

# INTERNATIONAL AIRPORTREPORT

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## Upcoming Events

**AAAE Europe/U.S./Canada Airport Security Policy and Technology Conference...**Vienna, Austria, April 28-30, 2008

**AAAE ACE-Security Review Course...**Tamuning, Guam, April 28-May 1, 2008

**AAAE Arts in the Airport Workshop...**Toronto, Canada, April 30-May 2, 2008

**U.S./Europe ATC/Airport Capacity Summit...**Brussels, Belgium, June 30-July 2, 2008

**2008 Airports Conference of the Americas...**St. Maarten, Netherlands Antilles, July 20-22, 2008

**AAAE ACE-Operations Review Course...**Tamuning, Guam, Sept. 30-Oct. 4, 2008

**U.S./Pacific Airport Issues Conference...**Tamuning, Guam, Oct. 5-7, 2008

**Airport Tourism and Impact of Low-Fare Airlines Conference...**Antalia, Turkey, Oct. 6-8, 2008

**14th Annual Central Europe/U.S./Canada Airport Issues Conference...**Athens, Greece, Oct. 20-22, 2008

**Third Annual AAAE/IAAE International Airport Geographic Information Systems Conference...**Amsterdam, The Netherlands, Nov. 11-13, 2008

## BAA Ownership Of U.K. Airports Questioned

BAA's ownership of seven airports in the U.K. is being questioned by the U.K. Competition Commission that says the control of so many airports may not be serving the interests of airlines or passengers.

The commission has not reached a final conclusion and plans on releasing provisional findings in August, as well as solutions if competition is found to be a problem.

"BAA dominates the airport markets in the southeast of England and in lowland Scotland, both areas of high economic activity and importance," said Christopher Clark, chairman of the Competition Commission BAA Airports inquiry. "Currently, there is no competition between BAA's three London airports (Heathrow, Gatwick and Stansted) and only very limited competition from non-BAA airports (including London City and Luton)."

One of the problems that the commission finds with BAA is the company's seeming inability to undertake more than one large-scale project at a time.

According to the report, there is potential for competition at all of BAA's airports in Scotland and in southeast England.

"Given the current shortage of capacity, competition in the short term between the London airports, were they separately owned, is unlikely, at least in the near future, to be as intense or effective as competition between regional airports at least for some airlines; but nonetheless there is scope for a degree of competition between them despite capacity constraints," the report said.

BAA has responded that it is doing everything it can to address the concerns expressed by airlines and remains committed to making the investments needed to improve service standards.

## New Zealand Rejects Bid For Airport

New Zealand's government rejected a bid by a Canadian fund for a stake in Auckland International Airport, saying it would not benefit New Zealand, sending shares of the airport operator plunging as much as 11 percent.

The fund, the Canada Pension Plan Investment Board, said it would not pursue its bid for the airport, which handles 70 percent of the country's international traffic. The government had been expected to reject the application. The fund had offered \$1.43 billion.

Analysts said that with two partial takeovers having failed in the past year, coupled with New Zealand's tightening investment rules to inhibit foreign control of strategic assets, the airport's stated goal of attracting a cornerstone shareholder faced an uphill struggle.

"The key to it is that most of the players in that space wouldn't want to just have a passive shareholding," said Arthur Lim, a director at Macquarie Investment, a financial service company in Australia.

## British Airways Postpones Terminal 5 Move

British Airways postponed the transfer of most long-haul flights to Heathrow's problem-plagued  
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Terminal 5 to ensure it can handle the extra passengers and baggage.

The delay puts the carrier more than a month behind schedule. It had planned to switch almost all of its long-haul flights from Terminal 4 on April 30, but now said it will be unable to do that until at least June 5.

“We are making this decision in the interests of customers,” said British Airways chief executive Willie Walsh, adding that June 5 is the earliest the switch would occur. “Though Terminal 5 is now working well, we need to have confidence that good service can be maintained when the terminal is handling larger numbers of customers.”

