

INTERNATIONAL AIRPORT REPORT

Volume 12 Number 10

October 2004

Two New Members Added To IAAE Board Of Directors

The AAAE Board of Directors at its Oct. 3 meeting in Tucson, Ariz., approved two new members to the International Association of Airport Executive (IAAE) Board of Directors: Krys Bart, A.A.E., of Reno, Nev., and C.G. Park of Incheon, South Korea.

The following are the IAAE Board members for 2004-2005: Tim Campbell, A.A.E., Salt Lake City, chair; Jim Bennett, A.A.E., Washington, D.C.; Larry Cox, A.A.E., Memphis, Tenn.; Kent George, A.A.E., Pittsburgh, Pa.; Jim Koslosky, A.A.E., Grand Rapids, Mich.; Jerry FitzGerald, A.A.E., New York, N.Y.; Bill Barkhauer, A.A.E., Morristown, N.J.; Al Graser, A.A.E., New York, N.Y.; Al Denson, A.A.E., Birmingham, Ala.; Jim Morasch, A.A.E., Pasco, Wash.; Kelly Johnson, A.A.E., Northwest Arkansas; Mark Brewer, A.A.E., Warwick, R.I.; Kelvin Jones, Nashville, Tenn.; Bonnie Allin, A.A.E., Tucson, Ariz.; Lowell Pratte, A.A.E., Louisville, Ky.; Krys Bart, A.A.E., Reno, Nev.; Elaine Roberts, A.A.E., Columbus, Ohio; Bob Bogan, A.A.E., Morristown, N.J.; Jim Smith, A.A.E., Newport News/Williamsburg, Va.; Richard Schano, Salzburg, Austria; Henryk Jelonkiewicz, Krakow, Poland; Petr Rychetsky, Prague, Czech Republic; Tonci Peovic, Dubrovnik, Croatia; Bosco Matkovic, Zagreb, Croatia;

Upcoming Events

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

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

Gabriel Dumitrescu, Bucharest, Romania; Bernie Humphries, A.A.E., Calgary, Alberta; Roger Sellick, A.A.E., Kelowna, British Columbia; Jeff Huntus, A.A.E., Ontario; Denton Campbell, Montego Bay, Jamaica; George Paldi, Budapest, Hungary; Tolga Turgut, Istanbul, Turkey; Rasmus Christiansen, Copenhagen; Stefan Runcan, Targu Mures, Romania; Sorin Stoicescu, Bucharest, Romania; C.G. Park, Incheon, South Korea, and Pat Krall, L-3 Security and Detection Systems.

Canada Implements New Restricted Area ID Card

Transport Canada and the Canadian Air Transport Security Authority (CATSA) on Oct. 15 announced the beginning of the implementation phase of a new restricted area identification card.

Through the use of biometrics, this card will enhance the restricted area pass system currently in place at Canada's 29 major airports, CATSA said. Also announced was a pilot project to deploy new document screening equipment to detect explosives at pre-board screening checkpoints.

Transport Minister Jean-C. Lapierre made the announcements at Montreal Pierre Elliott Trudeau International Airport, along with CATSA President and CEO Jacques Duchesneau. Transport Canada and CATSA have worked together to develop these projects.

"The Government of Canada is committed to continuously enhancing the security of our aviation system," said Lapierre. "These projects will continue to ensure Canada's place as one of the world leaders in aviation security, and build on one of my key priorities as Minister of Transport."

"Since its creation in April 2002, CATSA has been working to ensure that

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.

Canada's air transportation security system is among the best in the world. The new equipment deployed today is further evidence of that commitment, one that has seen us deploy over 1,000

(continued on following page)

new pieces of security screening equipment over the past two years,” said Duchesneau.

Canada already has an established airport restricted area pass system. This project will build on that foundation by deploying restricted area identification cards, which will use biometrics to support issuance, verification, cancellation and tracking of restricted identification cards.

To gain access privileges to an airport’s restricted area, cardholders will be required to have either their fingerprint or iris scanned by biometric readers at individual airports. Operational trials are underway at Vancouver International and Kelowna International airports, and will begin at Montreal Pierre Elliott Trudeau International and Charlottetown airports shortly.

The pilot project to deploy new document screening equipment will test for traces of explosives on passenger documentation such as boarding passes. This new explosives detection equipment will be installed at different points in the pre-board screening process to determine what location is best suited to ensure security and facilitate the efficient processing of passengers. Operational trials are to begin in Ottawa in late October.

The explosives detection pilot project will be carried out in addition to current screening requirements and processes. Passengers will still be required to have their carry-on belongings searched and their electronic devices will still be subject to screening, CATSA said.

Air Canada Celebrates New Economic Beginning

Thousands of Air Canada employees, joined by Canadian star Celine Dion, on Oct. 19 marked the company’s rebirth with the unveiling of a new livery and inflight enhancements.

“Today we unveil the Air Canada of the future to the people who made it all happen - Air Canada’s employees,” said Robert Milton, president and CEO.

