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Miami-Dade Aviation Department
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OPERATIONAL DIRECTIVE NO. 00-01
Last Amended Date: February 14, 2006
Effective: June 24, 2022

SUBJECT: CARGO HANDLING SERVICES AT MIAMI INTERNATIONAL AIRPORT

PURPOSE: To establish a cargo handling policy providing for the effective and efficient management of resources, and to promote uniformity in the cargo operations of Miami International Airport (MIA).

I. AUTHORITY:

- A. Operational Directives No. 99-03, Aviation Department Written Directive System
- B. Operational Directive No. 99-2, Aviation Department Operational Directives
- C. Chapter 25-1.2 - Miami-Dade County Code, Chapter 25 Miami-Dade Aviation Department Rules and Regulations

II. DEFINITIONS:

- A. Airline – An air carrier having a Federal Aviation Administration Operating Certificate, or a foreign operating certificate issued by the originating country and a current, valid United States Department of Transportation (US DOT) 402 Certificate; and having a current operating schedule at Miami International Airport. Airline privileges and authorizations do not extend to parent, sister, or subsidiary companies.
- B. AOA – Aircraft Operating Area
- C. Cargo – Includes freight (articles, goods, materials, merchandise, or wares) and mail loaded or unloaded, that are loaded or unloaded on or from the aircraft for further handling. Cargo does not include passenger baggage, food and beverage items for passenger consumption while aboard the aircraft, and aircraft fuel.
- D. Cargo Handling Services – The receipt, breakdown, consolidation, packaging, and redistribution of cargo; the warehousing of cargo; the providing of bonded and non-bonded warehouse services for cargo; the loading and unloading of cargo from aircraft; the transportation of cargo on the Airport to locations approved other than to aircraft at the Terminal Building; and the preparation and processing of documents required for the movement and clearance of cargo.

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- E. Cargo Handling Companies (CHC) – A company in the business of providing all the components of cargo handling services in the cargo area of the airport. These companies operate under the authority of a lease or a permit agreement issued by the Department for this purpose.
- F. Equity Interest Airline – an Airline that is owned to the extent of at least 5% of the Airline's voting stock by the Airline providing cargo handling services hereunder.
- G. General Aeronautical Services Permittee (GASP) – A company authorized by Miami-Dade County to provide aeronautical services to passenger airlines at the terminal, after being a successful respondent in a selection process. GASPs may provide cargo handling services on the airport if they obtain a separate lease or permit agreement for such purpose.
- H. Lessee Airline – For the purposes of this directive, an airline with a warehouse leasehold at MIA.
- I. Subsidiary: Any company meeting the following criteria:
 - 1. As it applies to a Lessee Airline, a company (1) whose voting capital stock is 100% owned by the Lessee Airline or (2) whose management and direction is effectively 100% controlled by the Lessee Airline, as the Aviation Department may determine.
 - 2. As it applies to a corporate parent of a Lessee Airline, a company (1) whose voting capital stock is 100% owned by the corporate parent or (2) whose management and direction are effectively 100% controlled by the corporate parent, as the Aviation Department may determine.
 - 3. As it applies to a Subsidiary of a Lessee Airline's corporate parent, a company (1) whose voting capital stock is owned by a wholly-owned Subsidiary of the corporate parent to the extent of 100% thereof or a lesser percentage if the Aviation Department approves such lesser percentage in the Aviation Department's sole discretion, or (2) whose management and direction is effectively 100% controlled by the corporate parent's Subsidiary, to the extent acceptable to the Aviation Department in its sole discretion.

III. POLICY:

Cargo handling activities are limited to the cargo area and facilities within Miami International Airport (MIA) unless otherwise authorized by the Department for such purpose. Loading and unloading of cargo to or from aircraft at the Terminal Building is not permitted unless performed by a General Aeronautical Services Permittee for the purpose of transporting such cargo to the cargo area. However, if an Airline uses another Airline to provide ground handling services at the Terminal, the providing Airline must comply with the Ground Handling Operations Policy in Tab B of the 2018 AUA, and subsequent renewals of said policy as it may be modified from time to time.