The opening of Terminal 5 has been a public relations disaster for British Airways, which had hoped the new building would end frequent complaints about delays and overcrowding at the airport, Europe’s busiest.

### Toronto Starts Heart Cart Education Program

In partnership with the Medtronic Foundation, the Greater Toronto Airports Authority (GTAA) has launched its new Heart Cart program at Toronto Pearson International Airport.

The program is the largest public access defibrillation program of its kind in Canada and is designed to provide public awareness regarding the use of Automated External Defibrillators (AEDs) in the airport community.

The Medtronic Foundation has partnered with more than 150 communities and organizations around the world to promote the benefits of early defibrillation and public access to defibrillators. Toronto Pearson joins other airports, including Minneapolis-St. Paul, Dallas-Fort Worth and London Heathrow, that also participate in the Medtronic Heart Cart program.

The program is designed to educate everyone on the simplicity of defibrillator use, generating a level of comfort for the user when and if he/

she is ever placed in a situation where a defibrillator may save someone’s life.

The cart, which will be moved around to different locations, will be staffed by GTAA emergency services personnel.

Training is available to the traveling public and airport employees on both the use of defibrillators and the basics of cardiopulmonary resuscitation (CPR). All Heart Cart instructors are certified through the Ontario Heart and Stroke Foundation.

### Kiev Terminal Estimated To Cost \$350 Million

The new “Borispol” (Kiev) terminal is estimated to cost about \$350 million, according to airport General Director Alexander Shishkov who spoke at a press conference in Kiev, Ukraine.

Shishkov said funding for the project will come from the Japan Bank for International Development in the amount of \$180 million and from its own funds.

It is expected that construction of Terminal D will be launched in 2008 and will be completed in late 2010 or early 2011. The new terminal will be able to serve up to 10 million passengers a year.

Shishkov also said that in May, the airport is planning to hold a tender for the construction contractor selection.

Airport management conducted a meeting with the Japanese ambassador to Ukraine, as well as the head of the Ministry of Transport and Communications to accelerate the negotiation procedures and speed up the start of construction.

### Moscow Int’l Starts \$424 Million Terminal Project

East Line Group will commence the implementation of the next stage of Moscow International Airport Domodedovo development and will begin the construction of the \$424 million passenger Terminal 2 in early 2009.

Terminal 2 will become the new international terminal when it opens and will connect to the old one. In addition to Terminal 2 itself, the project features a boarding gallery with 19 air bridges, aircraft stands and related infrastructure.

The development will be funded using East Line Group’s own resources.

The project will be implemented in three stages. During stage one, the new Terminal 2 building, boarding gallery and eight air bridges will be constructed and put in operation by 2011. It will cover 92,000 square meters and be capable of handling between 4 million and 5 million passengers per year.

### India Unveils Policy On New Airport Projects

In an effort to promote new airports in the country, the Indian government recently did away with the compulsory approval clause for all new projects that go beyond a 150-kilometer radius of existing facilities.

“A steering committee would be set up under the chairmanship of secretary, civil aviation, to coordinate and monitor clearances required from

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various agencies for setting up an airport," an official statement said.

"In the case of an application by the Airports Authority of India or other airport company to set up an airport within 150 kilometers of an existing airport, the application shall be considered by the steering committee," the statement added.

In cases where the steering committee is unable to reach a decision, the matter would be taken up by the cabinet. The Directorate General of Civil Aviation was designated as the competent authority to grant licenses.

The policy, however, requires promoters of airports to receive approval from all the government agencies that take care of aspects such as air traffic management, security, customs and immigration.

### **Fraport AG Gets \$65 Million For Manila Project**

The German government agreed to pay Fraport AG \$65 million for its expropriated Manila terminal, under the federal government's investment guarantee for capital investments outside Germany.

Fraport AG had concluded such a guarantee contract as protection against political risks for its equity investment made in the Manila airport terminal project. This payment is expected to occur in three months and the impact of this payment on Fraport AG's financial results currently is being examined.

In addition to this payment, Fraport AG is pursuing further claims that are not covered by the federal government's investment guarantee. Fraport AG and the joint-venture company in the Philippines are pursuing their compensation claims against the Philippine government in national and international courts.

