

INTERNATIONAL AIRPORT REPORT

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Copenhagen Conference Draws International Attendees

More than 100 airport and aviation officials from 19 different countries participated in the Future of Airport and Airline Relations in Europe and the U.S. Conference Aug. 29-Sept. 1 in Copenhagen, Denmark. The conference was sponsored by AAAE, the International Association of Airport Executives (IAAE) and Copenhagen Airports.

The U.S. airport delegation was led by AAAE Chair Bill Barkhauer, A.A.E., of Morristown, N.J., and IAAE Chair Tim Campbell, A.A.E., of Salt Lake City. The North American airport delegation also included Lowell Pratte, A.A.E., of Louisville, Ky.; Krys Bart, A.A.E., of Reno, Nev.; Jim Bennett, A.A.E., of Washington, D.C.; Jim Smith, A.A.E., of Newport News, Va.; Roger Sellick, A.A.E., of Kelowna, B.C., and Bob Bogan, A.A.E., of Morristown.

Delegates debated and discussed a number of timely challenges and issues, including the view of European major airlines on their relationship with airports, the perspective of major airlines on the impact of low-fare carriers on the industry, position of low-fare carriers in a changing European market, optimization and development of terminal concessions and airport restaurants, adjustments by European and U.S. airports to accommodate low-fare carriers operations while maintaining

a mix of low-fare and network carriers, the U.S. government's roles in airport economics, and innovative public/private sector partnerships in the airport industry.

Speakers included Stuart Bernstein, U.S. Ambassador to Denmark; Niels Boserup, CEO of the Copenhagen Airports and president of the Airports Council International World; Vagn Sorensen, CEO of Austrian Airlines and Chairman of the Association of European Airlines; Stefan Vilmer of Sterling Airlines; John Parkin, chief executive of Newcastle Airport in the U.K.; Woodie Woodward, FAA associate administrator for airports, and Lowell Pratte, A.A.E., deputy executive director of Louisville International Airport.

AAAE and IAAE would like to give special thanks to the sponsors of the conference: Copenhagen Airports International, Select Service Partner Danmark A/S, Scandinavian Airlines, DM Airport Developers, Salt Lake City Airport Authority, HMSHost - Europe, Cendant Car Rental Group, L-3 Security and Detection Systems, PB Aviation, Airfield Turf, Zenitel Denmark, Metropolitan Washington Airports Authority, Lenlyn Holdings, Danish Airport Projects Group, and Panama City Bay County (Fla.) International Airport.

Renovated Terminal One At Beijing Airport Reopens

China Southern Airlines on Sept. 21 announced that after months of reconstruction and renovation, Terminal One at Beijing's Capital Airport has reopened.

Effective immediately, all China Southern flights departing from and arriving at Beijing will use this new terminal, the carrier said, while all passengers departing on China Southern will also have their boarding procedures

U.S./Central Europe Airport Issues Conference Nov. 7-10, Salzburg, Austria

AAAE, IAAE and the Salzburg Airport W.A. Mozart announce the 10th Annual U.S./Central Europe Airport Issues Conference, scheduled for Nov. 7-10 in Salzburg, Austria.

Key officials of the U.S. trade promotion team—representing the Commerce Department and FAA, as well as senior commercial service officers from U.S. embassies throughout the Central European region—will address the working sessions. Speakers also will include prominent airport directors from the U.S. and Central Europe, high-ranking U.S. and Central European government officials, leading industry consultants and aviation corporate executives.

The conference will provide information on topics that include Central European and U.S. aviation relations; European and U.S. airline challenges; wireless issues; airport privatization trends; Central Europe/U.S. airport infrastructure development case studies; aviation safety/security/air traffic control modernization challenges in the U.S. and Europe, and global airport public/private sector partnership programs.

For further information, visit www.aaae.com or contact Spencer Dickerson, AAAE, at sdickerson@airportnet.org, or phone (703) 824-0500, Ext. 130.

completed here.

China Southern signed an agreement with Capital Airport to jointly manage the renovated Terminal One. The carrier said that, with this terminal, it will be

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Upcoming Events

October 24-26, Seoul, Korea... Airport Issues Conference.

November 7-10, Salzburg, Austria... U.S./Central Europe Airport Issues Conference.

able to offer passengers more efficient transportation services, play a more constructive role in developing its transfer business and aid in forming a hub air route network.

