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U.S.-European Security Meeting Held In Brussels

European and American policymakers, airport leadership and security experts gathered in Brussels, Belgium, July 2-4 for the first ever U.S.-European Aviation Security Policy Conference.

Jointly presented by the European Commission, the European Civil Aviation Conference, TSA, AAAE, the International Association of Airport Executives (IAAE), Airports Council International-Europe Region and APCO Worldwide, the conference included discussions of the progress in aviation security since Sept. 11, 2001, and the future direction of aviation security policy.

Key speakers at the conference included TSA Administrator Kip Hawley and Marjeta Jager, director of security for the European Commission's Directorate of General Energy and Transport. Delegates also heard from Peter Kirk, deputy director of transport security for the U.K., who provided an update on the terrorist incidents in London and Glasgow.

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

Other prominent European policy leaders who spoke at the conference included Matthias Ruete, director general for energy and transport of the European Commission; Kurt Lykstoft Larsen, director general of civil aviation for Denmark; Eckard Seebohm, head of the aviation security unit for the European Commission's Directorate of Energy and Transportation; Daniel Calleja Crespo, director of air transport, Directorate-General Energy and Transport of the European Commission, and Said El Khadraoui, an elected member of the European Parliament.

The conference was hosted by Brussels Airport. Sponsors of the conference were ASERO Worldwide, Deutsche Lufthansa Aviation Group, the General Aviation Manufacturers Association, ICTS Europe Holdings B.V., the International Air Transport Association, L3 Communications Security & Detection Systems and Reveal Imaging Technology.

Paris Orly Terminal Upgraded For International Passengers

Aeroports de Paris announced that it has invested 25 million Euros to revamp the international concourse of Paris Orly's south terminal.

The upgrade will increase the terminal's passenger handling capacity by 10 percent, to 12 million passengers. The terminal handled more than 9.5 million passengers in 2006.

Included among the upgrades are:

- A single central area for security checks. A total of 14 security checkpoints are located after passport control, allowing 1,800 to 2,000 passengers per hour to undergo security checks, instead of the previous level of 1,500.

- The largest boarding concourse at the airport. By May 2008, the area will include a number of services and duty free boutiques.

- A new lounge dedicated to business class passengers.

- A new baggage claim area.

Equipped with two 80-meter carousels, this area will allow jumbo jets passengers to pick up their luggage faster.

Separately, Aeroports de Paris reported that the company accommodated 8.5 million passengers in July, an increase of 6.2 percent over July 2006. Paris Charles de Gaulle airport recorded a traffic gain of 6.6 percent, reaching 5.9 million passengers, and Paris Orly's traffic rose by 5.4 percent to reach 2.6 million passengers.

This increase is due to the rise in traffic within the European Union, Aeroports de Paris said.

Domestic traffic is stable, the company said, while traffic on routes to and from the new European Union members rose by 1 percent. Traffic to and from Great Britain and Ireland remained stable.

Traffic on routes to and from North and Latin America rose by 6.8 percent. A 11.5 percent increase was recorded for Africa, as well as a 6.4 percent traffic gain on routes to and from Asia and the Middle East.

Fraport Group Airports Post Record Traffic In July

Frankfurt Airport served 5.2 million passengers in July, a new record and an increase of 2.1 percent over the previous monthly record of July 2006, Fraport Group reported.

Intercontinental traffic was the leading growth driver, with an increase

of 3.4 percent, Fraport said. In particular, Middle East destinations rose by 17.7 percent. Double-digit growth rates in traffic to and from Egypt (up 17.2 percent), the Dominican Republic (up 23.1 percent), the Maldives (up 21.3 percent) and Sri Lanka (up 24.3 percent) reflected the increasing expansion of tourism to non-European destinations. European traffic also grew slightly above average (up 2.5 percent).

In July, Frankfurt Airport also set a new record for freight, with 174,345 metric tons handled during the month. The major growth factor was the more than 7 percent rise in cargo tonnage on U.S. routes.

Fraport's Frankfurt-Hahn and Lima airports also set new records in July. For the first time within a single month, the low-cost Frankfurt-Hahn airport welcomed more than 400,000 passengers.

The Peruvian capital's Lima Airport (in which Fraport has held 100 percent of the shares since the beginning of August) registered 717,576 passengers in July, also a new monthly record.

UPS Breaks Ground On Hub At Pudong Airport

UPS and the Shanghai Airport Authority recently conducted a groundbreaking ceremony for the UPS International Air Hub at Pudong International Airport.

"The opening of this hub will ensure we are well-positioned to support the explosive growth in Asia's regional trade," said UPS Chairman and CEO Mike Eskew. "Export volume growth in China and throughout Asia has been robust and the outlook remains bright."

Located at the southern end of the airport's West Cargo Terminal Area, the new hub will be built on a parcel totaling one million square feet and will open next year. Rapid expansion is planned to a sorting capacity of 17,000 pieces per hour. The new hub will link all of China via Shanghai to UPS's international network with direct

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/

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.

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service to the Americas, Europe and Asia. It also will connect points served in China by UPS through a dedicated service provided by Yangtze River Express, a Chinese all-cargo airline.

