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New Athens Airport Marks Opening This Month

The new Athens International Airport at Spata, Eleftherios Venizelos, opened March 20.

Greek Prime Minister Costas Simitis and President of the Hellenic Republic Kostas Stephanopoulos were to inaugurate the new facilities on March 27.

New South Korean Airport Ready To Receive First Flights

The new Incheon International in Seoul is to receive its first flights Thursday, March 29, and held grand opening ceremonies March 22 at the six-million-square-foot passenger terminal.

President Kim Dae-jung officially opened the airport, saying that the \$5.5 billion facility will become an air traffic hub in Northeast Asia. "We are making a proud start toward a new hopeful era in which our offspring in the 21st century will live on the center stage of the world," Kim said.

Upcoming Events

June 17-20, 2001...Helsinki, Finland
U.S./European Airport and Airfield
Safety Workshop

Sept. 30-Oct. 3...Dubrovnik, Croatia
International Airports and Tourism
Development Workshop

Oct. 14-16, 2001...London, England
European Airport Risk Management and
Liability Insurance Workshop

Nov. 4-7, 2001...Salzburg, Austria
7th Annual Central Europe/U.S. Avia-
tion Infrastructure/Safety Workshop and
Trade Show

U.S. architect Fentress Bradburn, in association with Korean Architects Collaborative International, designed the terminal. The U.S. firm is best known for its design of the fabric-roofed passenger terminal at Denver International Airport, which opened in 1995.

Incheon International is a \$5 billion complex built on a man-made land-bridge between two islands in the Yellow Sea, 50 kilometers from downtown Seoul.

Fentress Bradburn won the commission to design the passenger terminal by unanimous decision in a 1992 international design competition against 10 of the world's top airport design teams.

Incheon's 46-gate, arc-shaped terminal is South Korea's largest building and was completed at a cost of \$1.1 billion. The airport is expected to serve 27 million passengers in its first year of operation and 100 million passengers annually by 2020.

Among the amenities are high-tech, all-weather landing systems and, for passengers, cyber ports and self check-in booths. A series of moving walkways ensures that users will not walk any distances greater than 400 feet.

Mexican President Discusses Aviation Privatization Plans

Mexico's President Vicente Fox said his government expects to raise between \$3 billion and \$4 billion this year from privatization programs, according to an interview with the Wall Street Journal.

Fox told the Journal that the privatization plans include an 85 percent stake in two groups of airports. After floating an 85 percent non-controlling stake in a group of nine airports in the country's southeastern region last year, the government now plans to float in local and international equity markets an 85 percent stake in each of two remaining packages of

airports in the northeastern and Pacific coast regions.

The government also plans to sell AeroMexico and Mexicana this year, Fox said.

Brazil's Infrareo Awards AWOS, Navaid Contracts

Infrareo, the airports authority of Brazil, has awarded Qualimetrics of Sacramento, Calif., a contract to manufacture and install 39 automated Weather Observation Systems (AWOS) at 39 airports throughout the country.

In other news, Elecsys Corp. of Overland Park, Kansas, said that its Airport Systems International subsidiary has been awarded navaid contracts from Infrareo with a total value of \$2.4 million.

IATA Implements GNSS In 14 African Countries

The International Air Transport Association (IATA) on March 19 began a complex project to implement Global Navigation Satellite System (GNSS) Procedures in 14 States of the Southern African Development Community (SADC).

This marks the second phase of a project launched last August with a demonstration flight in Namibia.

When completed later this year, this project will provide 26 international airports with very accurate GNSS approach, landing and departure procedures, which meet International Civil Aviation Organization (ICAO) requirements, IATA said.

IATA Director General Pierre Jeannot commented, "This project is an excellent example of cooperation between states and IATA to improve navigational procedures that will enhance air safety and significantly improve the regularity, efficiency and economy of air transport

in Southern Africa. This will also result in cost savings for the airspace users."

The implementation of these procedures at all 26 airports will cost no more than the price of one traditional Instrument Landing System at one airport, IATA said. As part of this project, IATA and its partner, Innovative Solutions International, will be conducting geodetic (WGS-84) surveys, developing the procedures and publishing the respective charts, preparing draft regulations for the individual states and conducting training of the aviation officials from each of the states.

IATA said it expects to announce additional projects in the near future.

Privatization Plans Force Schiphol Financial Rating Down

Moody's Investors Service has revised the rating outlook for Luchthaven Schiphol N.V. to negative from stable, reflecting the business risk that the Schiphol Group will be taking on as a privatized company. The issuer's long term debt is currently rated Aa1.