Handling of cargo may be performed within the cargo area and facilities by (i) Cargo Handling Companies (CHC), (ii) General Aeronautical Services Permittees (GASPs) in

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accordance with Department policies, or (iii) In-Warehouse Contractor Permittees, or (iv) Airlines operating under a Lease or Permit Agreement issued by the Department.

Airlines are entitled by law to handle the entirety of their own operations with their own employees. However, if they choose to allow other companies or other Airlines to provide services for portions of their operations, such as cargo handling services, the companies or Airlines providing the services must comply with the limitations and requirements under applicable policies.

The terms of this policy do not apply to Airlines with cargo operations who have executed the 2018 Airline Use Agreement (AUA) and subsequent renewals of said Agreement as it may be modified from time to time. For the policy applicable to these Airlines, refer to the AUA Tab C, Cargo Handling Policy.

IV. GUIDELINES:

The following guidelines are to be followed by the respective business entities when engaging in providing cargo handling services:

1. Cargo Handling Companies (CHC)

CHCs operate under the authority of a lease agreement and/or a permit agreement issued by the Aviation Department. CHCs may provide services within their leasehold or an Airline's leasehold, but CHCs may not load or unload cargo at MIA's passenger terminal facility.

CHCs pay leasehold rental under the cargo warehouse lease or an opportunity fee that is currently calculated as 7% of the reported gross revenue, whichever is greater. CHCs operating under the authority of a permit pay an opportunity fee of 7% of the gross revenue earned under that agreement.

2. In-Warehouse Contractor Permittees

In-Warehouse Permittees may only provide cargo services to cargo warehouse leaseholders inside the premises of the cargo lessee.

- In-Warehouse Permittees do not access the AOA and are hired by tenants with cargo leaseholds, including Airlines, to assist with handling of cargo inside the leasehold. The employees of in-warehouse contractor permittees are not authorized on the AOA.
- In-warehouse contractors must submit an introductory letter from the warehouse lessee to apply for a permit to operate within the leased premises.
- In-warehouse contractor permittees pay 7% of their gross revenues.

3. General Aeronautical Services Permittees (GASPs)

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GASPs may load and unload cargo at the passenger terminal facility and may transport such cargo to and from the exterior of a cargo facility in the Airport's cargo area. If a GASP, however, separately obtains an in-warehouse handling permit or a Cargo Handling Company agreement, the GASP may provide cargo handling services within such facility.

- GASPs with cargo warehouse leaseholds pay leasehold rental under the cargo warehouse lease or the opportunity fee of 7% of gross revenue, whichever is greater, provided that the company does not conduct GASP activities or support its GASP operation for the Terminal within the cargo warehouse leasehold. GASPs shall maintain all activities conducted in its cargo warehouse leasehold separate and apart from GASP operations related to the Terminal Building.
- GASP may provide cargo services within airlines' leasehold and pay 7% opportunity fee of reported gross revenue.

4. Airlines with Leasehold or Permit Agreement

Airlines with a leasehold or permit may provide cargo handling services to:

- The Lessee Airline itself and any Airline operating an aircraft whose tail or aircraft markings identify the aircraft as being an aircraft of the Lessee Airline;
- Any Airline whose voting capital stock is owned by the Lessee Airline or the Lessee Airline's corporate parent to the extent of 5% or more, or whose management and direction are effectively 100% under the control of the Lessee Airline, or a lesser percentage if acceptable to the Aviation Department;
- Any Airline with whom the Lessee Airline has an association under any of the categories listed in Exhibit A; and
- Up to three (3) non-equity Airlines. The maximum of three (3) Non-equity Airlines shall apply collectively to the Lessee Airline and any Subsidiary.
- An airline may not handle others except in and from its own leasehold premises.
- Airlines pay, in addition to leasehold rent, 7% opportunity fee of the reported gross revenue derived from cargo handling services provided to equity interest and non-equity interest airlines.
- For an Airline providing services to a non-equity Airline, the providing Airline may not load and unload cargo of the non-equity Airline at the Terminal Building.
- Airlines without a leasehold at MIA may only provide cargo handling services to itself through its employees or through a Subsidiary, in accordance with the terms of a Permit issued by the Aviation Department to the Airline or Subsidiary for such activity based on a showing by the Airline or Subsidiary that its cargo handling activities will not be detrimental to the Department's leasing policies, or affect the efficient and safe use and operation of the Air Operations Area (AOA), and/or the Airport facilities by others or by the Department.

