

BUILDING LONG LASTING PARTNERSHIPS THROUGH INTEGRITY AND EXCEPTIONAL SERVICE

IN THIS ISSUE

Precious Cargo

Perfect Attendance List

Leadership Corner

HR News

Safety First

Industry News

The Big Guns:
AN-225 & B744F

Health & Wellbeing

CELEBRATING 20 YEARS

A Big Mahalo to the PAC team for your loyal support as we celebrate our twentieth year in business. When our company was founded by Ms. Beti Ward in 2000, with just twelve employees, we could hardly have foreseen we'd grow into an internationally renowned company with a team of more than 100. We could not have come this far without the loyal support and hard work of each member of this team, and without the great leadership and path that our late Founder & CEO set in place. As we've grown we have worked hard to offer our valued partners the same excellent service that made PAC an industry name in 2000. Although our products have changed, we continue to follow our founding rule of business: *"building long lasting relationships through integrity and exceptional service."*

Over the years, we've seen partners change names (sometimes multiple times) - remember BAX, Eagle & Emery? Well, they're all still flying with us after two decades but now as Schenker, Ceva and UPS! PAC has not only kept its same name but also our same commitment to excellence, like *answering the phone within three rings - NO Machines* and extending cut off times to ensure critical shipments make it on board. We are large enough to compete with the biggest names out there but small enough to hold the departure time when needed, or "babysit" someone's pet when his or her MOM or Dad is running late. 20 years later PAC remains PAC - just with a bigger, greater team and bigger, newer toys.



Beti Ward November, 2000 signing the very first contract between PAC and Kalitta

Our commitment to the communities of Hawaii and American Samoa has never wavered either. Remember the terrible typhoon that hit Samoa in late 2009? This was one heck of a memory - opening our warehouse to many locals who were sending relief supplies to their loved-ones in Pago Pago. Some of you may not know but PAC flew several of the relief flights below cost to lend our support. PAC has also sponsored many meaningful causes and organizations over the years such the Pacific Aviation Museum, the Surfrider Foundation, Fisher House and Habilitat. Our goal is to continue helping our communities when we can and to sponsor worthy organizations which share the same values.



Our philosophy of "smart spending" and investing back into the company has remained consistent since 2000 and is paying off. Last year PAC proudly invested \$1.3M in new GSE, and this year we are planning to invest about the same. Again, following our founder's philosophy, our goal is to keep investing back into the company, back into our team. That's been our philosophy since the beginning, and it will remain our philosophy as PAC continues to grow.



It's definitely hard to remember all the special moments over the years, especially when working at PAC we tend to learn something new every day. Remember flying to Mexico in 2000? Mexico City and Guadalajara were our first charters with Kalitta prior to contracting long term together on our scheduled service. How about PAC Xpress? Operating our own inter island service with the Shorts aircraft. Short lived but not short on planes. Niue Island anyone remember? Ask Kevin, he spent two weeks on Niue launching our weekly service to support the fishing industry. Harland has a great story about escorting our charter to Fairbanks, Alaska, carrying a military helicopter, and when you next see Jim, ask him about his trip to Apia, Samoa, with Beti! Let's not forget the many FEMA Relief charters that have to be manually offloaded. Ask Tom, who has been involved in so many of them, it's hard to keep count! Twenty years later, and a lot of great stories! This is the perfect time to share memories and reflect on our first 20 years! - **Tanja**

Here's a short timeline of some milestones, as contributed and remembered by the PAC Management team:

- 2000 - May 5, 2000 - Inaugural PAC 368/369 flights carrying 200,000 lbs payloads on a B747-100F. First flight was flown by Southern Air
- 2002 - January 12 - PPG was launched. First flight flown by Polar
- 2002 - November 28, 2002 - Kalitta Air takes over PAC's ACMI contract and partners with Pacific Air as our longtime dedicated carrier
- 2005 - April 2005 PAC LAX operations move into its own leased facility and hires its own warehouse team
- 2006 - June 23, 2006 HNL Facility breaks ground
- 2007 - May 1, 2007 (need to check date) HNL Facility is completed and named as the PAC HUB
- 2007 - November 1, 2007 Signed First Ground Handling Agreement with Qantas Freight. Opened the doors to our ground handling business with JAL, Alaska, Air New Zealand which were soon to follow.
- 2009 - October 2009 - Typhoon hits American Samoa - PAC operates 26 relief charters
- 2010- May 2, 2010 - PAC Celebrates 10 years of Service with a great celebration at the HNL Hub
- 2010 - Contracted by FedEx and Kalitta to handle CNET - Handle over 150 flights every December since
- 2014 - PAC's first Annual Leadership Meeting hosted by Beti and held in Reno, Nevada.
- 2017 - April 11, 2017 - PAC First Aircraft with own Livery - 976BA
- 2018 - May 9, 2018 - Passing of our Beloved Founder, Beti Ward -and the day our team promised to keep the PAC legacy alive.
- 2019 - January 6, 2019 - Launched 6th weekly flight as "year-round"
- 2020 - May 5, 2020 - Celebrating 20 Years of Exceptional Service!
- 2020 - April-May PAC ships PPE & COVID-19 relief supplies to HNL, free of charge

