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BAA Unveils Plans To Update Heathrow's Terminal 3

BAA has unveiled plans to redevelop Heathrow Airport's Terminal 3 and modernize the terminal's forecourt as part of a broader construction program to upgrade the central terminal area.

The opening of a new multi-level parking garage and the demolition of the old garage has made room for the redevelopment project and an extension to the southeast side of the terminal.

The forecourt redevelopment will include:

- A new four-lane dropoff area, creating approximately 40 percent additional capacity to relieve congestion and provide better access;

- A new pedestrian plaza with a large canopy in front of the terminal to provide a sheltered area for passengers;

- A new connection from the existing subway to the new plaza for improved access to public transport, and

- Provision of curbside check-in facilities.

The terminal extension includes:

- A glass atrium addition to the front elevation of the southeast side of the terminal, and

- New elevators and escalators to provide passengers with easier access to departure areas.

The improvement projects are to be completed by the end of 2007, officials said.

Fitch: Airport Credit Quality 'Stable To Positive'

The credit quality of the world's airports remains "stable to positive," with many airports in developed countries maintaining solid investment grade ratings, Fitch Ratings said in its just-released *State of the World's Airports* report.

Growing demand derived from relatively stable worldwide economic conditions, further globalization of trade and commerce and the increased supply of air service are supporting this credit trend, Fitch said. Simultaneously, airports face increasing challenges to accommodate this demand for air service.

The U.S. and Canada continue to cope with capital needs related to economic growth and the airline

industry's resurgence, while Latin America is experiencing tremendous growth, the ratings firm said.

UAE, China Order Baggage, Cargo Handling Systems

Siemens announced that it has won orders worth more than 16 million euros for the supply of baggage and cargo handling systems in the United Arab Emirates.

The three airports in the contract are Dubai International, Abu Dhabi International and the Al Dhafra Airbase in Abu Dhabi. The projects cover the supply of baggage and cargo handling systems, as well as a range of services.

Separately, Siemens said it was awarded an order worth about 9.6 million euros from China's Wuhan Tianhe International Airport for the supply of an advanced baggage handling system for the new terminal. The project is scheduled for completion by December 2007.

World's Airlines Post Slow, Profitable Growth In 2006

The world's airlines in 2006 recorded "slower but more profitable growth," the International Air Transport Association (IATA) reported this month.

Global passenger growth slowed from the 7.6 percent posted in 2005 to 5.9 percent in 2006, IATA said. Average passenger load factors in 2006 rose to a record high of 76 percent, up from 75.1 percent in 2005.

While the cargo growth rate increased from 3.2 percent in 2005 to 4.6 percent in 2006, it remains below the historical growth trend of 5.6

Upcoming Events

U.S.-India Aviation Summit...New Delhi, India, April 23-25, 2007

U.S.-European Aviation Security Policy Summit...Brussels, Belgium, July 1-3, 2007

Second Bi-Annual North American Senior Airport Managers Conference...Toronto, Canada, July 8-11, 2007

Airports Conference of the Americas...Cancun, Mexico, July 15-17, 2007

AAAE/IAAE International Airport Security Technology Conference...St. Petersburg, Russia, Aug. 26-28, 2007

U.S.-Europe Airport Commercial Development Conference, Wroclaw, Poland, Oct. 14-16, 2007

AAAE/IAAE 13th Annual Central Europe/U.S. Airport Issues Conference...Bucharest, Romania, Nov. 4-6, 2007

percent.

“The lesson for 2006 is that pursuing profitable growth pays off. While passenger growth slowed, the bottom line improved,” stated IATA Director General and CEO Giovanni Bisignani.

The global airline industry earned an estimated operating profit of \$10.2 billion for 2006, while net losses were reduced to a projected \$500 million, Bisignani said. Cost reduction, improved efficiencies and careful capacity management have positioned the industry to achieve a projected net profit of \$2.5 billion in 2007, he said.