Fraport AG already made a complete write-down on its financial investment in the Manila terminal project in fiscal years 2001 and 2002, and received a first payment of

approximately \$42 million in 2006.

Fraport executive board chairman Dr. Wilhelm Bender expressed his pleasure with the German government's compensation.

"This is only the first step. The unlawful behavior of the Philippine government will not pay off. We will not accept the expropriation done and we will get our money back for our engagement in the Philippines," said Bender.

### **Beijing Implements New Baggage System**

One of the world's largest and most modern baggage handling systems is running under full load in Beijing.

The system Siemens installed in the new Terminal 3 of Beijing International Airport can sort and transport up to 19,200 bags per hour.

The system was brought into operation in two stages. It started on Feb. 29 with a 10 percent load, which was then increased to 100 percent on March 26. More than 90,000 passengers pass through Beijing International every day.

The new Terminal 3 has more than doubled the airport's previous capacity from 30 million to 66.5 million passengers per year, and has made Beijing airport an international hub.

Taking into consideration the growth factor over the last three years, Beijing's airport facilities will accommodate nearly 100 million passengers in 2012. The airport already has started construction of a new terminal for 4.5 million passengers and is planning for the construction of a new airport in the south of Beijing for 2012.

### **Singapore Changi Airport Welcomes TNT Airways**

The Civil Aviation Authority of Singapore welcomed TNT Airways as Changi airport's 10th all-cargo airline.

Starting May 25, TNT Airways will operate six freighter flights per week,

linking Singapore to its hub in Liege, Belgium, as well as Shanghai, China. Singapore will serve as TNT's first Southeast Asian transit point linking two major air cargo markets: China (via Shanghai) and Europe (via Liege).

TNT Airways, which is part of TNT Express Global Networks & Operations Business Unit, provides the air freight network for TNT Express locations throughout the world, especially in Europe. With the start of direct freighter flights to Singapore, the airline is primed to make Singapore its hub for express deliveries around the region.

Apart from occupying an extensive facility at the Express and Courier Centre within the Changi Airfreight Centre, which TNT is looking to expand, TNT also launched a Life Sciences Express Hub in Changi South District in March 2007. This facility, which is TNT's largest such facility worldwide, allows biomedical science companies to base their logistics hubs in Singapore and reach customers in Asia within 24 hours.

Changi Airport is now served by more than 80 scheduled airlines, operating more than 4,300 weekly scheduled flights to 190 cities in 59 countries.

### **Hong Kong International Sees 10.8 Percent Growth**

Hong Kong International in March reported a 10.8 percent increase in passenger traffic, to 4.2 million, and a 10.1 percent rise in cargo, to 334,000 tons.

Air traffic movements reached 25,745, 6.8 percent higher than the same time last year. On the first day of the Easter holidays, March 21, the airport handled a record 945 aircraft movements. In the first three months of 2008, the airport handled 12.1 million passengers, an increase of 10.5 percent from the same period a year earlier. Cargo traffic increased 8.3 percent, to 876,000 tons, and air traffic movements grew 6.3 percent, to 74,305.

# News From Around The World

Clear Channel Outdoor has been selected by **Budapest Airport** for a nine-year contract for all advertising inside and outside the airport terminals, as well as on the airport's access road. Budapest is the largest Hungarian airport with more than 8.6 million passengers in 2007 and is a key airport for travel through the region.

Dr. Michael Kerkloh, CEO of the **Munich Airport** operating company FMG expressed deep regret at the decision by the German government not to build a Transrapid maglev rail link between Munich Airport and downtown Munich. "The Transrapid," said Kerkloh, "would have provided Munich and the surrounding region with a unique opportunity to implement a long-term solution to an increasingly acute problem and turn a serious infrastructure shortcoming into a competitive advantage and a valuable industrial policy tool."

