

# INTERNATIONAL AIRPORTREPORT

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## Planning To Begin For Third Munich Runway

Flughafen Munchen GmbH (FMG), the Munich Airport operating company, said expects to begin planning for the construction of a third runway by late summer or early fall of this year.

The land requirements for the runway have been reduced by approximately 300 hectares, or close to one-third since the project was first initiated, company officials said.

One factor permitting this reduction in area is the fact that regional road 2084 (linking Freising and Erding) can be rerouted between the existing north runway and the new runway. Under the new plans, an originally planned taxiway to the west of the existing north runway is no longer needed, officials said. Also helping to save space is the repositioning of the airport fence.

Dr. Michael Kerkloh, the CEO of FMG, commented that, "The traffic figures for the first half of 2007, which are far above our long-term forecast curve, make it even more obvious how

## Upcoming Events

**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...**Munich, Germany, Nov. 11-13, 2007

urgently we need this capacity expansion."

The 16 million passengers taking off and landing in Munich from January to June represented a year-on-year increase of 11 percent.

## Nav Canada To Implement Service Rate Reduction

Nav Canada said that it would proceed with a planned 4 percent reduction in its customer service charges, effective Aug. 1.

This reduction will include a 3 percent reduction already announced, that will come into effect Aug. 1, one month ahead of the original proposed date of Sept. 1. In addition, the company said it has decided to add a temporary 1 percent reduction for the period Aug. 1, 2007, to Aug. 31, 2008.

"Customers now stand to save a combined total of approximately \$50 million in fiscal 2008 as a result of our decision to lower rates in this manner," said John Crichton, Nav Canada's president and CEO.

The 3 percent rate reduction will save customers \$37 million annually with an additional \$3.5 million in savings related to the earlier implementation date, and customers will benefit from an additional \$13 million from the company's decision to add the further 1 percent temporary reduction, he said.

This is the second consecutive year that Nav Canada has reduced its charges.

With the introduction of Very Light Jets (VLJs) the company also announced that it will extend its daily and movement-based charges to jet aircraft weighing three tons or less, effective March 1, 2008. These changes are in recognition of the entry

## Ex-Im Bank Seeks Finance Opportunities

The U.S. Export-Import Bank (Ex-Im) said it is "actively exploring" new opportunities to finance the U.S. goods and services used in the development and construction of airports around the world.

Ex-Im two years ago financed the Albania National Air Traffic Agency's purchase of air navigation systems and hardware. This transaction was valued at approximately \$48 million. The Bank also financed the design and construction of the \$612 million Quiport Airport in Quito, Ecuador. In this project, Ex-Im, working along with other bilateral lenders, provided \$60 million worth of loan guarantees for purchases of U.S. goods that helped modernize the existing terminal and construct a new international airport nearby.

For more information on the markets in which Ex-Im Bank provides financing, go to [http://www.exim.gov/tools/country/country\\_limits.cfm](http://www.exim.gov/tools/country/country_limits.cfm). For general questions regarding the bank's airport finance approach, contact Kristine Wood at (202)565-3913, e-mail [Kristine.Wood@exim.gov](mailto:Kristine.Wood@exim.gov), or Jessica Farmer at (202) 565-3425, e-mail [Jessica.Farmer@exim.gov](mailto:Jessica.Farmer@exim.gov).

of jet aircraft into lower weight categories originally occupied by propeller aircraft.

## Kuala Lumpur Selects Ground Surveillance System

Era Corp. announced that Kuala Lumpur International has selected the

company to provide multilateration and ADS-B surveillance for the airport surface. The solution utilizes both Era's MSS surveillance ground stations and Squid vehicle tracking units for complete ground surveillance.

This project is being overseen by AMP Corp. SDN BHD (AMCOP) of Kuala Lumpur, Malaysia, and involves upgrading several core systems currently in operation at the airport. The new system is in response to the construction of a new low-cost airline terminal and the overall expansion and growth of the airport.

Era's solution will be fully integrated with an updated A-SMGCS-ready system from Park Air Systems. The new system will provide extended coverage of runways, taxiways and aprons, improved automation of aircraft identification and better surveillance in all weather conditions, including heavy rain.

The solution also utilizes 100 of Era's Squid ADS-B vehicle transponders, which will allow ground vehicles to be managed using the same displays and alerts as aircraft. Coverage of the system has been designed to extend well beyond the airport surface to enable monitoring of the approach areas as well, providing flexibility for future parallel runway monitoring, company officials said.

### Canada, Iceland Sign Open Skies Agreement

The governments of Iceland and Canada have signed an open skies agreement to permit scheduled air services for passenger and all-cargo traffic between Canada and Iceland, effective immediately.

"This marks a significant advance in Icelandic aviation history," said Jon Karl Olafsson, president and CEO of Icelandair and the Icelandair Group. "Icelandair will initiate flights from Toronto in Spring 2008 to complement our Halifax service." Additional Canadian gateways are under consideration for future development, he

### US-Europe Airport Conference Set For October

AAAE, the International Association of Airport Executives (IAAE) and Wroclaw Airport jointly will present the U.S.-Europe Airport Conference Oct. 14-16 in Wroclaw, Poland.