Promotions

Dana Sua	Lead Agent (Ramp/WH Mid Shift)
Junior Hellan	Lead Agent (Amazon/Nightshift)
Safuiono Alilyaa	Lead Agent (Amazon Admin)
Joann D'Errico	Supervisor (Amazon/Nightshift)



CONGRATULATIONS

PAC Perfect Attendance First Quarter 2020

Sarai Escudro	Customer Service Supervisor
Felu Faletoi	Lead Ramp Agent
Junior Hellan	Lead Ramp Agent
Jude Ngiramdelmang	Ramp Agent
Jonathan Borst	Maintenance Mechanic
Harland Tau	Maintenance Manager*
Aaron Hirayama	Ramp Agent



STANDING TALL

During these troubled times you hear a lot of 'tall stories' but here is one that's true. On May 21, PAC had the privilege of transporting two young giraffe to Hawaii to join the family of beautiful animals at the Honolulu Zoo. Special thanks go to Santos Reynoso in our LAX office who 'stuck his neck out' and said, yes we can! Mahalo also to Kalani Mioi and the AM shift who did such an outstanding job upon arrival, and finally to Tanja and Thomas for generously gifting PAC's services to the zoo, on behalf of us all.



Harland has reached the milestone of 4 years Perfect Attendance
Who is next?





OUR PEOPLE - Staying Safe. Protecting Others.



Maggie Perez and Mena Ayoub

Manny Haros-Magana, Desmond Chabotte, Hoku Simanu, Michael Huls

Harland Tau and Jonathan Borst

Perisha Caldeira, Shannon Bello, Danielle Puaala, Aifua Augafa

Katherine Boboco (HR) and Aaron Hirayama

Doug Ingram and Jordan Baguio





OUR PEOPLE - Staying Safe. Protecting Others.



Felú Faletoi

Kitak Gold

Jackie Fujimura

Antonio Torres and Manny Haros-Magana

Jackie Fujimura and Scott Kawashima

Matile Savaiinaea





Leadership Corner - The KIS Principle

In the 1960's, the NASA Space Program ran into a problem. Its astronauts had trouble writing down information with the ball point pen provided. The issue was that due to the zero gravity in space, the common ball point pen could not write on paper or any surface. That made it difficult for the astronauts to record their findings or make computations on paper to solve complex equations. With this new dilemma, NASA put itself to work to solve this problem. Millions of taxpayer dollars were spent to solve this complex issue, until one day in 1965 Fisher Company patented the first ball point pen that could write upside down, under water, and in zero gravity. This was hailed as a huge step forward and the pen sold for over \$5,000 in 1967. When NASA was asked what they used prior to cope with the issue, the response was "a pencil". How is it that we complicate so many things we do when there is a very simple solution?

Take the time to slow down for the speed bumps in our lives and find the simple solutions to our problems. With the COVID-19 scare and people hoarding food and toiletries, we lose perspective of those around us. Pacific Air Cargo management has taken huge strides to help keep our workplace safe and clean. We have provided everyone with masks and installed sanitizing stations throughout the workplace to keep our hands disinfected. More importantly, YOU as employees have stopped to help one another during these trying times we are all going through. We applaud your actions and efforts and ask that we all work together to find "Simple Solutions" to our problems.



The great artist Leonardo da Vinci once said, "Simplicity is sophistication". Let's all try and Keep It Simple (K.I.S.) and avoid buying the \$5,000 space pen!

Kevin Molale
Director Training & Compliance

Letter from HR Director

To: ACS Team

These are unprecedented times; the likes of which we have never seen before and with the utmost sincerity we wish you and yours our deepest sympathies with respect to the loss of jobs and the suspension of work.

Know that this state is temporary. We want to encourage each of you, while under the 'stay at home' orders to take the opportunity to enjoy your family. If you haven't already, incorporate family game night; learn a new skill or hone in on your current one by taking an online class. Also remember that we hold a recurring conference call for Aloha Contract Services each Tuesday at 11:00am. On this call we invite all ACS team members to check in with us; we want to know how you are doing!

We will also offer updates, if received, on the status of our customers – tentative dates of reinstatement of flights, health benefits and COBRA information. Please direct all questions to HR@alohacontractservices.com for myself and Jonnalyn. We are dedicated to responding within 24 hours.

Also listed below are some resources. Please contact them directly. Unemployment – to file a claim visit: www.labor.hawaii.gov/ui/ KAISER: You can elect COBRA and also apply for financial assistance

Go to www.KP.org/exploreeoptions. Apply for QUEST but ask for Kaiser as your medical provider. Once you return to work, contact Kaiser and let them know. HR will reinstate your benefits through the company.