Air Canada also announced that it

will launch a cooperative advertising campaign with the Canadian Tourism Commission to jointly promote Canada as a travel destination in markets outside the country. Major print and broadcast advertising campaigns are slated to begin in select markets in the United States and Great Britain in early 2005.

The distinctive Air Canada Maple Leaf in red on the tail of its aircraft will now be complemented by a graphic dot pattern representation called the “Frosted Leaf” in a light shade of green. In addition to its use on the exterior of the aircraft, the new color scheme will be used throughout the interiors of aircraft and eventually across all corporate identity applications.

U.S., EU Dispute Aircraft Loans To Boeing, Airbus

The European Union is disagreeing that the U.S. had the right to unilaterally terminate a 1992 agreement that governs state aid to Boeing and Airbus, arguing that the reasons given by the U.S. were “groundless and unsubstantiated.”

The U.S. filed a complaint with the World Trade Organization, charging that government loans to help Airbus develop the A380 violated the pact.

The EU restated its “strong concerns regarding the massive subsidies to be granted by the U.S. to the Boeing 7E7 in violation of the 1992 Agreement.”

U.S. Carriers To Expand Cargo Services In China

The U.S. Transportation Department said it has selected Polar Air Cargo as a new entrant in the U.S.-China aviation market, and that the three all-cargo carriers currently serving China—FedEx, Northwest and UPS—will receive additional flights to expand their services.

The new services were made available by the U.S.-China aviation agreement signed July 24 in Beijing.

DOT awarded Polar nine weekly U.S.-China flights, six of which are available

(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, AAIE and IAIE.

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, AAIE, at will.james@airportnet.org, or call (703) 824-0504.

INTERNATIONAL AIRPORT REPORT

Editor Barbara Cook

Production Editor Holly Ackerman

Spencer Dickerson, C.M.
Executive Director

Will James, C.M.
Managing Director, Canadian Programs

INTERNATIONAL AIRPORT REPORT is published monthly by the International Association of Airport Executives, an affiliated company of the American Association of Airport Executives, the largest professional organization for airport executives in the world.

now and three beginning March 25, 2005. FedEx and UPS each received 12 additional weekly flights, and Northwest received six. For each of the three incumbent carriers, half of the new flights are available now, and the other half on March 25, 2005.

Sydney Airport Posts Increased Profit In Recent Quarter

Southern Cross Airports Corp. has announced a 15.9 percent increase in earnings for Sydney Airport for the three months ended Sept. 30. The corporation posted profit of A\$118 million for the period.

Improved passenger traffic, new airline services and improved yields from commercial initiatives accounted for the higher revenue, the corporation said. Retail revenues rose due to the duty-free, walk-through stores, the relaunched T1 food court and expanded T2 retail trading, the corporation said.

NavCanada Cites Progress In Financial Results

NavCanada released its financial results for the fiscal year ended Aug. 31, 2004, saying that the results "demonstrate the company's ongoing success in delivering essential air navigation services safely and economically."

"We made solid progress over the past year, continuing to deliver the air navigation services our customers have come to expect, while making a substantial reduction in the deficit we incurred from 2001-2003," said John Crichton, president and CEO.

The company's revenues for the year were \$1 billion compared with \$899 million for the previous year, before reflecting adjustments to the rate stabilization account. The increased revenues were due to a 4.6 percent year over year increase in air traffic and increases in customer service charges.

Total operating expenses for the year were \$746 million before rate stabilization, compared with \$781 million for the

previous year. The decrease is primarily due to a \$45 million bad debt provision relating to Air Canada's bankruptcy filing in the prior fiscal year and a \$15 million partial recovery of this amount in fiscal 2004, NavCanada said.

Copenhagen Airport Posts September Gain In Passengers

The total number of passengers in Copenhagen Airport in September increased by 6.7 percent compared with the same month in 2003, the airport reported.

The number of scheduled international passengers increased by 6.9 percent, while the number of international charter passengers increased by 12.3 percent, the airport said.

The total number of domestic passengers increased by 0.2 percent compared with the same month in 2003.

Singapore Changi Airport Showcases Electronic Products

Information Technology (IT) and consumer electronic products are the third best selling product group at Singapore Changi Airport, officials reported.

Sales in this category have recorded double-digit growth in the last two years. In the January to August 2004 period, sales rose about 20 percent compared to the same period in 2003. Compared to the corresponding period in 2002, the rise in sales in the first eight months of this year is about 15 percent, airport officials said, noting that European and Australian travelers are the biggest spenders on such products at Changi.

To capitalize on this trend, Changi officials said they have increased the commercial space for IT and consumer electronic products by about 10 percent. The airport is also set to enhance its annual IT shopping extravaganza, named "Digital Connection."

This year, a bigger exhibition area has been set aside for Digital Connection to accommodate over 10 brands

showcasing the latest electronic gadgets and gizmos, such as digital cameras, MP3 players and Personal Digital Assistants, airport officials said. Travelers who spend above \$50 (Singapore) stand a chance to win more than \$40,000 worth of electronic products in a drawing to be conducted during the fair.

