

Airport Beacon Report



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April 2007

MEDIA COMMUNICATIONS

By Mark R. Davidson, A.A.E. Vice President

A couple of years ago when Terrell Owens a.k.a. "T.O." attempted to sabotage the Philadelphia Eagles, he and his agent, Drew Rosenhaus, held a press conference in front of T.O.'s house. After T.O. read a canned statement apologizing to the Eagle organization and his teammates for calling them "classless", Rosenhaus took the podium. What followed was a press conference for the ages. Rosenhaus blamed the media for T.O.'s situation and answered the media with numerous "No Comment" and "Next Question" responses.

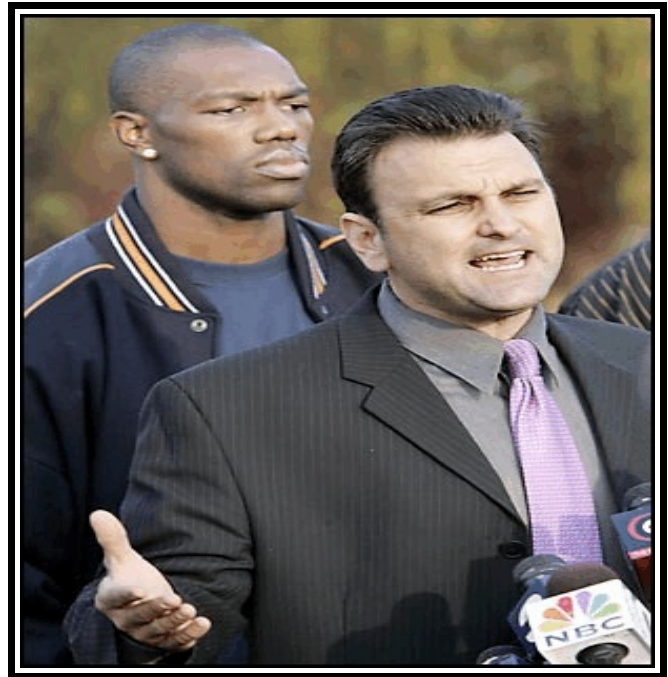
As an airport director, using the phrase "No Comment" is not feasible unless you are looking for more trouble. By offering a "No Comment", it appears that you, a public servant, are trying to hide something. Not that an answer is always warranted, but there are some better ways to say the same thing. For example:

"Because the case is in litigation, I'm not at liberty to talk about it."

"Your questions are legitimate. I need time to get you the latest and most accurate information."

"I would like time to assemble the facts, to get you the most accurate information. Then I'll be happy to respond."

Two weeks after the T.O. press conference, the sound byte that the media continued to use was "No Comment - Next Question". In fact, it was so bad that there was a Super Bowl commercial spoofing Mr. Rosenhaus. So how do you avoid the same fate? There are a number of approaches to consider, but in



T.O. and Agent Drew Rosenhaus

order to offer a more honest and respectful statement, you might want to consider the following thoughts:

- Give a brief answer
- Give a positive answer
- Use good phrasing
- Show compassion and concern
- Tell people how they are affected
- Admit it if you don't know something
- Stay away from negative words
- Stay cool and under control

Most importantly, just like professional athletes and coaches, stay away from predictions. Although it worked for Joe Namath in the 1969 Super Bowl, it is generally not a good idea. For instance, predicting to the media that your airport will obtain a new airline or air service to a new market within the next year

can only bring hardship. You can bet that your prediction will be one of the first things brought up at your exit interview.

Occasionally, airport directors are thrown in front of the camera after an aircraft accident or security breach. However, most of the time, preparations can be made and you can anticipate the questions that will be asked. Under these circumstances, you will want to think of three points that you want to make, and be sure not to stretch the truth. In addition, showing concern for the reporter's questions and the public is critical.

Although there may be time to prepare, you will always get a question that you don't expect. If you don't know the answer, no matter how tempting it is to look for an answer on the spot, simply say that you do not know, but will find out. Then, when the interview is over, make an effort to find out and get that information to the pertinent parties, if appropriate.

From time to time, it is more that the unexpected question. Sometimes, you might be faced with the "ambush interview". When this happens, assume that the entire world is listening as soon as you see the reporter and that the camera is rolling. Try to be as accommodating as possible, don't act defensive, and do not invite a confrontation. If you try to walk away from the reporter, that will surely wind up on the local evening news. One way to handle the ambush interview is to look the reporter in the eye and don't look at the camera. Then, you can ask the reporter to repeat the question to give you more time to think of a response.

After any interview, don't make any off-the-cuff remarks or laugh, since the photographer may still have the camera on. In addition, offer to get the reporter information you may not have known about or had access to during the interview. Finally, if you liked the story, write a note to the reporter. It is in your favor to show your appreciation and to develop a rapport for future airport issues.



AIR CARGO FACILITIES

Randy D. Bisgard, Senior Vice President

There is no question that cargo is one of the hottest things going for the aviation industry right now. Since 1970, the air cargo market has doubled in volume every ten years and is expected to continue growing at an average annual rate of 6.5 percent over the next two decades. One key trend driving this growth is globalization. Competition for jobs and industry has been increasing across borders, which has had direct positive impact on the flow of airfreight. With the ever-increasing impatience among consumers in the marketplace, air transportation is becoming an important alternative to long distance shipping. Another important factor in this growth is the profound explosion in e-commerce. The Internet has changed the way the world now does business, allowing diverse opportunities for businesses to communicate and conduct transactions with other businesses and the end consumer. Finally, the realization by many of the world's leading air carriers that air cargo is a viable revenue resource has been a driving force behind the growth.