Hawaii Dental Services COBRA (808) 529-9285
Hawaii Community Lending 808.587.7886
www.hawaiiancommunity.net

Please stay optimistic and stay safe!

Mahalo Nui,
Robyn Sharpe
Human Resources Director



INDUSTRY NEWS



American Airlines will suspend more than 60% of its total international capacity this summer compared to the same peak period in 2019, which includes an 80% reduction in Pacific capacity, 65% reduction in Atlantic capacity and 48% reduction in Latin America capacity. These changes are due to significantly decreased customer demand as well as government travel restrictions — both related to the coronavirus pandemic.



Japan Airlines has signed a cooperation agreement with the Japanese city of Yabu to launch unmanned aerial vehicle (UAV) test flights to transport medical supplies. JAL is hoping to conduct the maiden sortie this spring. The expected route will span about 25km, from a hospital to a clinic and over a river.



Delta Cargo gained approval from the US Federal Aviation Administration (FAA) to transport cargo in the overhead bins of its widebody aircraft in order to maximize capacity on its cargo-only charters and better meet customer demand.



Air New Zealand has slashed 95% of its flights due to the drop in demand and plans to lay off 387 pilots. The New Zealand Airline Pilots Association President, Andrew Ridling said, "If we cannot save every job, NZALPA would fight to ensure there is a clear and transparent path back to Air New Zealand for all pilots who chose to return."

THE BIG GUNS: AN-225 VS B-744F

Thousands of the world's passenger aircraft remain grounded as a result of Covid-19. Those aircraft not only transported millions of passengers but they also carried many millions of tons of cargo in their bellies. While a number of airlines have resorted to carrying cargo in passenger cabins, this is very labor intensive and not sustainable in the long term. As we all know, air cargo is a specialized business which requires special equipment.....and some pretty special people. With that in mind, we thought it might be fun to look at two of the aircraft specially designed for the job and see how they compare – the Antonov AN-225 Mriya, the world's largest cargo plane, and the Boeing 744F much like the one PAC operates.

	Antonov AN-225	Boeing 744F
Crew	6	2
Capacity	551,000 lb	274,100 lb
Max TOW	910,000 lb	875,000 lb
Fuel Capacity	63,705 US Gallons	57,285 US Gallons
Range	7,585 nm	7,285 nm
Engines	6	4
Thrust	63,000 lbf	56,500– 63,300 lbf
Wingspan	290 ft	211 ft. 5 in.
Height	59 ft. 3 in.	63 ft. 8 in.
Wheels*	4 nose, 28 main	2 nose, 16 main
On the AN-225 the 4 nose wheels are steerable and the aft 16 of the 28 main wheels are also steerable. On the B-744, only the 2 nose wheels are steerable.		





Health & Wellbeing

DOL FAQs on COVID-19 Testing Requirements

The Families First Coronavirus Response Act (FFCRA) requires all group health plans and individual health insurance to provide coverage without cost sharing for COVID-19 testing, products related to testing, and any medical appointment related to testing, including office, emergency, telehealth or urgent care visits. The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) provides general guidance about reimbursement rates for COVID-19 testing. The Department of Labor (DOL) recently released FAQs on the COVID-19 coverage mandate. This guidance focuses on testing and is different from the IRS guidance that allows COVID-19 treatment to be provided below the deductible on a high deductible health plan (HDHP) without impacting HSA eligibility. Notable points reinforced by the FAQs include:

- The mandate was effective on enactment of the FFCRA, March 18th.
- The mandate applies to insured and self-funded plans, including grandfathered plans.
- The mandate does not apply to excepted benefits or retiree only plans.
- The mandate covers in vitro diagnostic products (COVID-19 testing) and any items and services furnished to an individual during a healthcare provider visit (which includes in-person visits and telehealth visits) that result in an order for COVID-19 testing.
- The mandate covers Serological tests for COVID-19 (tests used to detect antibodies).
- The mandate can extend to other tests used to rule out other potential illness (e.g., influenza tests, blood tests, etc.) as long as the visit results in COVID-19 testing.
- The term “visit” is interpreted broadly to include both traditional and non-traditional care settings (e.g., telemedicine).
- Insurance carriers are allowed (and required) to modify filed plans to cover testing.
- All plans were not required to provide advanced notice of this addition but should provide notice as soon as reasonably practicable.
- An employer can offer COVID-19 testing under an EAP or on-site clinic that constitutes an excepted benefit without compromising excepted status.
- Plans and insurers can reduce cost sharing for telehealth visits without providing advanced notice but should provide notice of any change as soon as reasonably practicable.



Editorial Team: Paul Skellon, Henry Wu and Katherine Bocobo

Contact us: Walaau@pacificaircargo.com