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V. AMENDMENTS:

The Department reserves the right to amend this operating policy at any time based on current law, Miami-Dade County policies and operating needs.

VI. REVOCATION:

Revocations and removal of established Department policies requires written justification by requesting division management for review and concurrence by the Department's Professional Compliance Division. Upon written concurrence, the revocation request will be submitted, by Professional Compliance, for approval by the Aviation Director. Should the written directive be an Operational Directive, the authorized revocation justification will be sent to the Clerk of the Board for filing with the original Operational Directive under revocation. All approved revocation justification memoranda shall be posted to the Department's Written Directives Log to identify why the directive has been revoked to maintain ongoing operational accountability.

VII. SEVERABILITY:

If any court of competent jurisdiction determines that any provision in this policy is illegal or void, that provision shall be nullified, and the remainder of this policy shall continue in full force and effect. If such court rules that any charge, fee, or security deposit requirement is illegal or void, the Aviation Director is authorized and directed to impose a charge, fee, or security deposit requirement that complies with the court order or applicable provisions of law, which shall become effective on the date of imposition and shall continue until modified by the Miami-Dade County Board of County Commissioners.

VIII. EFFECTIVE DATE:

This operational directive shall become effective 15 days subsequent to its filing with the Clerk of the Circuit Court as Clerk of the County Commission. This operational directive shall remain in effect until revoked or amended.



Ralph Cutié, Aviation Director

Date: 6/8/22

Attachments:

Exhibit A – Associated Airlines Definitions

Associated Airlines Definitions

The following definitions of Associated Airlines are listed in the order of the formality of the agreements or relationships of the Associated Airlines:

1. Subsidiary Carrier – A separate Airline that is owned wholly by another or Airlines that are jointly owned by the same holding company but may operate as a separate unit. Complete operational and financial information is shared with the owning company. The subsidiary company's management is responsible and reports to the owning company. This relationship is fully recognized under the laws of the country or countries involved.

2. Equity Partner Agreement – A relationship with a separate Airline but with a portion of its stock or other assets owned by another Airline. While operational and financial control remains with that Airline, the equity partner may provide certain functions for which it is paid. This relationship must be approved by the governments involved and would require anti-trust protection.

3. Alliance – A business relationship that has been approved by the governments of the respective carriers, if from different countries, or by the government from which they come. In most cases the carriers would seek anti-trust protection from the appropriate governments. The companies share operational and financial information and work as a consolidated carrier presenting to the passenger the impression that it is one single business unit.

4. Feeder Carrier Agreement – An agreement which provides code sharing and assistance from a carrier's general office which may extend to reservations, flight scheduling, maintenance, safety issues, and other administrative activities. Operational and financial information are exchanged. In most cases this agreement is between a large Airline and a smaller Airline and may require governmental approval and anti-trust protection.

5. Code Share Agreement – An agreement which is approved by the governments of the countries from which the Airlines originates, and which provides for the display of share carrier flights in each carriers' reservation and sales systems. Limited to certain routes and flights and the sharing of certain financial information. Requires governmental approval and the carriers involved may seek anti-trust protection.

6. Connection Marketing Agreement – These agreements are limited to specific flights and markets and provide for the transfer of passengers from one Airline to another based on the specific agreement. The only information passed between the carriers would be directly related to the specific markets involved and would not be such that anti-trust protection would be needed.