The conference will focus on the steps regional airports are taking to develop their commercial and retail programs and increase their financial performance by attracting low-cost, low-fare carriers. The conference also will address the importance of regional airports and low-cost carriers to the local economies and how the growth of regional airport and low-cost carriers has changed the face of the aviation industry.

Visit the conference website at [http://www.aaae.org/products/\\_620\\_US\\_Europe\\_Airport\\_Conference/](http://www.aaae.org/products/_620_US_Europe_Airport_Conference/)

To register as an attendee, you may download a registration form and fax it to (703) 820-1395 or register online.

For additional program or sponsorship information, contact Rebecca Morrison at (703) 824-0500, Ext. 152, or e-mail at [rebecca.morrison@aaae.org](mailto:rebecca.morrison@aaae.org).

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said.

In announcing the agreement, Lawrence Cannon, Canada's minister of transport, infrastructure and communities, said, "This latest agreement under our Blue Sky policy marks another step towards greater choice and flexibility for Canadian travelers, while connecting them to the world."

Icelandair will offer five to seven flights per week from Toronto with a flying time of approximately five hours to Iceland. Flights will connect in Iceland to other European cities, including Copenhagen, Oslo, Bergen, Stockholm, Gothenburg, Helsinki,

Paris, Frankfurt, Munich, Berlin, Amsterdam, London, Manchester and Glasgow.

### U.S., EU To Sign New PNR Agreement

The European Union (EU) has released a summary of a new seven-year agreement with the U.S. that covers the submission of airline passenger name record (PNR) data for security purposes. The agreement affirms that, "Information sharing is an essential component in the fight against terrorism and trans-national crime."

The accord, which still must be signed by DHS Secretary Michael Chertoff and EU officials, is in three parts: an agreement signed by both parties; a letter that the U.S. will transmit to the EU to outline assurances on how it will handle EU PNR data, and a letter from the EU confirming that it considers the level of protection of PNR data in the U.S. as adequate.

The EU statement said that European air carriers will make available the PNR data of all persons who fly to

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and from the U.S. The U.S. authorities “will use only the 19 PNR elements as defined in the agreement, and only if the passenger has made available information corresponding to these PNR elements. In practice, the number of PNR elements about a passenger given to an airline and made available to the US authorities is more limited.”

A temporary agreement between the U.S. and EU on the transfer of PNR data expires July 31.

### **Aeroports de Paris Posts Traffic Gains**

Aeroports de Paris in June accommodated 7.7 million passengers, an increase of 3.9 percent above June 2006.

Paris-Charles de Gaulle airport recorded a gain of 4.2 percent to 5.3 million passengers and Paris-Orly airport rose 3.2 percent to 2.4 million passengers. This increase is due to the rise in traffic within the European Union, the company said.

### **Frankfurt Airport Sets Records In June**

Frankfurt Airport closed out the first six months of 2007 with new record volumes in terms of passenger count, cargo volume, aircraft movements and maximum takeoff weights.

More passengers frequented Frankfurt Airport in June than a year ago despite the Soccer World Cup Tournament being held at this time last year, which boosted traffic volume. A total of 4.8 million passengers were recorded at Frankfurt Airport in June, which is 0.1 percent above the count in the previous record year 2006 and the highest passenger count for the month of June in the history of the airport.

European routes were the main growth generator until the end of May, airport officials said. In June, interconti-

ental traffic took over this role.

Especially connections to and from the Far East were in high demand.

A new cargo record was established in June as 175,924 metric tons of air freight were handled.

The Fraport Group accommodated 7.2 million passengers in June (up 4.8 percent from the same month in 2006) and 34 million (up 6.7 percent) from January to June.

### **Southern Cross Airports Reports Profit Improvement**

Southern Cross Airports Corp. (SACL) announced an unaudited consolidated profit of \$A585.8 million for the financial year ended June 30 compared with \$A525.6 million for fiscal 2006.

Passenger traffic growth registered 6.4 percent during the year.

SACL CEO Russell Balding said that the airport had achieved strong growth in revenue and earnings well in advance of passenger traffic growth, as a result of continued investment across all areas of the business.

“Strong growth in earnings this financial year has been underpinned by a range of commercial initiatives and robust growth in passenger volumes,” he stated. “At our domestic terminal T2, an enhanced and expanded retail offering is now catering for the record number of passengers moving through the terminal.” The airport has begun construction of a new multi-story car park at the international terminal.

### **Construction Set For Two Airports In Egypt**

Orascom Construction Industries (OCI) announced that it has been awarded \$127 million in contracts for work on two major airports in Egypt.

The first contract was awarded to an

OCI/BESIX joint venture with a total value of \$97 million for the modernization and expansion of the Borg El-Arab International Airport. The airport is situated 43 kilometers from Alexandria, Egypt.

The project is jointly funded by the Japan Bank for International Cooperation and the National Bank of Egypt. The scope of work includes the construction of a new passenger terminal with a capacity of 1,000 passengers per hour that is equipped with state-of-the-art aeronautical equipment in accordance with standards set by the International Civil Aviation Organization. It also includes the construction of a cargo terminal with a capacity of 10,000 tons per year, aircraft parking aprons and taxiways, air traffic control towers with necessary auxiliary buildings, an aircraft fuel station and various administrative and utility structures.