NATS, the U.K.'s air traffic control authority, recently awarded a five-year, \$158 million contract to Lockheed Martin UK to continue to support the London Area Control (LAC) operation at the **Swanwick Air Traffic Control Centre**. The agreement enables Lockheed Martin to provide continued enhancements, maintenance and support of the system it developed with NATS to modernize the management of air traffic over England and Wales.

Pierre Graff, chairman and CEO of **Aéroports de Paris**, and Jean-Cyril Spinetta, chairman and CEO of **Air France-KLM**, signed a protocol agreement concerning the design and operation of the S4 boarding satellite, the future extension of **Paris-Charles de Gaulle Terminal 2E**. This agreement marks the official launch of the project. The building, with a capacity to handle more than 7 million passengers annually and intended for use by SkyTeam alliance members, will enter into service in 2012. Initial construction work has already begun to the east of the hub.

Hollywood giant Metro-Goldwyn-Mayer Inc. plans to build a movie theme park near South Korea's major international airport. MGM and **Incheon International Airport Corp.** signed a preliminary agreement in January to construct the theme park by 2011 in a site near the airport, which is west of Seoul, said airport official Lee Kyu-jin. MGM had planned to build the theme park in Busan but canceled the plan due to differences over land prices and other matters, Lee said.

**AirMedia Group Inc.**, the operator of the largest digital media network in China dedicated to air travel advertising, announced that it has installed 1,213 digital frames in 16 airports across China. AirMedia upgraded from light boxes or newly installed 889 digital frames, ranging from 46 to 50 inches, in 11 airports. AirMedia also installed 324 large-size digital frames, ranging from 63 to 70 inches, in nine airports.

**Aéroports de Paris** recorded a 2.2 percent increase in traffic to 7.2 million passengers in March 2008 compared with March 2007; for **Paris-Charles de Gaulle Airport**, 5 million passengers (+3.3 percent) and 2.2 million passengers for **Paris-Orly Airport** (-0.1 percent). Traffic figures for March 2008 are marked by the increase on European and international routes. The 7.3 percent decrease in domestic traffic impacts mainly **Paris-Orly**. It is notably due to the decrease on the route to Strasbourg. European traffic grew by 5.7 percent due to Schengen traffic (+7.7 percent). The 12 new European Union members recorded an increase of 6.7 percent. The British and Irish markets decreased slightly by 0.5 percent. Traffic on the other international routes rose 4.2 percent. The North and Latin American markets rose by 3.9 percent. The African market was up 4.4 percent. A 4.4 percent increase also was recorded on routes to and from Asia and the Middle East.

**Changi Airport** has registered strong growth in passenger traffic in the first

three months of 2008. The first quarter saw some 9.32 million passenger movements, up 6.7 percent compared with the same period in 2007. In March 2008, more than 3.26 million travelers went through Changi, the highest monthly traffic registered so far this year. On the cargo front, more than 466,000 tons of air freight was processed in the first quarter, up 4 percent compared with 2007. In March, 169,000 tons of cargo was moved. As of April 1, 2008, **Changi Airport** is served by 80 airlines operating more than 4,340 weekly scheduled flights.

**Sydney Airport** joined the global aviation industry in a declaration on climate change signed by industry leaders during the Aviation and Environment Summit in Geneva, Switzerland. The declaration was designed to demonstrate and strengthen the industry's commitment to introducing technological, operational and efficiency advances to reduce its impact. Aviation accounts for 2 percent of global carbon dioxide emissions.

**Singapore Changi Airport** was named Best Airport-Asia for a record 22 years in a row during the 22nd Asian Freight and Supply Chain Awards held in Singapore. Changi beat two other finalists, Hong Kong International and Kuala Lumpur International. The award is a result of an annual reader survey conducted by *Cargonews Asia* magazine.

**Beijing Capital Airport Group** unveiled a \$2 million plan to renovate the old terminal at Huhhot White Tower International to provide a backup airport terminal for the Beijing 2008 Olympic Games. The renovation will include adding a new boarding gate bridge at the old terminal, redecoration and linking the departure control system and broadcasting system to the systems in use in the new terminal. The old terminal of Huhhot White Tower airport was built in 1987.