The Dutch government recently announced its intention to sell its interest in Schiphol in three tranches over the next few years. The current ownership of the airport is a key factor in the Aa1 rating. As Schiphol moves toward full privatization, Moody's said it expects significant downward pressure on the rating, now that it will come to be based exclusively on the company's business mix and fundamentals.

Cathay Pacific Upgrades Fleet For Long-Haul Routes

Cathay Pacific Airways said it will add seven Airbus Industrie jets to its fleet, enabling it to compete with U.S. airlines on long-haul routes into New York.

Cathay said it will lease three A340-600s for delivery in 2002-2003, while leasing three A340-300s and buying one A330-300 for delivery this year.

IATA Supports Research Into Illness From Long Flights

The International Air Transport Association (IATA) said it will collaborate with the World Health Organization (WHO)

and the International Civil Aviation Organization (ICAO) on long-term epidemiological studies of the effect of flying on the development of blood clots.

At a consultation on air travel and "venous thromboembolism" (DVT or deep vein thrombosis) held at the WHO headquarters in Geneva, March 12-13, members of IATA said that there is no confirmed link between DVT and air travel itself, beyond a risk associated with any long periods of immobility.

However, in order to provide definitive assessments of risk, properly conducted large-scale studies, taking up to two years to complete are required, members of the group determined.

Company Installs Detection System At Five Airports

Vista Research Inc., has installed its new underground pipeline leak detection system at airports in five Canadian cities: Calgary, Edmonton, Halifax, Toronto and Vancouver. The system is already in use at Montreal's Dorval and Mirabel airports.

Vista's fuel line pressure tests can, in a few hours, accurately account for changes in fuel volume caused by temperature variations. Alternative pressure-test methods require that fuel systems be shut down for long periods, which is impractical at major airports, the company said.

The Vista system can detect leaks as small as 0.00214 percent of the pipeline volume within a three-hour test, typically conducted late at night, the manufacturer said. It works by calculating the expected change in volume as the outside ground and air conditions cause temperature changes in the fuel in the pipeline. If the fuel volume does not change in accordance with the expectations, it is an indication that there is a leak in the system.

Vista's equipment can be permanently installed and designed to test pipeline systems as often as daily, or a mobile version can be trucked in for periodic tests.

Montreal's airports use two Vista systems. One HT-100 system is permanently installed at the fuel storage facility that serves the larger Dorval

Airport, where the pipelines in the fueling system contain about 300,000 gallons. The other HT-100 system is installed in a truck, and can be used in testing the entire hydrant system at Mirabel, as well as in testing sections of pipeline at Dorval.

American Airlines' Plan To Buy TWA Clears Hurdle

The U.S. Justice Department announced that it won't challenge the proposed acquisition of Trans World Airlines by AMR Corp.'s American Airlines.

Under the proposed deal, American would pay \$742 million for most of TWA's assets, including up to 190 planes and the St. Louis hub. It also would pay \$82 million for a 49 percent stake in DC Air, a minority-owned start-up of UAL Corp.'s United Airlines and US Airways that would serve 44 markets out of Washington's Reagan National Airport.

With TWA, American will become the largest carrier in the world, though United Airlines stands to regain that title if it wins approval for its proposed acquisition of most of US Airways.

American said it will cancel an order for Airbus Industrie jetliners valued at \$1.8 billion in favor of planes made by Boeing Co, after its purchase of TWA.

TWA's Airbus contract called for the

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delivery of 45 small A318 and A319 jets starting in 2003. American will accept at least 30 of Boeing's competing 717 jets, 15 now in TWA's fleet and another 15 of 35 remaining on order.

King Power Group Adds To Retail Space At Thai Airports

King Power International Group Co., Ltd. announced that its subsidiary King Power Duty-Free Co. Ltd. has signed a five-year contract to operate an additional 19,171 square feet of retail concession space in Thailand's major international airports.

This new contract will increase airport retail space for King Power Duty-Free Company to 48,786 square feet.

The new space will be utilized for the sale of general merchandise and souvenirs in the International Passenger Terminals of Bangkok, Chiang Mai, Phuket, and Hat Yai International Airports. Currently, this subsidiary operates 29,615 square feet of concession space in the Thai airports. The new concession will be in effect from Jan. 1, 2002, to Dec. 31, 2004, with an automatic extension until 2006.