Beijing Capital International is the largest gateway airport in China's mainland. In 2002, aircraft takeoffs and landings at the airport topped 240,000, passenger traffic reached 27 million and cargo and mail volume reached 670,000 tons.

Sydney Airport Completes \$3 Billion Refinancing

Sydney Airport on Sept. 13 announced it had successfully completed the refinancing of its \$2.5 billion in senior bank debt facilities and established \$655 million of increased facilities for capital expenditure and general working capital purposes.

Max Moore-Wilton, chairman and CEO of Sydney Airport Corp., said he is pleased with the outcome of the transaction and the high level of interest from domestic and international lenders. "This refinancing provides Sydney Airport with a strong, stable financial base from which to operate in the future," he commented. "The new terms of our debt facilities provide significantly reduced margins, increased flexibility and some administrative simplifications."

BA To Cancel Some Flights In Bid To Ease Delays

British Airways said it would cancel almost 1,000 flights out of London's Heathrow airport in the next three months to ease the congestion that led to flight delays.

BA said it would cut 966 flights, 2 percent of total operations or 12 flights a day, on domestic, European and long-haul destinations to improve performance.

"We have done a prudent precautionary measure which relieves some pressure on the flying program at what is a very busy airport," a BA spokesman said.

The airline said only high-frequency

routes would be affected, including flights to New York, Los Angeles, Hong Kong, and short-haul routes to Edinburgh, Manchester, Frankfurt, Munich, Brussels and Amsterdam.

Transport Canada Approves Navigation Procedures

Transport Canada has granted operational approval to WestJet to fly advanced navigational procedures known as RNP RNAV throughout Canada. The agency approved design criteria for the procedures based on FAA's Advisory Circular 120-29A, and delegated significant responsibilities for procedure deployment to Naverus, a Seattle company formed by experts in advanced navigation procedures.

WestJet's deployment of RNP RNAV procedures will provide the airline with additional safety, efficiency of operations and improved access to the airports it serves, Transport Canada said. Traditionally, aircraft have had to rely on ground-based navigational facilities, which are expensive to set up and maintain, in order to land at airports in poor visibility. The airline's RNP 0.10 procedures for Kelowna, British Columbia were officially published in the latest edition of AIRAC Canada. The Kelowna procedures, and the design criteria on which they are based, were developed for WestJet by Naverus. The airline has contracted with Naverus to deploy RNP RNAV procedures throughout its 737-NG network in Canada by year's end.

Frankfurt Handles Record Number Of Passengers

Frankfurt Airport reported that it welcomed 4.9 million passengers and handled 42,286 takeoffs and landings in August 2004—more passengers and aircraft movements in a single month than at any other time in the airport's history. Fraport AG, the airport's owner and manager, also recorded the best August for airfreight, with 142,555 metric tons handled at Frankfurt.

For the eight-month period from
(continued on following page)

FIRST ANNUAL U.S./ASIA AIRPORT ISSUES CONFERENCE

Have you ever wanted to learn more about and tap into the Asian airport and aviation market? Wait no more. Join us for the First Annual U.S./Asia Airport Issues Conference from Oct. 24-27, 2004, at the Renaissance Seoul Hotel in Seoul, South Korea. This meeting is sponsored by Incheon International Airport Corporation, AAAE and IAEE.

This conference will promote the exporting of aviation/airport-related U.S. products and services by providing direct contacts and discussions between aviation-related companies and key airport/aviation officials in Asia. Some topics of discussion include Asian and U.S. aviation relations, Asian and U.S. airline challenges, airport privatization trends, Asia/U.S. airport infrastructure and cargo development case studies and aviation safety/security/air traffic control modernization challenges in the U.S. and Asia.

For registration and program information, contact Will James, AAAE, at will.james@airportnet.org, or call (703) 824-0504.

INTERNATIONAL AIRPORT REPORT

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January to August, Frankfurt experienced 6.9 percent growth in passenger traffic. The major growth factor was a 5.4 percent increase in intercontinental passenger traffic, Fraport said. India and China recorded particularly robust growth rates, while Japan also picked up again.