The Middle East was the fastest growing region for both passenger and cargo in 2006, recording full-year growth of 15.4 percent and 16.1 percent, respectively, IATA said.

All regions except the Middle East witnessed a decline in passenger traffic growth rates compared with 2005, IATA said. The largest decline was in Latin America, primarily due to restructuring of the industry in the region. North America experienced the second largest decline—from 8.9 percent to 5.7 percent—as carriers withdrew unprofitable capacity, IATA said.

“The focus for 2007 is efficiency,” Bisignani said. “Slower traffic growth rates and a less buoyant global economy will impact revenue growth. Industry-wide, we expect revenue growth to slow from 8 percent in 2006 to 4.5 percent in 2007.”

Sydney Airport Retail Center Plan Rejected By Government

Australia’s Sydney Airport said it has been advised that the airport’s proposal for a retail center on land adjacent to Foreshore Road has been rejected by the minister for transport and regional services.

Airport officials said they will need to undertake additional analysis and work before deciding whether to resubmit the proposal for the government’s consideration.

The Sydney Airport Master Plan, approved by the federal government in 2004, concluded that the Foreshore Road site could be used in this way.

The ministry has, however, advised that safety and traffic issues associated with this proposal have not been adequately addressed.

Russell Balding, airport CEO, said, “Sydney Airport is fully committed to public safety. More work will be done on the issues of concern.”

The airport estimated that the \$200 million retail center would provide 1,180 direct and 1,890 indirect jobs during construction, and 760 on-site retail jobs once the center was operational.

Boeing Reports Strong Sales For Quarter, Year

Boeing reported its fourth-quarter 2006 net earnings more than doubled to reach \$989 million, reflecting, in part, a second consecutive year of record commercial airplane orders.

For the year, commercial aircraft deliveries rose 37 percent to 398 airplanes and revenue rose 33 percent to \$28.5 billion, the company said. Boeing’s commercial aircraft backlog at year-end also reached a record level. The backlog rose to \$250 billion, up 22 percent for the year.

“2006 was a very good year for Boeing. We achieved new records in revenue, cash flow and backlog, and overcame some meaningful challenges by focusing on improving productivity and meeting our commitments,” said Boeing Chairman, President and CEO Jim McNerney. “This focus on performance gives us the confidence to set high expectations for 2007 and 2008.”

Siemens Modernizes Palanga, Lithuania Runway

A consortium consisting of Siemens Industrial Solutions and Services Group (I&S) and the Lithuanian company Lemminkainen Lietuva has

received an order to modernize Palanga Airport in Lithuania.

The airport’s runway is to be widened, lengthened and equipped with new lighting. All the airfield lighting equipment for Palanga Airport will be provided and installed by the Siemens subsidiary N.V. ADB S.A., Zaventem, Belgium.

After modernization, the airport will be compliant to the conditions of CAT 2 (Category 2) of the International Civil Aviation Organization. Modernization of the airport is to be completed before the end of 2007. The volume of the project is 6.5 million euros.

United Wins Route Linking Washington Dulles, Beijing

The U.S. Department of Transportation (DOT) has awarded United Airlines the right to operate a daily nonstop flight between Washington Dulles International Airport and Beijing Capital International Airport.

The department said it decided to award the seven weekly frequencies to United because the route would serve the most customers and provide the

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best service to the traveling public.

Also seeking new China authority were Continental Airlines, which applied for service between Newark, NJ and Shanghai; and Northwest Airlines, which applied for Detroit-Shanghai service. American Airlines, which earlier had applied to serve between Dallas/Ft. Worth and Beijing, subsequently withdrew its application.

The department evaluated U.S. air carrier proposals for new service between the two countries as part of a U.S.-China aviation agreement signed in July 2004 that called for a total of 195 new weekly flights phased in over a six-year period.

In related news, US Airways has notified the department that the airline will file an application to fly nonstop service between an unspecified U.S. city and China, and urged the department to conduct a full competitive proceeding for the next route, which will become available in 2008.

