

SEC JOURNAL

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MCGHEE TYSON—COMPANIES WANTED

If the airport is a gateway into town for many communities, the Metropolitan Knoxville Airport Authority is trying to persuade companies to set up business right on the doorstep.

Most airports have a hotel and maybe a few other complementary businesses associated with them, but Bill Marrison, Airport Authority president, said not many are into the development business to the extent that McGhee Tyson Airport is.

"It's not unusual for an airport to have a hotel. It's not really unusual for an airport to have an office complex, but it is unusual for an airport of our size to have 50 acres of site-ready property with access to the airfield ready for development," Marrison said. "Our board chairman, Dick Krieg, likes to refer to it as beachfront property."

Some of that development includes the Airport Hilton Hotel, the 264,879-square-foot Tyson Center Office Park and two aircraft maintenance and overhaul facilities - one for Northwest Airlink and one for Continental Express.

The Continental maintenance hangar is on the

northeast edge of McGhee Tyson, but the Northwest facility is in what the Airport Authority calls its West Aviation Area, which includes the hotel, office complex and about 45 more acres of potential building sites. In May, the Airport Authority approved a \$2 million contract to finish construction of a 1,400-foot taxiway that would open up this property for development.

The Airport Authority wants to attract more aviation-related businesses, such as other airline maintenance facilities, air cargo operations, fixed-base general aviation facilities, but also research-and-development businesses, corporate headquarters and others that would find direct, taxiway-level access to an airport useful.

These ideas gelled over the years as part of an Airport Master Plan, but they fit with recommendations released in a recent report by the Tennessee Infrastructure Alliance, an umbrella organization of the construction, trucking, and development sectors and other industries, which advocates for infrastructure funding.

According to the group's Tennessee Air Transporta-

tion Infrastructure Analysis, airports across Tennessee will be facing rising demand from a growing population and from an economy shifting away from manufacturing toward technology and services-oriented employers.

Airport infrastructure improvements will be needed to keep pace, yet funding from the Federal Aviation Administration's Airport Improvement Program grants has become more difficult to get. Marrison agreed, saying that a five-year Airport Improvement Program funding bill expired last year and airports have been relying on extension bills since October 2007.

"I think we are starting our third. It makes it difficult to plan if you don't know exactly what you are going to be getting," Marrison said, noting that the airport relies heavily on FAA and state grants for infrastructure projects. The Airport Authority's budget for the fiscal year ending June 30 reports estimated receipts of \$11.4 million in FAA grants and \$5 million in state grants out of \$48 million in overall estimated receipts.

For fiscal 2009, the Airport Authority has budgeted

AIRPORT AUTHORITY WANTS COMPANIES NEXT TO MCGHEE TYSON, CONTINUED FROM PAGE 1

about \$27 million in improvements, including completion of its new Aircraft Rescue and Firefighting facility, which is slated to open in November, a new airport maintenance center, completion of the taxiway in the West Aviation Area, and adding boarding bridges, more concessions and other amenities.

Marrison said it is unlikely everything will get accomplished, however, and the airport already is holding off on a planned parking-lot expansion because of uncertainty over the economy.

The infrastructure report was done before fuel costs for airlines began to soar, and Marrison said that also will complicate planning. The drop in the price of crude oil is giving airlines some relief, but other factors still have them in a squeeze. Crude oil has to be refined to a certain level to make jet fuel, and the cost of doing this has climbed from \$7 to \$8 per barrel to \$20 to \$30, Marrison said.

"The airlines have said they can continue to make money when fuel is over \$100 a barrel. It is now under \$100 a barrel, but the number of passengers is declining," he said.

But if problems can be overcome, opportunities for the air industry in Tennessee are there, according to the infrastructure report. It cites the 2007 Economic Report to the Governor, which estimated that Tennessee would lose 13,300 manufacturing jobs by 2016, while at the same time the state would see growth of 93,000 jobs in the professional and business services fields, which rely heavily on business aircraft as a tool to transport people and goods quickly.

As an example of a community taking a proactive approach with its airport, the study cited Bradley County, which is focusing on airport improvements to boost its economy. To capitalize on the Volkswagen manufacturing plant slated to open about 25 miles away in Chattanooga, the Cleveland Municipal Airport Authority has acquired land to build a larger, more modern airport.

"With a 5,500-foot runway and a fixed-base operations building, the new \$25 million community business airport in Cleveland is designed for expansion," the report states.

Marrison said McGhee Tyson also stands ready to help counties benefit economically from the Volkswagen plant by providing service to major suppliers for Volkswagen.

"Blount County and Knox County are pursuing a lot of what Volkswagen calls tier-two and tier-three companies - the kind that are necessary to supply an auto assembly plant - and those are going to be located all up and down I-75, so that is going to be a boost for us," he said.

There may be other possibilities for future development as well, according to Marrison

"You can speculate that Chattanooga's airport is limited in size and runway length and can't support cargo and international flights. Atlanta might be too crowded, so there might be some opportunities for some international service from Germany to Knoxville. Who knows? That is just strictly my speculation at this time; however, I am happy to say we have the infrastructure to support something like that in place," Marrison said.