Ho Beng Huat, deputy director-general/airport management of the Civil Aviation Authority of Singapore, said, "We hope to establish Changi Airport as a shopping haven for computer and electronic purchases. Not only will we continue to improve on the range and quality of these products, we will also enhance the other IT services and facilities offered at Changi Airport."

Cathay Pacific Gains New China Authority

Cathay Pacific Airways said it has been granted rights to operate additional passenger services from Hong Kong to Beijing, as well as new cargo services to Shanghai and passenger services to Xiamen.

The airline has been allocated rights to operate four additional weekly services from Hong Kong to Beijing during the winter 2004 season and a further seven weekly flights in the summer 2005 season. The airline will also be allocated rights upon designation to operate three weekly passenger services from Hong Kong to Xiamen and 12 weekly freighter services from Hong Kong to Shanghai, effective in the winter of 2004.

Paris Airport Adds Sensis Ground Surveillance System

Sensis Corp. announced that Paris Charles de Gaulle Airport has begun live operational use of Sensis' airport surveillance system, Multistatic Dependent Surveillance (MDS). Europe's third busiest airport is using MDS for ground surveillance for 1,370 aircraft movements per day.

News From Around The World

Grupo Aeroportuario del Sureste, S.A. de C.V. (ASUR), a Mexican airport operator with concessions to operate, maintain and develop the airports of Cancun, Merida, Cozumel, Villahermosa, Oaxaca, Veracruz, Huatulco, Tapachula and Minatitlan in the southeast of Mexico, announced that total passenger traffic for the month of September 2004 increased by 14.3 percent when compared to September 2003.

Continental said it will launch daily nonstop flights between **New York/Newark and Stockholm**, effective June 2, 2005, subject to government approval.

American Airlines announced that it has applied to the U.S. Department of Transportation for authority to resume daily nonstop service between **Dallas Fort Worth and Osaka, Japan**, on Nov. 1, 2005, and to launch daily nonstop service between **Chicago and Nagoya, Japan**, on April 3, 2005.

Continental Airlines plans to offer daily nonstop flights between **Newark and Germany's Berlin/Tegel Airport**, effective July 1, 2005, subject to government approval. The flights will be operated with 172-seat Boeing 757 aircraft.

Martinair Cargo on Oct. 11 began twice-weekly air freighter service to **Dallas Fort Worth International Airport**. The service will operate on Mondays and Thursdays.

The U.S. Transportation Department has approved the application of Delta Air Lines and Aeromexico to provide codeshare service between **Salt Lake City and Cancun, Mexico**. Aeromexico will place its code on flights operated by Delta.

Panama's Copa Airlines announced delivery of its third Boeing 737-800 "Next Generation" aircraft, the most technologically advanced passenger aircraft available and the largest in the

Copa fleet. By the end of 2004, Copa will have 20 Boeing 737-700 and 800 aircraft in its fleet. In February 2005, Copa will take delivery of its 21st Boeing 737, which will complete its fleet renewal plan.

Continental said it will launch daily nonstop flights between **Newark Liberty International and Belfast International** on May 26, 2005.

Delta said that it will offer new, daily nonstop service between **New York's John F. Kennedy International and Berlin Tegel Airport**, beginning May 2, 2005.

Spanish construction firm Ferrovial and Australian infrastructure investor **Macquarie Airports** are the top candidates to acquire a stake in Brussels airport operator BIAC, according to published reports in Brussels.

Canada has indicated that it will work closely with aircraft maker Bombardier, which is seeking government loans to help fund its development of a new passenger jet.

The European Commission has dropped its legal case against Britain over airports operator **BAA's** share ownership rules. The company changed the rules in July.

Brazilian airplane maker **Embraer** has cut its delivery forecast for 2004 and 2005 to 145 airplanes for each year, down from previous estimates of 160 jets this year and 170 jets next year.

Australian carrier **Qantas** said it would increase its ticket prices for the third time in less than six months to compensate for higher fuel charges.

Airbus scored an upset win over **Boeing** as Czech airline CSA picked the European aircraft maker to supply 12 planes to expand its mid-range fleet.

Icelandair plans to expand its business via mergers and acquisitions and add new destinations, after seeking a 40 percent capital increase from shareholders, according to published reports.

Frankfurt Airport's September

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.

passenger count rose 3.1 percent from a year earlier to 4.83 million, helped by intercontinental traffic, airport operator Fraport said.

FedEx Corp.'s chief executive Fred Smith said Oct. 20 that he is more concerned that rising fuel prices could trigger a global economic slowdown than about any specific impact on the transport company. "Every economic recession since 1973 has been preceded by a significant run-up in the price of fuel. If you take fuel from \$30 to \$50 a barrel, it is a tax on the consumers and the net importing countries such as the United States and China and so forth," he said.

DHL's dispute with **Belgium** worsened on Oct. 19 when the company rejected a government request to restrict the use of noisy planes as part of its plans to expand at Brussels Airport.