Schiphol Group Posts Gains In 2006

Schiphol Group reported that, in 2006, its airport revenue topped one billion euros for the first time.

Schiphol CEO Gerlach Cerfontaine stated, "We can look back with satisfaction on 2006 as a year in which we exceeded our published financial forecasts. Amsterdam Airport Schiphol maintained its position as one of the four most important airports in Europe. Once again, our unique AirportCity formula proved its worth, with consumers and real estate together contributing 75 percent of the company's operating result."

Lockheed Martin Wins Romanian Radar Contract

Lockheed Martin was awarded a contract by the Romanian Ministry of Defense to upgrade five AN/FPS-117

long-range radars originally delivered to the country in 1998 and 1999. The radars are used for air traffic control and strategic air surveillance. The upgrades will extend the service lives of the radars for 15 to 20 years, the company said.

When the upgrades are complete within 24 months, the electronics that provide each radar's signal processing and data processing capability, currently housed in four cabinets, will be replaced with modernized electronics that fit in one cabinet. As a result, the radars will have the same capabilities and reliability as new AN/FPS-117 radars.

Frankfurt Posts Passenger, Cargo Traffic Increase

Passenger and cargo traffic at Frankfurt Airport in January rose 3 percent over the same month in 2006.

The major factors driving the growth were European and intercontinental traffic, the airport said. Growth dynamics of the North American and Middle East markets, which previously rose at only modest rates, gained noticeably. However, the Far East region, with its boom destinations of China and India, continued to be the primary growth engine, the airport said.

Frankfurt also achieved a new monthly air freight record, handling 149,221 metric tons during January. Major growth drivers continued to be volume-intensive markets in Asia (up 4 percent) and North America (up 6 percent), the airport said.

The Fraport Group's eight airports served a total of 5.1 passengers in January 2007, 8 percent more than in the previous year. The highest growth rates were seen at Antalya Airport in Turkey and Fraport's two new tourist airports on the Black Sea coast of Bulgaria.

Eurocontrol Purchases Doppler System For Paris Airport

Lockheed Martin said Eurocontrol has

Civil/Military Air Traffic Management Summit Set

Aerothai, Thailand's organization responsible for airport and area control services, will host the Civil/Military Air Traffic Management Summit in Bangkok Feb. 26-March 1 at the Millennium Bangkok Hilton Hotel.

The summit is sponsored by the Air Traffic Control Association (ATCA), AAEA and the U.S. Department of Defense, with support from FAA.

The summit is a forum for senior civil and military leaders to discuss visions, opportunities, and plans for civil/military collaboration to meet the evolving needs of the worldwide aviation community. Bobby Sturgell, FAA deputy administrator, will be the keynote speaker at the event.

For the latest agenda and registration information, visit www.atca.org.

purchased a WindTracer Doppler lidar system that will be installed at Paris' Charles de Gaulle International Airport.

The WindTracer will monitor the parallel runways and collect data on wake vortices created by landing aircraft under various wind and weather conditions. The data will help the French Air Traffic Control Authority determine if, and when, departing aircraft can be safely cleared for takeoff at a faster rate.

EU, Panama Initial New Aviation Accord

The European Commission and the Civil Aviation Authority of Panama have initialed a new air transport agreement that will allow any European Union airline to operate flights between Panama and any EU member state.

The agreement with Panama is the 25 such aviation agreement to be signed.

News From Around The World

Virgin Blue said it has notified the Australian Competition and Consumer Commission of an access dispute in relation to the domestic airside service at **Sydney Airport**. The dispute, notified under Part IIIA of the Trade Practices Act, concerns the commercial arrangements for domestic takeoff and landing charges at the airport.