U.S. Airline Mergers Could Spur Similar Move In Europe

Europe's three biggest airlines will absorb the other major carriers in the region within the next few years, the head of Air France said in a recent media briefing.

U.S. consolidation to perhaps three giant carriers would force Europe to follow suit, bringing its industry down to a handful of companies based on Air France, British Airways and Deutsche Lufthansa, Air France Chairman Jean-Cyrill Spinetta said.

Regulatory obstacles to consolidation could be broken down within 10 years, with a U.S.-European air services trade treaty leading the way, he told reporters.

"In the United States you may very rapidly have maybe three or four airlines," he said. "So I think that the consolidation (in Europe) will probably be organized around these three European airlines (Air France, Lufthansa and

British Airways)," he said.

Boeing Explores Plans For Faster Commercial Aircraft

The Boeing Co. announced it is in the preliminary stages of developing an aircraft in the 757-767 category that is capable of flying 95 percent of the speed of sound.

The aerospace giant said it has spoken with a number of airline customers who expressed "a great deal of interest" in the aircraft concept.

Boeing earlier announced a restructuring and will move its headquarters out of Seattle, Wash., to Denver, Dallas Fort Worth or Chicago.

"We are continuing the transformation of this company to focus on creating value for our shareholders," said Phil Condit, Boeing chairman and chief executive officer. "A key element of this transformation is establishing a corporate architecture that continues the attention on operational performance improvements and invests capital wisely in new growth opportunities."

Singapore Air CEO Cheong Outlines Aviation Trends

Singapore Airlines' Deputy Chairman and CEO Dr. Cheong Choong Kong provided a snapshot of trends in aviation and their implications for both customers and airlines in a recent speech before the Wings Club in New York.

Cheong predicted a more liberalized aviation world based on continued globalization and relaxation of ownership restrictions. According to the SIA chief, increased airline consolidation and growing demand by shareholders for enhanced returns on airline investment dollars will continue to reshape the industry. He also said that new technologies will allow airlines to raise customer service levels and improve their products for increasingly sophisticated and demanding passengers.

The evolution of aircraft design was also cited by Cheong as a tool to help carriers overcome protectionist barriers and airport slot constraints limiting growth. While the Open Skies bilateral agreement between Singapore and the

United States has existed since 1997, aircraft range limitations have required Fifth Freedom traffic rights from intermediate countries. "But with the delivery of the Airbus 340-500 in 2003, we will be able to fly nonstop between Singapore and Los Angeles or between Singapore and New York," said Cheong, setting the stage for the carrier's continued growth in the United States. The carrier also will be the first to fly the new generation Airbus 380, capable of accommodating up to 550 passengers, in 2006.

Cheong also spoke out against state intervention and the establishment of mandatory customer service standards, citing the need for more liberal competition between carriers.

"We ought to leave service standards to the competition and let consumers gravitate to the company that provides the better deal on price, product and service," he said.

London Heathrow Named Best For Retail Concessions

London Heathrow's retail concessions were named best in the world in a recent survey by Arthur Andersen Sydney. The designation was based on total sales per passengers and sales per square foot.

Following Heathrow in the list of the world's best were Sydney, London Gatwick, Brisbane, Copenhagen, Melbourne, Japan's three main terminals and Vancouver.

The report covered 31 airports or airport groups from Europe, North America, Asia-Pacific and Africa.

Delta Agrees On Code Share With LAPA of Argentina

Delta Air Lines and LAPA, Lineas Aereas Privadas Argentinas, signed a codeshare agreement allowing LAPA to place its code on Delta's daily flight between Argentina and Atlanta.

The airlines plan to begin codeshare flights beginning April 2, pending government approval, with LAPA selling seats on Delta's MD-11 aircraft between Argentina and Atlanta. The agreement also includes LAPA placing its code beyond Atlanta to Orlando, Miami, New York LaGuardia and Los Angeles.

News From Around The World

Germany's Frankfurt-Main Airport received two awards: "Best Airport-Europe" and "Best Air Cargo Terminal Operator-Europe" at the recent Asian Freight Industry Awards 2001 (AFIA). Frankfurt Airport has won the "Best Airport-Europe" award four times in the past five years: from 1997 to 1999, and now in 2001. In 1998, Frankfurt also picked up the "Best Air Cargo Terminal Operator-Europe" award. The AFIA awards are organized by the Hong Kong-based publication Cargonews Asia, which polls 13,000 senior freight industry professionals throughout Asia to select the best companies in 37 categories in major trading areas worldwide.

