

Fuel Purchase and GSA Contracts

Wednesday 10 May 2017: Module 7

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OVERVIEW

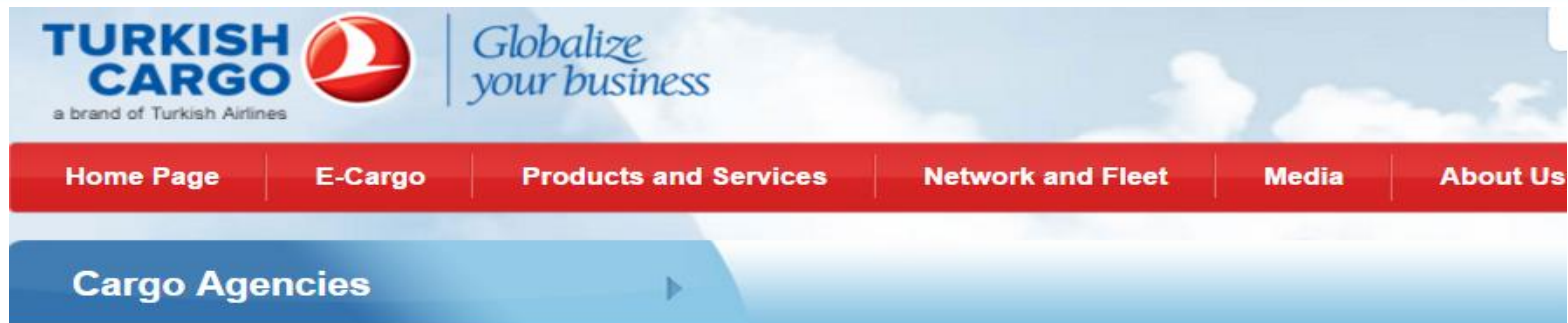
I. GSA/Sales Agreements

II. Jet Fuel Purchase

I. GSA/Sales Agreements


What are General Sales Agents?

- Airline agents that promote an airlines in countries which they do not directly serve ('offline countries'), but which they might serve via interlining or code sharing
 - GSAs make sure that local travel agents are aware of the ability to sell tickets on these airlines, despite that these airlines lack of physical presence in the country
 - Eg. Large Turkish community in Australia, but THY doesn't fly there. THY relies on GSA to distribute its ticket stock, promote Turkey as a destination and be sure that travel agents that serve the Turkish communities of Australia routed passengers onto THY
- GSA in Pax world largely disappeared due to Alliances
 - Cargo: continue to play a role as **General Sales and Services Agents (GSSA)**



Agents for your international shipments

For cargo shipments from Turkey to a foreign destination, Turkish Cargo works with cargo agents affiliated with IATA (International Air Transport Association).

File	Size	Type
Telephone and fax numbers of the IATA cargo agents	214 KB	

Our General Sales Agents (GSA) are responsible for shipments from a foreign departure point to Turkey or from a foreign departure point to a foreign destination.

File	Size	Type
Contact Information of our General Sales Representatives	194 KB	

What do we need to include in a GSA Sales Agreement?

- Can draft from scratch, starting with the specific, etc...
- However, the industry uses an agreed standard form

IATA Resolution 871

- Sets out the relationship between GSSAs and airlines
<https://www.iata.org/whatwedo/cargo/Documents/cac-resolution-871.pdf>



Resolution 871—Attachment ‘D’

CARGO GENERAL SALES AND SERVICE AGENCY AGREEMENT

This Agreement made this day of , 20.....

BETWEEN:

..... , a body corporate constituted and established under the laws of
..... , having its principal office at
of the one part

AND:

..... , a having its principal office
at of the other part,

WHEREAS

- A. carries on the business of carriage of cargo by air and makes such services available to the public and desires to appoint a cargo General Sales and Service Agent in respect of certain territories specified herein;
- B. has the staff and means to act as a cargo General Sales and Service Agent in respect of the territory specified herein;

NOW THEREFORE, in consideration of the premises and mutual covenants and agreements herein, the parties agree as follows:

ARTICLE 1 APPOINTMENT AND TERRITORY

..... (hereinafter referred to as “the Principal”) appoints
..... (hereinafter referred to as “the General Sales and Service Agent”
or “GSSA”) as its GSSA within (hereinafter referred to as
“the territory”) which appointment is accepted by the GSSA.