All Air Canada, Air Canada Jazz and Air Canada Vacations passengers, effective Jan. 31, began using Terminal 1 at **Toronto Pearson Airport** when arriving or departing on U.S. transborder flights. With the opening of the new Pier F at Terminal 1, all Air Canada's U.S. operations were consolidated with its current domestic and international operations in the terminal. Air Canada will no longer operate from Terminal 2.

The U.S. Transportation Department has authorized Frontier Airlines to operate between **Dallas Fort Worth International and Mazatlan, Mexico**. The carrier will fly the route with A319 equipment.

American Airlines said it will upgrade its service between **Rome** and the U.S. to year-round, beginning April 10. The airline serves Rome from **Chicago O'Hare** and **New York's JFK International Airport**.

Fraport AG's supervisory board approved the appointment of Dr. Matthias Zieschang, 46, as the company's new executive board member responsible for finance.

Japan Airlines, Malev Hungarian Airlines and Royal Jordanian Airlines will join the **oneworld alliance** on April 1, 2007, in the biggest expansion of the global airline alliance since its launch eight years ago. Five other members of the JAL Group will join oneworld alongside Japan

Airlines on the same day, as affiliates. They are JALways, Japan Asia Airways, JAL Express, J-AIR and Japan Transocean Air.

Air Canada announced that it will double its daily **Vancouver-Beijing** service and increase the frequencies of its Toronto-Shanghai nonstop flights this summer. The added Vancouver-Beijing daily flight will operate between July 1 and Sept. 30, while the Toronto-Shanghai service will begin April 6 with service three days a week. Effective June 30, the latter service will increase to daily service starting for the summer peak and continue as a three-day-a-week service for the 2007-2008 winter schedule.

Spirit Airlines said it would institute nonstop service between Fort Lauderdale, Fla., and **St. Maarten, Netherlands Antilles**, beginning April 20, 2007. Service will be offered three times weekly on Fridays, Saturdays and Sundays.

Iberia Airlines will commence flights from Boston to **Madrid**, beginning May 6, with five frequencies a week.

SkyTeam, the global airline alliance, has signed agreements with Air Europa, Copa Airlines and Kenya Airways, indicating the carriers are on track for member status.

Nav Canada reported that traffic in November and December 2006 increased by an average of 5.3 percent and 4.6 percent, respectively, compared with the same months in 2005.

The Canadian Airports Council (CAC) is encouraging federal lawmakers to eliminate airport rent, provide more resources for border services and negotiate of more liberalized bilateral air service agreements. The CAC also is seeking an increase in funds for the Airports Capital Assistance Program and a change in regulation to allow for duty-

free arrivals.

Clear and Air France announced the opening of online enrollment for the Clear program at **New York Kennedy International's** Terminal 1. Clear allows business travelers and other frequent flyers to pay a fee to be pre-screened by the Transportation Security Administration and receive a biometric identity card that provides them with expedited passage through airport security checkpoints. Clear is expected to open its lanes to JFK Terminal 1 passengers in March 2007.

Emirates announced it will launch Boeing 777-200LR nonstop service between **Houston and Dubai** on Dec. 3. The service initially will operate three times a week, increasing to a daily service as of Feb. 1, 2008.

Grupo Aeroportuario del Sureste, S.A.B. de C.V. (ASUR) announced that total passenger traffic for January 2007 increased by 37.5 percent when compared with January 2006. A significant increase in the year-over-year comparison at the Cancun and Cozumel airports was mainly due to sharply reduced passenger traffic in January 2006 as a result of damage inflicted by Hurricane Wilma, which hit the Yucatan Peninsula in October 2005, ASUR said. Ongoing public demonstrations in the city of Oaxaca have adversely affected tourism in the area, ASUR said.

China Southern Airlines announced a major international expansion during 2007, with new routes from Guangzhou to Cambodia, India, Japan, Laos, United Arab Emirates, Nigeria and Angola, with cities that include Dubai, Luanda, New Delhi, Phuket, Sendai, Sapporo, Siem Reap, Vientiane and Yangon.