

JOHN F. BROWN COMPANY EMAIL NEWSLETTER

Consultants to the Airport Industry

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✈ FINANCIAL STATE OF AVIATION INDUSTRY

AIP'S \$3.3 BILLION HEADS TO WHITE HOUSE FOR SIGNATURE

Summarized from AAAE/ACI-NA press release, 12-5-01:

The DOT appropriations bill for fiscal year 2002 is headed to the White House to be signed by the President. The bill, which includes \$3.3 billion in funding for the Airport Improvement Program (AIP) has already been approved in the House by a 371-11 margin, and in the Senate by a 97-2 margin.

DOT REJECTS REQUEST FOR BA-AA JUDICIAL HEARING

Summarized from the Financial Times, 12-7-01:

The US DOT has rejected an appeal by Delta, Northwest, and Continental airlines for a judicial hearing on the proposed American Airlines-British Airlines alliance, hinting that approval of the alliance is in the cards. The British government has made clear that if the alliance is not approved, it would not sign a new 'open skies' treaty with the US. Further adding to the urgency of the situation is the intention of the European Court of Justice to strip all EU member states of their authority to negotiate bilateral agreements with the US early next year. By contrast, a similar application for antitrust immunity submitted to the DOT by Delta and Air France has received relatively little attention and is proceeding smoothly.

AIR CANADA PROPOSES OPEN SKIES WITH US

Summarized from Air Canada press release, 11-6-01:

In a letter to Canadian Transport Minister Collette and US Transportation Secretary Mineta, Air Canada is lending its support for a full Open Skies Agreement between the two countries. The letter expresses Air Canada's preference in response to Minister Collette's statement that the Canadian government will be looking at ways to increase competition in Canada's aviation market. Following Canada 3000's cessation of operations, Air Canada now dominates the Canadian market with 80 percent market share.

UNITED MECHANICS SET STRIKE VOTE DATE

Summarized from the Associated Press, 12-5-01:

The United Airlines mechanics' union has set December 13 as the date for members to vote to authorize a strike. United's mechanics, who have not seen a pay raise since 1994, are now seeking to be the highest-paid mechanics in the industry. United, however, told its employees in a memo that it could not grant any pay raises "while United's financial position is unstable and while the company is relying on current and potential future government assistance."

AMERICAN AND UNITED SUPPORT O'HARE EXPANSION

Summarized from American and United press releases, 12-6-01:

American and United airlines expressed their support on the agreement reached by Chicago Mayor Richard Daley and Illinois Gov. George Ryan on the O'Hare Expansion. The agreement on the \$6.6 billion project means that O'Hare would be expanded to include eight new or

reconfigured runways, a new west entrance and renovated terminal facilities. When finished, in 15 to 20 years, the project would expand O'Hare's capacity to 1.6 million flights a year from its current level of about 900,000.

CONTINENTAL OPENS NEW CONCOURSE AT NEWARK

Summarized from Continental press release, 12-6-01:

Continental Airlines has unveiled the new 19-gate C-3 Concourse at Newark International Airport, the highlight of \$1.4 billion in improvements to the airport. The opening follows the recent establishment of a direct rail link between the airport and midtown Manhattan.

✈ AIRPORT SECURITY

BYRD AMENDMENT OFFERS POSSIBILITY OF SECURITY REIMBURSEMENT

Summarized from Byrd Amendment, AAAE/ACI-NA, 12-5-01:

The Department of Defense's fiscal year 2002 appropriations bill has been approved by the Senate Appropriations Committee, with an amendment by Committee Chairman Robert Byrd (D-WV) allocating \$200 million to compensate airports for increased security costs. The bill and amendment will face debate in the Senate next. AAAE and ACI-NA are urging airport operators to contact their Senators to express their support for the Byrd Amendment.

✈ AIR TRAFFIC

FRONTIER AND MESA TEAM UP TO EXPAND NETWORK

Summarized from the Denver Post, 12-6-01:

Mesa Airlines is set to begin flying from Denver to San Jose and Houston, as a part of partnership with Frontier Airlines. This week alone, Frontier has added four new destinations to its schedule, a different tactic than most in the wake of post-September 11 capacity cuts. Rather than striving to restore flight frequencies or seating capacities to its routes, Frontier has been relying upon partner Mesa to cover those routes with smaller regional jets.

JET CHARTER NETWORK REPORTS BOOMING TRAFFIC

Summarized from Skyjet press release, 12-6-01:

Skyjet, the pioneer real-time online jet charter reservation system, reported that in the nearly three months following the September 11 terrorist attack, its charter jet trip volume is up 50 percent compared with the same period a year ago. Trevor Cornwell, Skyjet founder and CEO, believes that safety and security, commercial airlines route reductions, and airport delays are contributing to the booming traffic.