Air freight tonnage at Frankfurt increased by 14.7 percent compared with August 2003. Growth rates were particularly high on routes to Latin America (45 percent), North Africa (37 percent) and the Middle East (20 percent). The Far East (9 percent) and North America (10 percent) also experienced dynamic growth. Over the January-to-August 2004 period, Frankfurt's air freight volume jumped by 12.6 percent.

Strong Air Cargo Growth Forecast

Boeing is predicting that world air cargo volume will expand at an average annual rate of 6.2 percent during the next two decades. The company's World Air Cargo Forecast 2004/2005 is available at <http://www.boeing.com/commercial/cargo>.

Overall, Boeing predicts the world freighter fleet will increase to 3,456 airplanes from 1,766 during the 20-year forecast period, with the greatest growth in widebody freighters such as the Boeing 747, 767, MD-11 and the Airbus A300. This category ultimately will represent 60 percent of the fleet, compared to 44 percent today, eventually constituting more than 90 percent of total freighter capacity, Boeing forecast.

Of the 2,950 freighters predicted to join the fleet, 1,260 would be replacements for retired aircraft and 1,590 for growth. More than 75 percent, 2,226 airplanes, will come from passenger/combi-to-freighter modifications, while 724 will be new production freighters.

Boeing said it expects Asian air cargo markets to continue leading the industry in average annual growth, with

the domestic Chinese and intra-Asian markets expanding 10.6 percent and 8.5 percent per year, respectively.

Compared to the world average annual growth rate of 6.2 percent, North America-Asia will average 7.2 percent and Europe-Asia will average 6.7 percent. Several of the more mature markets, such as intra-North America and intra-Europe, will experience lower growth rates based upon current high traffic rates, Boeing stated.

Nippon Express Opens New Air Freight Terminal

Nippon Express (Deutschland) GmbH has inaugurated its new EUR 8.5 million European logistics and air freight terminal at Frankfurt Airport's CargoCity South development area.

One of the world's largest logistics service providers, Nippon Express of Japan will use the 14,500-square-meter site as the new base for its European and Frankfurt branch operations, employing a total of more than 100 people.

Three Carriers Propose New China Service

Continental, American and Delta have filed at DOT for rights to begin new service to China, subject to government approval.

Continental proposed serving Beijing and Shanghai from Newark Liberty. Service to Beijing would begin in the spring of 2005, while flights to Shanghai would begin in the spring of 2006. Delta proposed flights to Beijing from Atlanta, beginning in 2006. American proposed operating daily nonstop service between Chicago and Shanghai, starting on May 1, 2005.

New Air Cargo Program Launched At Winnipeg

Canadian Transport Minister Jean-C. Lapierre on Sept. 27 launched an international air cargo transshipment program at Winnipeg International Airport. The new program simplifies air

carrier access to Winnipeg for air cargo transshipment and provides an additional incentive for use of the cargo facilities at the airport.

"This new transshipment program should benefit the Winnipeg community and provide additional operating flexibility for Canadian and foreign air carriers," said Lapierre. "The new program could result in increased traffic at the airport and will also complement other initiatives being developed by Winnipeg International Airport."

Transshipment allows air cargo destined for points other than Canada to be moved through Canada for shipment on to a third country. For example, cargo could be flown from the United States into Winnipeg, stored temporarily, and then flown on to a final European destination. Cargo could also arrive from overseas and then be shipped by rail or road from Winnipeg on to the United States.

Wall Collapses During Dubai Airport Construction

A wall collapsed Sept. 27 on workers building a \$4 billion extension to Dubai Airport, killing several persons and injuring a number of others, according to reports.

"During the preparation of a wall, a section of the reinforcement cage fell, trapping workers," Dubai's Department of Civil Aviation said. "Twelve workers were rescued and sent to hospitals with injuries while five succumbed in the incident."

Bulgaria Seeks Operator For Two Airports

Bulgaria has launched a competition to hire a company to modernize and run its two main Black Sea airports in the cities of Varna and Bourgas, the transportation ministry said.

The ministry will proceed in two stages for the 35-year concession: first selecting companies eligible for the concession and then choosing a winning bid.

News From Around The World

SkyTeam announced that Continental Airlines, KLM Royal Dutch Airlines and Northwest Airlines are now full members of one of the alliance.

SkyTeam is the global airline alliance partnering Aeromexico, Air France, Alitalia, Continental Airlines, CSA Czech Airlines, Delta Air Lines, KLM Royal Dutch Airlines, Korean Air and Northwest Airlines.

