existing TBIT and replace the current satellite area located in the extreme west of the airport. It will be

joined to the main terminal by an underground tunnel that will shuttle passengers and baggage back and forth between the terminals. This differs from the original plan that the commission had laid out a couple of years ago that called for an "air bridge" to be built connecting the two terminals.

Additionally, the Airport Board of Commissioners has decided to move ahead on the Landside Access Modernization Program (See Photo Below). The LAMP's purpose is to alleviate traffic and make it easier for all of us to get to and from LAX. This \$4-Billion improvement includes a new consolidated rental car center (called CONRAC), an Intermodal Transportation Facility (called IFT) and the much anticipated Automated People Mover (called APM). The most game-changing improvement will be the APM. Right now, LAX is one of the only major airports in the world that doesn't have a rail system in and out of the airport. You can imagine the surprise of world travelers who come to LAX for the first time and discover that they have to take a \$20 taxi ride to get out of the airport. Work should begin on this project in 2017 and be completed around 2020. With the Midfield concourse and the Landside Access Modernization Program completed, LAX will be ready for the projected explosion in passenger traffic in the coming years.



DBI Expanding Global Operations

By The DBI Staff Writer

Direct & Beyond, Inc. has significantly improved their International Operations by partnering with an industry organization that has a well developed network of agent-offices around the globe. At the same time, DBI has also strengthened their Ocean LCL and FTL services offerings. This International expansion covers both Import & Export services. Please give them a call today to set up your next international shipment!

US on Highway Diesel Fuel Prices for California:

1/5/15: \$3.341 per gallon
1/12/15: \$3.250 per gallon
1/19/15: \$3.165 per gallon

Change From:

1 Week ago: - 0.085 ↓
1 Year ago: - 0.891 ↓
Data as of 1/21/2015



Overview of the LAX Landside Expansion



Cargo Volumes to Double in 2015

By The DBI Staff Writer

Have you ever wondered how an airplane manufacturer plans out how many airplanes they need to build over a given period of time? Perhaps you're like I was when I thought that it's based solely on the number of orders they received. While this is true, Boeing goes a step further and does extensive market research into future demand, based on recent trends. This enables the aerospace giant to predict where the industry is headed. It also helps to ensure that they aren't caught off guard if demand suddenly goes up or dips down. Boeing actually performs this research twice a year and it takes the form of a report titled, "World Air Cargo Forecast". In its essence, this publication presents a detailed assessment of how cargo markets will develop. And as you can imagine, this report is not only read by their corporate leaders but by the air cargo industry at large. It enables all of us in the air cargo industry to see where we're all headed. Boeing's current forecast carries us into the year 2033.

Where we've been and where we're going

After the economic meltdown in 2008, the air cargo industry took a huge hit. Demand crashed. Some carriers closed their doors while others merged together. For those that remained after the dust settled, these carriers had to park many of their airplanes out in the deserts of California and Arizona to defend against further losses. After a few years, economies began to reawaken—especially in developing countries. Those airplanes parked in the deserts were dusted off and brought back into service. Volumes began to rise and then flatten out between 2011 and 2013. But by the end of 2013 and continuing into 2014 demand started to rise again as world economies picked up speed. According to Boeing's executive summary, "world air cargo traffic is forecast to grow an average 4.7% per year over the next 20 years to reach a total of more than twice the number logged in 2013."

Although it costs more than other modes of transportation, worldwide air cargo continues to be a much-needed service in the US domestic and wider global economy. There isn't anything that can compete with the unequalled speed and punctuality of air transport. The types of products that drive this mode of transportation are normally perishables, consumer electronics, high-fashion apparel, pharmaceuticals, industrial machinery and high-value components.

Regions of Demand

What may be surprising to some is that more than 40% of all freighter deliveries between now and 2033 will be to North American carriers, predominantly to express carriers. We've heard so much about the dramatic growth of the emerging economies of places like Southeast Asia, that it's somewhat of a surprise to hear that North America will still be a leading region in ordering this type of product. But when you consider large express carriers such as FedEx and UPS – it's really not all that surprising. These are the two largest express carriers in the world and they're both US based companies. The difference though between North America and the next largest growth region is in the type of aircraft ordered. The large express carriers generally rely upon medium-body passenger aircraft conversions. These are aircraft that formerly served as mainline passenger aircraft and have now been converted to carry air cargo only.

The next largest demand area will be the Asia Pacific region which will be the recipient of a high-proportion of large production new-freighters to serve their long-haul, intercontinental routes. These regions span countries like China, Taiwan, Malaysia, Singapore, India and several countries in the Middle East. Because of the volumes that come out of this region, wide-body aircraft such as the Boeing 747-8 & 777 will serve these burgeoning economies.

What we are left with is a bright picture of global economies rebounding back from the "Great Recession" and seeing numbers that we haven't seen since before 2001. That's great news we can all use. Welcome to the new and prosperous global economy.

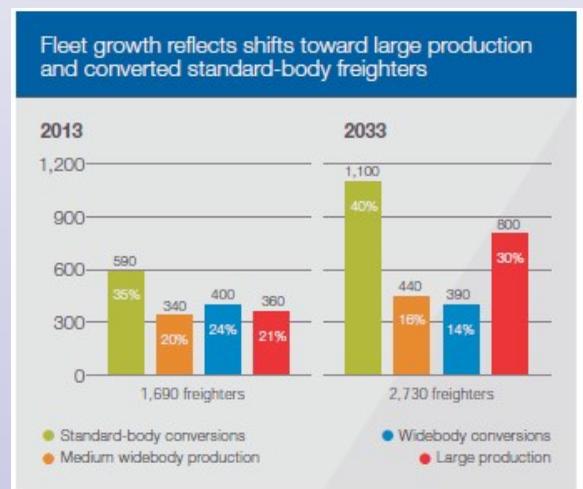


Chart courtesy of Air Cargo World