China Southern Airlines said that its new nonstop service from Guangzhou to Melbourne and Sydney is off to a good start. Outbound loads from China to Australia were at 49 percent for December 2000 and went up to 65 percent for January 2001. The carrier operates Boeing 777 equipment on the route.

According to the new Zagat Airline Survey, Singapore Airlines is the top ranked carrier by passengers, followed by Cathay Pacific and Japan Airlines. Alaska Airlines was the only U.S. major airline in the top five overall ranking for economy ratings, but American, United, Continental and Alaska all appeared in the top five of Zagat's premium ratings.

British Airways confirmed plans to buy out its franchise partner British Regional Air Lines Group (BRAL) at a cost of \$114 million. BA would take control of British Regional and Manx Airlines, and eventually consolidate operations of BRAL with Brymon Airways, its West County subsidiary.

German parcel and postal company Deutsche Post AG agreed to split itself in two to avoid future accusations of anticompetitive behavior. The European Commission accepted a settlement deal offered by Deutsche Post after a seven-year antitrust probe that was initiated by United Parcel Service, which accused Deutsche Post of

illegally subsidizing its commercial parcel-hauling business with profits funneled from its monopoly on letter deliveries in Germany.

Helios Airways Ltd. of Larnaca, Cyprus, took delivery of its first Next-Generation 737-800 airplane, the first of two being delivered to Helios this year. The airplane is the first new Boeing jet to be flown by an airline operating out of Cyprus. Helios currently leases a used 737-400 from GE Capital Aviation Services, Inc.

Lufthansa German Airlines announced it will inaugurate new service from Los Angeles to Munich on Sunday, March 25, offering the only nonstop service to the Bavarian capital from Southern California. Lufthansa has scheduled the daily 747-400 service from Los Angeles to connect with the airline's second hub at Munich's international airport.

The Spanish government has launched the sale of its remaining 53.9 percent stake in Iberia, in an initial public offering that values Spain's flagship carrier at between 1.56 billion euros and 1.96 billion euros (\$1.4 billion and \$1.75 billion).

The Boeing Co. confirmed Uzbekistan Airways' purchase of two Boeing 767-300ER aircraft. Deliveries are scheduled for August and September of 2002. The airline currently has three Boeing 757s and two 767s in its fleet.

Air cargo volume between western Europe and the rest of the world is expected to grow by more than 22 percent between 1999 and 2003, according to an Atlas Air, Inc. report based on projections provided by MergeGlobal, the Virginia-based transportation consulting firm. During that period, European trade with the Asia Pacific region is anticipated to grow almost twice as fast as trade with North America. However, the volume of goods transported between Europe and North America will continue to outpace the volume between Europe and the Asia Pacific region by 29 percent by 2003.

Portuguese state carrier TAP-Air Portugal, without an ally since Swissair

withdrew last month, said it plans talks with potential partners, including Air France and the U.S. Delta Air Lines.

Air Canada announced that it will offer its customers five times weekly codeshare service on Star Alliance partner Austrian Airlines' new nonstop service between Toronto and Vienna starting April 28, 2001.

Aerexchange, a business-to-business (B2B) e-commerce exchange, has added three more international carriers to its growing fleet of airline affiliates. Varig Brasil, Icelandair and Thai Airways bring the number of partner members to 26. Aerexchange currently offers strategic sourcing, inventory management, maintenance management and rotatable reliability tools from its www.aerexchange.com site. Future releases will continue to deliver solutions that integrate buyers and sellers with supply chain management, e-procurement and purchasing intelligence product suites.

Air Canada announced that it has completed the previously announced sale of U.S. \$300 million and euros 100 million aggregate principal amount of its 10.25 percent senior notes due March 15, 2011.

Shares of Swissair parent SAirGroup plunged by almost 14 percent early this month following the announcement that all but one of its directors plan to resign over the next year. Five members will leave at the group's shareholders' meeting April 25 while four more, including the chairman, will resign at the same meeting in 2002, the group said in a statement. Only Mario Corti, the financial chief of food and drinks group Nestle who joined the SAirGroup board last year, will remain. SAirGroup has been in a state of change since the sudden departure of Chief Executive Philippe Bruggisser in January, which led to an initial effort to revamp the airline's strategy.

The Canadian government approved the proposal by Canada 3000 Inc. to take over rival Royal Aviation to form the country's second-largest airline.