CanJet announced plans to expand service between **Hamilton, Canada, and Florida's St. Petersburg-Clearwater International Airport**. Doug Newson, CanJet's director, marketing and sales delivery, announced the introduction of nonstop flights from the St. Petersburg-Clearwater International Airport to Hamilton, Ontario, beginning Nov. 6, 2004, and adding a second nonstop weekly flight on that route beginning Feb. 8, 2005.

SkyTeam Cargo announced its newest member will be KLM Cargo. The SkyTeam Cargo alliance was founded by Aeromexico Cargo, Air France Cargo, Delta Air Logistics and Korean Air Cargo in 2000. Alitalia Cargo and CSA Cargo both joined SkyTeam Cargo in 2001.

Opti-Fi Networks, LLC, a provider of fully managed public and private wireless fidelity services for airports, has been selected by Canada's Thunder Bay International Airport to provide wi-fi access to travelers, airport vendors and staff.

Winnipeg Airports Authority announced that Zoom Airlines of Ottawa, Ontario, will provide direct flights from Winnipeg to London, England. Zoom will provide scheduled service from Winnipeg International Airport to Gatwick Airport in London, beginning in May, 2005.

Jetsgo said it will add an extra daily flight between **Toronto and Quebec City, and Toronto and Moncton**, doubling Jetsgo service to two flights

per day to these markets. The additional flight to Quebec City will begin on Oct. 28. The additional Toronto-Moncton flight begins Dec. 16.

Sensis Corp. said that **Vienna International Airport** is using Sensis' airport surveillance system, Multistatic Dependent Surveillance (MDS), for operational surface surveillance. By providing high accuracy, high reliability surveillance data regardless of weather conditions, the system has aided the airport in safely increasing throughput. In the first six months of 2004, the airport achieved an increase of 14.3 percent in flight movements—one million more passengers over the same time in 2003—setting Vienna on course to break its 2003 record of exceeding 12 million passengers.

Computer Associates International said that CA Technology Services has completed a complex enterprise management project for **Munich Airport** that has significantly enhanced the performance and cost-efficiency of the airport's IT operations. Munich Airport has automated the management of up to one million network and systems events daily.

Aeroflot announced plans to proceed with construction of a new terminal at **Moscow's Sheremetyevo Airport**.

Hong Kong's main carrier Cathay Pacific Airways said it had applied to launch cargo services to **Shanghai**.

New Zealand's High Court ruled on Sept. 20 against allowing national flag carrier **Air New Zealand** to form an alliance with **Australia's Qantas**. The carriers said they would continue to search for ways to cooperate.

Thailand's new international airport is on track to open in September 2005 as part of the country's plan to become a regional aviation hub, Transport Minister Suriya Jungrunreangkit said.

Lufthansa is set to sign an air cargo joint venture with China's Shenzhen Airlines as it expands its Asian freight business, a German newspaper reported.

Airport Magazine To Publish Seven Printed Issues In 2005

Airport Magazine, which has published six issues per year since its debut in January 1989, is adding a seventh printed issue in 2005. The issue will be produced especially for the AAAE Annual Conference and Exposition in Seattle, May 1-4, 2005.

Among the conference-specific content planned for the issue is the annual Buyers' Guide, a 40-plus page listing of companies participating in the annual event, as well as articles covering the latest developments at Seattle-Tacoma International Airport, the 2005 conference host, and other industrywide topics.

For *Airport Magazine* advertising information, contact Greg Mihelic, director of marketing, at (703) 824-0500, Ext. 136, or e-mail greg.mihelic@airportnet.org.

Europe's biggest low-cost airline **Ryanair** will introduce inflight entertainment to its planes in November, which it said would increase revenues by at least EUR14 million in the first year.

The International Civil Aviation Organization is predicting strong growth in traffic growth this year and next after two years of static figures. Traffic in 2004 should grow by 6.2 percent, with growth estimates in 2005 of 5.4 percent.

Bombardier Aerospace announced that it has signed a contract with **Air Canada** for the sale of up to 90 Bombardier CRJ aircraft. Air Canada has ordered the jets for its wholly owned regional airline, **Air Canada Jazz**. The contract is contingent upon Air Canada's emergence from bankruptcy protection under the Companies' Creditors Arrangement Act.