The second contract, with a total value of \$30 million, is for the construction of a new air traffic control tower at Cairo International Airport. The project is funded by the Egyptian Holding Company for Airports and Air Navigation. The scope of work encompasses the construction of a 100-meter high concrete tower structure with a steel and glass control room on top along with maintenance and antenna systems. The project also includes the construction of four 36-meter high buildings for radar equipment and various auxiliary and utility structures.

### **U.S. Carriers Seek Rights On New China Routes**

Seven carriers have filed applications with the U.S. Department of Transportation for six new routes to China that the department will award between 2007 and 2009. The carriers are Continental, Delta, US Airways, United, American, Northwest and MAXjet.

# News From Around The World

American Airlines and four of its **oneworld Alliance** partners have filed with the U.S. Department of Transportation (DOT) for antitrust immunity, effective March 30, 2008. The other oneworld airlines that jointly filed the DOT application are Iberia, Finnair, Malev Hungarian and Royal Jordanian. The application seeks to allow the five airlines to cooperate in a wide variety of operational areas that include: codesharing, frequent flyer programs, route and schedule planning, advertising and marketing, pricing and yield management, revenue allocation, ground handling, cargo services, information technologies and distribution systems, and several other areas. Each of the joint applicants will retain its own separate and independent corporate and national identity under the proposed application, American said.

Lufthansa announced that its all-business class service from **Newark** will now serve **Frankfurt** nonstop, beginning Oct. 28. In addition, current Lufthansa Business Jet flights between Newark and Munich will be replaced with a three-class A330-300 widebody aircraft to accommodate increased demand in all categories.

JetBlue Airways said it will launch nonstop service between **Fort Lauderdale, Fla.**, and **Ponce, Puerto Rico**, beginning Nov. 5. The airline will operate one daily flight on the route year-round.

**Qantas** unveiled the state-of-the-art interior and seating to be installed onboard its fleet of 20 A380 aircraft, which are scheduled for delivery beginning in August 2008.

**Cathay Pacific Airways** said it will introduce a second daily, nonstop flight between San Francisco and Hong Kong, beginning Oct. 18.

Continental Airlines will begin nonstop service from Newark Liberty International Airport to **Mont-Tremblant, Canada**, on Dec. 14. The seasonal service will operate through April 5, 2008. The carrier will fly 50-seat Embraer-145 regional jet equipment on the route.

Qatar Airways opened its nonstop **Doha-Washington Dulles International** route in July. Qatar Airways began scheduled services on June 26 from Doha to Newark Liberty International Airport via Geneva, the airline's newest European destination. Carrier officials said they will seek additional rights to operate to other U.S. destinations.

**Grupo Aeroportuario del Sureste (ASUR)**, the operator of Cancun Airport and eight others in the southeast of Mexico, announced results for the three- and six-month periods ended June 30. For the second quarter of 2007, total passenger traffic increased year-over-year by 15.29 percent. International passenger traffic rose by 8.52 percent and domestic passenger traffic increased by 25.51 percent. For the first six months of 2007, total passenger traffic rose by 21.45 percent compared with the first six months of 2006, with international passenger traffic up 21.60 percent and domestic passenger traffic up 21.22 percent. ASUR also announced that it has reached an agreement with Banco Santander to install branches and ATMs at ASUR's airports. According to the five-year agreement, Banco Santander will operate bank branches at the Cancun, Merida and Veracruz airports and will install ATMs at the other six airports ASUR operates.

Spirit Airlines announced it will begin daily nonstop service between Fort Lauderdale, Fla., and **Grand Bahama Island** on Dec. 13. Service will be via the Grand Bahama International

Airport in Freeport, Bahamas.

**Mexican airport operator GAP** said on Tuesday it expects passenger traffic to increase by 8 percent to 10 percent this year, up from a previous forecast of nearly 7 percent. GAP operates 12 airports in Mexico.

**OceanWorks Development** has sent a Notice of Claim to U.S. federal, state and local agencies and elected officials to gain exclusive rights to virtually the entire Southern California Bight for the purpose of developing, building and operating an international airport. The Claim begins the process to lay the legal foundation for the project.

OceanWorks said it plans to locate the airfield about 10 miles off the San Diego coastline.

**Embraer** reported that its firm order backlog for the Commercial Aviation, Executive Aviation, and Defense and Government segments increased by \$600 million during the second quarter of 2007, totaling a record \$15.6 billion. The aircraft manufacturer said its deliveries for 2007 will be between 165 and 170 aircraft.

**Air China** said it will buy 23 Airbus A320 jets, with a list price of \$1.4 billion. The planes will be delivered between January 2009 and December 2012.

**Ryanair** said it would sue the European Commission for not taking action against governments that illegally subsidize their national flag carriers. Ryanair said it filed complaints against Air France, Lufthansa, Alitalia and Olympic Airways with the EC more than a year ago.

Eos Airlines announced the opening of Club 48, its new gate-side departure lounge at **London Stansted Airport**.