Cargo growth is being experienced at virtually every airport worldwide, but the top 30 airports worldwide handle the majority of all air cargo volumes. On-airport freight facilities consist of warehouse space, and in certain cases, adjacent office space. This is where airlines, integrated air carriers, third-party air cargo handlers, and freight forwarders receive, prepare, consolidate and dispatch airfreight shipments. The most desirable facilities have direct access to the aircraft parking ramps in order to minimize the potential for delay or mishaps in loading and unloading freighter aircraft, as well as the time and money lost in the transport of freight between aircraft and warehouse facility. For most carriers, direct ramp access is considered critical because of the time-sensitive nature of their cargo.

Most airfreight facilities consist of large open spaces for warehouse operations and built-out spaces for administrative functions. The “rule-of-thumb” ratio of total space to throughput is one square foot per ton of freight handled, although the ratio varies considerably from carrier to carrier. This can also be impacted by ceiling height (which impacts stackability of freight) and freight handling equipment within the warehouse. Demand for airfreight facility space is a function of traffic and warehouse productivity levels. Traffic demand is a function of a carrier’s flight schedule, capacity allocated to the airport, and market share, while warehouse productivity is affected by the type of freight carried and the level of material handling automation. Heavier shipments typically require manual handling, and consequently demand more warehouse space.

While many airports tend to locate cargo facilities far removed from the terminal facilities, at many larger airports, it is important that the facilities are situated as close as possible. At most hub airports, the majority of cargo is “belly freight/belly cargo,” or cargo carried in the belly of a passenger aircraft. At airports with significant restraints on landing slots and land area, belly freight typically dominates cargo carried by all-cargo airlines. In fact, two-thirds of all cargo at JFK in New York is belly freight, while approximately 80% is belly cargo at San Francisco.

JOKE OF THE MONTH

NEVER QUESTION A DRUNK

A woman was shopping at her local supermarket where she selected:

- 1 half-gallon 2% milk,
- 1 carton of eggs,
- 1 quart of orange juice,
- 1 head of romaine lettuce
- 2 lb. bag of coffee,
- 1 lb. package of bacon.

As she was unloading her items on the conveyor belt to check out, a drunk standing behind her watched as she placed the items in front of the cashier. While the cashier was ringing up her purchases, the drunk calmly stated, "You must be single."

The woman was a bit startled by this proclamation, but she was intrigued by the derelict's intuition, since she was indeed single. She looked at her six items on the belt and saw nothing particularly unusual about her selections that could have tipped off the drunk to her marital status.

Curiosity getting the better of her, she said: "Well, you know what, you're absolutely right. But how on earth did you know that?"

The drunk replied, "Cause you're ugly!"

(Miami is the exception to the general rule with approximately 75% of cargo transported by all-cargo aircraft.) The general dominance of belly cargo could become even more significant as aircraft such as the Airbus A380 enter the market, which offers even more belly cargo space to the airlines. As such, with the exception of those airports dominated by FedEx, UPS or other integrated carriers, the trend of locating new cargo facilities in reasonably close proximity to the terminal area will likely continue.

At many airports throughout the United States, existing on-airport cargo facilities are insufficient to keep up with demand, development land is limited, and/or the demolition and redevelopment of existing facilities cannot be completed in a reasonable time period. Therefore, in many cases demand for cargo space is being met by off-airport facilities. In these cases, cargo is off-loaded from aircraft then

tugged/trucked to an off-airport location for sorting, distribution, or “repacking”. While most of the time these facilities offer a much lower rental rate than off-airport facilities, this is often offset by the additional time and costs associated with freight transfer, including additional liability associated with this extra cargo transfer. As such, the net cost may actually equal or exceed the cost of operating on-airport. In addition, many carriers are apprehensive about this additional step of off-airport transfer, and will not utilize those operators unless cost savings are significant.

While many airports see air cargo as a secondary target, it is often even more valuable to an airport. Air cargo carriers have been much more stable in recent years when compared to passenger airlines, and the diversity of cargo can lend stability to the financial aspects of an airport. Moreover, most cargo activity occurs at non-peak hours, so there is usually minimal impact on the ability of the airport to meet air carrier and/or general aviation demands. Nevertheless, these operations count the same as a GA or air carrier flight, which helps you “keep your numbers up” in the eyes of the FAA. While the term “cargo dogs” certainly applies to some smaller cargo carriers at your airport, they still provide benefits that cannot be overlooked.

Airport Business Solutions is recognized as the leader in providing valuation, analysis, and consulting services to airports and aviation businesses, and offers a diversity of backgrounds and experience which provides a new, creative, and "outside the box" perspective on a myriad of aviation issues and problems.

In addition, our international affiliate, Airport Business Solutions International, AEC, has helped numerous airports worldwide with a variety of airport management and operational issues and problems. Problems at international airports are no different from those experienced at airports in the U.S., and the diversity of experience and breadth of knowledge of Airport Business Solutions International has been extremely valuable in achieving comprehensive solutions to those issues.

COACH'S INSTRUCTIONS

(A must read for Grandparents and those with kids in team sports.)

At one point during a game, the coach called one of his 9-year-old baseball players aside and asked, "Do you understand what cooperation is? What a team is?"

The little boy nodded in the affirmative.

"Do you understand that what matters is whether we win or lose together as a team?"

The little boy nodded yes.

"So," the coach continued, "I'm sure you know, when an out is called, you shouldn't argue, curse, attack the umpire, or call him a pecker-head. Do you understand all that?"

Again the little boy nodded.

He continued, "And when I take you out of the game so another boy gets a chance to play, it's not good sportsmanship to call your coach dumb ass is it?"

Again the little boy nodded.

"Good," said the coach. "Now go over there and explain all that to your grandmother".

For More Information

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