ARTICLE 2

Liabilty?



Resolution 871—Attachment 'D'

ARTICLE 16

LIABILITY AND INDEMNITY

The Principal and the GSSA agree to indemnify and hold harmless each other and their directors, officers, employees and agents from and against any and all actions, claims, losses, proceedings, costs, damages and expenses which either party may sustain as a result of the actions or failure to act of the other party, its directors, officers, employees or agents.

II. Jet Fuel Purchase

Standards? YES!

- Product purchased & means of delivery similar around the world
- IATA Model agreement
- Also standard versions by other companies (eg. Shell)

What do we need to include?

- Operative clauses focus on the safe delivery of the fuel & payment
- Important fuel industry specific terms covered in great detail, including:
 - Who responsible for what?
 - Where the property passes (and thus who responsible for issues)
 - Liability

Logical pattern:

- Focus on fuel to be provided
 - Quantities of fuel to be supplied
 - Quality of the fuel
 - Method of delivery
- Financial aspects
 - Prices, taxes and charges
 - Invoicing and payment
 - Price reviews
- Operational issues
 - Defueling
 - Non-standard operations
 - Operation of aircraft switches
 - Fueling when passengers aboard
 - Fueling in a hijack situation

Logical pattern:

- Indemnity
- 'General' provisions
 - Substitution
 - Exceptions
 - Disinvestment
 - Redevelopment of the airfield
 - Waiver
 - Assignment
 - Notices
 - Confidentiality
 - Security
 - Liability
 - Credit card purchases
 - Applicable law
 - Interpretation
 - Definitions

IATA Aviation Fuel Supply Model Agreement



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Version 4
October 2013

International Air Transport Association
Montreal – Geneva

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Shell Aviation Fuels Agreement

Shell Aviation Fuels Agreement

General terms and conditions
of sale for aviation fuels

Revised April 2004



Shell Aviation

AVIATION FUELS SUPPLY AGREEMENT

GENERAL TERMS AND CONDITIONS OF SALE

SUPPLY OF FUELS

1. QUANTITIES

- 1.1 The quantities of the Fuels to be delivered to the BUYER at each Listed Airfield are set out in Schedule A. Unless otherwise mutually agreed between the BUYER and the SELLER deliveries of the Fuels at each Listed Airfield shall be taken up by the BUYER in reasonably equal and even monthly amounts, making due allowances for changes in the seasonal operating schedules.

2. QUALITY

- 2.1 In respect of any Listed Airfield at the locations shown, the relevant specification for the Fuels supplied hereunder are defined as follows:

WORLD excluding Canada and USA:-

- (a) Kerosine type jet fuel:- Jet A-1 meeting the Aviation Fuel Quality Requirements for Jointly Operated Systems "Joint Fuelling Systems Check List", which by definition also meets the following specifications for Jet A-1: British Ministry of Defence DEF STAN 91/91, ASTM D 1655, IATA Guidance Material for Kerosine type fuel.
- (b) Aviation Gasoline – Avgas 100LL or Avgas 100 meeting British Ministry of Defence DERD 2485 and ASTM D 910.
- (c) Methanol/Water mixtures – Methmix meeting Rolls Royce Specification MSRR 9359 and/or British Ministry of Defence DERD 2491.

CANADA:-

- (a) Kerosine type jet fuel:- Jet A-1 meeting Canadian Specification CAN/CGSB 3.23-93.
- (b) Wide-cut type jet fuel:- Jet B to Canadian Specification CAN/CGSB – 3.22-93.
- (c) Aviation Gasoline:- Avgas 100LL to Canadian Specification. CAN/CGSB-3.25-M89.
- (d) Methanol/Water mixtures:- Methmix meeting British Ministry of Defence Specification DERD 2491.

USA:-

- (a) Kerosine type jet fuel:- Jet A meeting ASTM D 1655.

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