

AVIATION WEEK Airports

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! Intelligence

Airport officials have noticed a broad increase in surveillance by Transportation Security Administration officers. One said TSA employees are observing travelers more as they walk through airports. He called it "behavior profiling." Others say that security personnel are checking parking lots and perimeter fencing.

The recent American Association of Airport Executives (AAAE) National Airports Conference in San Antonio attracted support from 13 sponsors, six co-sponsors and 13 other companies listed as "Airport Angels." The broad support came as a welcome surprise. Nearly 300 people were registered.

Several AA AE members doubted the viability of the Obama Administration's plan to develop high speed rail. Similar projects in other countries are all subsidized by governments under tax-supported programs. One critic said the funds allocated for fast rail will be spent primarily on paperwork and to carry out a multitude of environmental studies. But two California airports officials added that their state is likely to be the first to push the concept and form a rail network.

Criticism of federal funding levels directed at small airports fails to take into account that airports, especially those in remote regions, serve a valid public purpose, AA AE members agreed. Small airports are the receiving points for delivery of critical food and medical supplies. "Everyone is entitled to access," Atlanta Hartsfield Jackson Airport General Manager Ben DeCosta says.

Airports Examine Pros, Cons Of Managing Ground-Handling

Ground-handling, the broad reach of physical jobs that support aircraft operations, is beginning to look like a growing occupation at U.S. airports, following the way of Europe.

Only a handful of small- to medium-size airports have established ground-handling units to serve airlines, but many more are looking into it.

"We are consulting actively with four or five airports interested in forming a ground-handling company," said Dan Benzon, president of Austin-based Trillion Aviation. "They either want to be self-sufficient or have it as another tool in the toolbox." The work comprises the gamut of what are called "below wing" jobs, such as aircraft pushback, fueling, deicing and baggage handling, and "above wing" tasks largely catering to passengers. These include providing manpower for gate services, passenger boarding and the like.

Driving this development are changes taking place in today's industry that are fostering new ideas and possibly a transfer of labor. As airlines keep cutting costs in what appears to be a mature industry with few growth possibilities, they keep shedding ancillary tasks and want to focus primarily on the flight portion.

Airlines, especially a carrier offering new services to a community, are often looking for another party to oversee ground-handling. Airlines typically launch service with a few flights per day and try to avoid heavy startup costs that ground-handling can involve. Meanwhile, airports are finding that by offering the service to airlines, it becomes an incentive to build new services and a means to attract other new airline clients.

Springfield/Branson National Airport faced a dilemma in 2002 when it could not find a company to provide ground-handling of charter flights. The airport got into the business, starting slowly by acquiring equipment and setting up a full-time staff and part-time workers. The unit now serves the charters and also newcomer Allegiant Air, as well as deicing services for Delta Air Lines. The growth has put the operation into the black, says Shawn Schroeder, assistant director of aviation.

Ground-handling can become a new revenue source for airports, but officials say they are also impressed with its role as an incentive to attract new service or to provide control over customer service issues.

An airport or third-party operator has an efficiency advantage over individual carriers doing their own ground-handling, at least at smaller airports. A centralized operation is more efficiently structured to handle all operations, likely with fewer personnel.

Chattanooga Metropolitan Airport, which offers ground-handling services, stresses that small communities in particular have to be certain that customers' needs are satisfied. Control of ground-handling can help that situation, said Michael J. Landguth, the airport's president/CEO. He has developed a SWAT-team approach that flexibly assigns personnel to

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Airports (Cont.)

where they are needed.

By entering this service business, airports can create “a pool of employees, match skill sets and cross-utilize them. So they may have multiple people out there performing various functions, and they can use the SWAT-team approach,” the consultant Benzon says.

Quad City International Airport in Moline, Ill., got into the ground-handling business when an airline that provided the service left the market and no entity came forward to provide fueling and other services. The airport hired the carrier’s employees and bought tugs, carts and other equipment. The ability to do ground-handling helped retain AirTran Airways’ service and is being used to attract other carriers, says Bruce Carter, Quad City director.

The consultant Trillion Aviation supported Quad City in creating the department, which includes fueling previously handled by a fixed-base operator. A developing trend, he believes, is toward airports serving as the management function overseeing a third-party contract. Most airports are operated by local authorities, and airport divisions are unable to hire large numbers of people due to budget restrictions. But the airport department may issue a proposal, find a contractor and oversee the operation.

American Eagle is one airline that has been growing in the field of providing ground-handling for other carriers. Edward Jacob, regional director-operations with the American Airlines subsidiary carrier, said its ground-handling teams are in place in 100 cities serving as a third-party operator. Delta Air Lines has consolidated ground-handling for its owned regional affiliates and serves other airline clients in a new subsidiary, Regional Elite Airline Services.

If airports move faster in this direction, Carter says key issues will be the development of employee training programs, the cost of buying and maintaining equipment, and the cost of liability insurance. —**James Ott**, jott@aviationweek

FAA Official, Airport Executives Discuss Year’s Positives, Negatives

SAN ANTONIO, Texas — Airport revenue bonds valued at \$4.4 billion have been sold since the Economic Recovery Act was enacted earlier this year, and 309 of 369 projects funded by the stimulus program are under way, according to an FAA official attending an airport executives meeting here last week.

Three quarters of the U.S. airport projects have benefited from Congress’s waiver of the alternative minimum tax (AMT), says Kate Lang, the FAA’s associate administrator for airports. The AMT tax has had the impact of increasing bond rates for airports because projects, even runways, are regarded as a private, not public, activity. The AMT waiver will expire in two years, and airport operators are already pressing for some action to remove the added tax burden.

Lang was among six panelists at the American Association of Airport Executives meeting. She bolstered statements by airport officials who said capital markets have been responsive and construction bids were competitive and relatively low.

Construction bids have been running about 20% lower than previous amounts. As a result, some 60-70 additional projects were funded

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