CAAC To Suspend Certificating New Airlines

The General Administration of Civil Aviation of China (CAAC) said it is suspending applications for new airlines until 2010 and imposing stricter monitoring on the new companies in order to prevent overheating of the nation's airline industry.

The announcement, which was distributed by Xinhua, said the decision would stop the rapid development of air transport and ensure safety standards would be maintained.

The rapid development was threatening safety due to a shortage of pilots and the limited capacity of both airspace and domestic airports, CAAC said.

However, CAAC said it will still accept applications for cargo airlines that employ mostly foreign pilots and operate at night, as well as airlines that use China-made aircraft and operate in western and northeastern China.

CAAC also said it has decided to cut 336 domestic flights to and from Beijing Capital International Airport, effective Aug. 15, bringing the peak hourly flights from more than 60 at present to 58 per hour in the period.

China's air transportation industry has seen an average annual growth of more than 16 percent in recent years.

Emirates Group To Ground Handle In China

Dnata, the ground handling arm of Dubai's Emirates Group, said it has

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signed a 15-year joint venture agreement with China West Airport Group (CWAG) to provide airport ground handling services at Xi'an Xianyang International Airport.

The joint venture company also will be allowed to participate in operations at 10 other smaller airports managed by CWAG.

Dnata will hold a 45 percent stake in Xi'an Dnata Aviation Services Co. Ltd., while the remaining 55 percent will be owned by CWAG.

Singapore Changi Posts Strong Traffic In First Half

Singapore's Changi Airport registered good growth in both passenger traffic and connectivity in the first half of 2007, officials reported.

More than 17.7 million passengers traveled through Changi in the first six months of the year, representing a 5.4 percent increase over the same period last year.

In March and June 2007, monthly passenger traffic crossed the three million mark, with some 3.1 million passenger movements registered in each month.

In addition to passenger traffic growth, connectivity at Changi has also improved in the past six months. Five new cities have joined Changi Airport's growing network, namely Udon Thani in Thailand, Tiruchirapally in India, Atlanta in the U.S., Nairobi in Kenya and Budapest in Hungary.

San Diego To Study Cross-Border Terminal

The San Diego (Calif.) Airport Authority announced that it has selected a consultant team and formed an outside advisory group to lead a study to examine the potential market demand for a cross-border terminal. Initial results of the study are expected by the end of the year.

A cross-border terminal could allow U.S. passengers easier access to flights at

Tijuana Rodriguez International Airport.

The authority selected a team led by Infrastructure Management Group, Inc. (IMG) and assisted by the firms Eclat Consulting, Pacific Gateway Group and Competitive Edge Research & Communication.

"This highly qualified team is experienced in airport market analyses for situations similar to our Cross-Border Market Demand Study," said Thella Bowens, president and CEO of the authority. "We are excited to get the consultant team and advisory group on board as an important early step in examining the feasibility of this unique, binational approach."

GAP Airports Post Gains In July Traffic

Grupo Aeroportuario del Pacifico, S.A.B. de C.V. (GAP) announced that passenger traffic in July rose nearly 20 percent over the same month in 2006.

Domestic passenger traffic registered the biggest increase during the month, GAP said.

International passenger traffic declined 4.4 percent during the month, despite increases at the airports of La Paz, Manzanillo and Tijuana.

Airbus Super Jumbo Continues World Tour

Singapore Airlines, the first customer for the Airbus 380, will put the aircraft into service on Oct. 25 as Flight SQ380, operating to Sydney's Kingsford Smith Airport. The aircraft will return to Singapore on Oct. 26.

Before then, however, Airbus will launch another series of demonstration tours for its A380 demo aircraft beginning Aug. 30, with visits to key airports in Southeast Asia and the U.S.

International airports on the tour are Thailand's Bangkok/Chiang Mai Airport, Aug. 31- Sept. 2; Hanoi, Vietnam, Sept. 2-3; Hong Kong, Sept. 3-5, and Seoul, Korea, Sept. 5-7.

The A380 flight test aircraft used for the U.S. tour will visit three U.S.

airports: Connecticut's Bradley International Airport, Oct. 2-3; Cincinnati/Northern Kentucky International, Oct. 3-4, and San Francisco International, Oct. 4-5.

The A380's first visit to the U.S. came in March 2007, when two A380s touched down at Los Angeles International, John F. Kennedy International, Chicago O'Hare International and Washington Dulles International.

In other news, the A380 has won U.S. FAA and European Aviation Safety Agency approval to operate on runways with a width of 150 feet or more. Most of the world's airports have 150-foot runways as standard width.

British Airways Fined For Anti-Competitive Behavior

British Airways has admitted collusion over the price of long-haul passenger fuel surcharges and will pay a penalty of £121 million imposed by the Office of Fair Trading (OFT), the U.K. government announced.

"The penalty will be the highest ever imposed by the OFT for infringements of competition law, and demonstrates the determination of the OFT to deal vigorously with anti-competitive behavior," according to the announcement.

British Airways has admitted that between August 2004 and January 2006 it colluded with Virgin Atlantic over the surcharges that were added to ticket prices in response to rising oil prices. Over that period, the surcharges rose from £5 to £60 per ticket for a typical BA or Virgin Atlantic long-haul return flight.

"Virgin Atlantic is not expected to pay any penalty as it qualifies in principle for full immunity under the OFT's leniency policy," according to the announcement. Under this policy, a company that has been involved in cartel conduct and is the first to give full details about it to the OFT qualifies for immunity from penalties in relation to that conduct.

News From Around The World

Grupo Aeroportuario del Sureste, S.A.B. de C.V. (**ASUR**) reported that total passenger traffic in July increased by 17 percent compared with July 2006.

The **U.K. Competition Commission (CC)** has published an issues statement as part of its investigation into the supply of airport services by BAA in the U.K. BAA owns seven airports: Heathrow, Gatwick, Stansted and Southampton in England; and Edinburgh, Glasgow and Aberdeen in Scotland. The Office of Fair Trading referred the investigation to the CC on March 29. The CC now will determine whether there are any practices in the market that prevent, restrict or distort competition and, if so, what remedial action should be taken.

Hong Kong International Airport announced that Bangkok Airways, Jetstar Asia Airways, Qatar Airways, Siem Reap Airways International and Thai Airways will start providing check-in services at Terminal 2 (T2) over the next three months. Oasis Hong Kong Airlines and Emirates Airline already operate from T2.

Frontier Airlines said it will add new flights to **Puerto Vallarta, Mexico**, with nonstop service from both Sacramento and San Jose, Calif. The new Sacramento route will operate four days per week, starting Dec. 15, 2007, and will be flown by Republic Airlines. Three times weekly San Jose flights also will begin Dec. 15, with two flights operated by Republic and a third flight operated by Frontier.

Munich Airport was named the winner of the "Best Airport in Europe" award for the third year in a row in an international survey of close to eight million passengers worldwide. Passengers also ranked Munich number four in the worldwide

rankings behind Hong Kong International, Seoul Incheon and Singapore Changi airports in the Skytrax World Airport Awards 2007.

JetBlue Airways will add nonstop service from Boston to **Santiago, Dominican Republic**, this winter. The carrier will operate one flight daily from Dec. 12, 2007, to Jan. 15, 2008.

Mexico plans in the coming months to hold auctions for a container port and for an airport in the fast-growing **Riviera Maya** tourist region, according to a published report. Winners will be named next year.

Cathay Pacific Airways has ordered five additional Boeing 777-300ER jetliners. The carrier said that its 777-300ER fleet will be used primarily on long-haul and ultra-long-haul routes to Europe and North America. The airplanes will enable full payload, nonstop service connecting **Hong Kong** and **New York**.

Ultitek Ltd. said that its wholly owned subsidiary TAIS has installed the company's Regina product at **Kurumoch Airport in Samara, Russia**, for use by the Air Union Alliance. Regina is a full complement registration, check-in and departure control system. Kurumoch is a regional airport with domestic and international flights.

Canadian carrier WestJet will introduce seasonal nonstop service to two new international destinations in **Mexico**: Mazatlan from Calgary and Edmonton; and San Jose del Cabo/Cabo San Lucas from Vancouver, Calgary and Edmonton. The flights will begin in December 2007 and January 2008.

Copa Airlines will offer new service from **Panama** and connecting cities in **Latin America** to Port-of-Spain, and Trinidad and Tobago, beginning Dec. 15. The carrier on Aug. 15 instituted four-times-weekly flights from Panama to Cordoba, Argentina, using B737-700

equipment.

Nav Canada said that its traffic in May and June increased by an average of 4.5 percent and 5.2 percent, respectively, compared with the same months in 2006. Fiscal year-to-date traffic was 4.6 percent higher than in fiscal year 2006.

Mexican airport operator Grupo Aeroportuario del Centro Norte, S.A.B. de C.V. (**OMA**) reported that total passenger traffic at its 13 airports reached 1.4 million in July, an increase of 31 percent compared with July 2006. The increase was driven by a 38.8 percent increase in domestic traffic. The airports with the most significant increases were Reynosa (+93.0 percent), Culiacan (+50.6 percent), Monterrey (+37.5 percent), Chihuahua (+36.5 percent) and Torreón (+35.3 percent).

Air Canada reported net income of \$155 million for the second quarter of 2007 compared with net income of \$152 million in the second quarter of 2006.

Middle Eastern carrier **Jazeera Airways** has signed a firm contract for the purchase of 30 A320 aircraft.

Aer Lingus said it has been notified by its pilots union of a strike that will impact all of its passengers. The 48-hour job action is scheduled to begin on Aug. 21 and last through Aug. 22. As a result, all flights will be canceled during that time, the carrier said. Due to crew and aircraft positioning on the Atlantic, there will be further disruptions to transatlantic service from the U.S. on Aug. 23 and from Ireland on Aug. 24, the carrier said.

Beginning in October, US Airways and Air New Zealand will implement a code share on routes from the U.S. to **New Zealand, Australia** and the **Pacific Islands**.