Delta Adding Additional Routes in Memphis

Memphis International Airport is pleased to report that Delta Airlines recently announced that the airline would be adding additional non-stop service from the airport this spring.

The new service will offer flights between Memphis International Airport and McAllen and Lubbock, Texas. Passengers will be able to use the new services in March and April of 2009. Delta officials say that capacity at

Memphis International Airport has been increased by 40 percent for hub-to-hub connections.

The airline recently added 40 percent more seats each week between Memphis and Cincinnati and introduced one additional daily flight between Memphis and New York's John F. Kennedy International Airport.

From its hubs in Atlanta, Cincinnati, Detroit, Memphis, Minneapolis-St. Paul, New York-JFK, Salt Lake City and Tokyo-Narita, Delta Air Lines and its Northwest subsidiary now offer service to more than 375 destinations worldwide in 66 countries and serve more than 170 million passengers annually.

For additional information, go to airline web site at www.delta.com.

IS AIRPORT SECURITY USELESS?

When Jessica Fletcher was flying home to New York from Las Vegas, she went through the usual security rigmarole just like everyone else. She knew all the usual rules and regulations, but still found herself surprised when they confiscated something she thought of as being fairly innocuous: a jar of peanut butter.

"I'm a poor, young New Yorker, and it's cheaper in Vegas," she explains. "But seriously, what am I going to do with peanut butter? Sneak up behind the pilot and shove it in his face, causing him to veer off course and send us hurtling toward earth?"

But what Fletcher finds most confusing about the scenario is what she mistakenly got away with on several flights to Dallas, Texas and Brussels, Belgium -- carrying a combination wine opener/pocket knife through security in her carry-on bag. It wasn't until her third trip between her home and Dallas that security finally confiscated it. Says Fletcher, "It makes me feel oh-so-secure to know that they are more worried about finding my water bottles and inexpensive peanut butter jars than a knife that could be used to carry out real damage."

Complaints about the state of airport security seems to have become a permanent part of the travel experience no matter what the purpose of your journey, however it appears to have been reaching a fever pitch in recent months. Just take Jeffrey Goldberg's article from the November 2008 issue of *The Atlantic* as an example. Entitled "The Things He Carried," Goldberg detailed his successful attempts at getting contraband utensils such as pocketknives, matches, rope, cigarette lighters, box cutters and other questionable propaganda through airport security. At times he was even able to make it through with a counterfeit boarding pass.

Which begs the question: if a well-intentioned journalist is able to make it

through security with troublesome implements, who else is getting through with things they shouldn't... and are we really that safe? It all depends on who you ask.

"The system we have now, which basically presumes everyone is a terrorist, isn't very efficient," says Gerald Sterns, a West coast-based passenger's rights attorney. "The real way to make us safe and secure is to profile, which -- of course -- is a dirty word in this country, and has caused a lot of problems. Most of us need to take a lesson from the Israelis, whose security is based solely on profiling -- looking at ethnic and religious types, physical movements, base actions... ethnic extraction doesn't bother them a bit. But here, it's considered politically incorrect. We need to change our perspective, because 99.9% of travelers are businessmen or families who aren't security risks, not terrorists or criminals."

But to understand where we are now, it's helpful to know where we've been. Sterns points out that prior to 9/11, airport security plans were put into place by the Federal Aviation Administration. The F.A.A. would then delegate responsibility to the airlines, who would then make it the responsibility of the sole airline with the most gates at a particular terminal. In turn, Sterns says, the airline would contract that responsibility to the lowest bidder who would hire the cheapest help -- often times minimum-wage recruits who weren't always properly trained. Sterns feels this is what led to 9/11, and notes that the government has now put an end to the former security tactics by having the Transportation Security Administration take over staffing professional and better trained screeners at security points. But that doesn't mean the system is without its flaws.

Sterns feels that the liquids ban -- what he calls a "knee-jerk reaction" to a

terrorist attempt two years ago in the U.K. -- is ridiculous, pointing out that the issue with the alleged terrorists came down to the drilling of holes in containers to effectively mix liquids. Says Sterns, "It's a total waste of time. If there's anything suspicious, look at the bottom of the container for drill holes." Sterns also believes that removing our shoes is also smoke and mirrors, as metal detectors will pick up on excess metals found in footwear. But Robert Siciliano -- a travel and personal security expert with clients such as KPMG Peat Marwick, Best Western and British Petroleum -- sees it a bit differently.

"It's all useful -- every bit of it," insists Siciliano, the CEO of SafeTravelSecurity.com. "If all this inconvenience of security keeps one plane from blowing up, then it's all worth it. We simply can't let that happen again. When you see a 90 year-old person on oxygen in a wheelchair being pulled aside and searched, most people say that's not necessary. However, if they were excluded, then that would be the avenues a terrorist would take as the path of least resistance."

But are we really any safer?

"Overall I think security is better, but we're still dealing with myriad issues that could make it more convenient for travelers," says Benét J. Wilson, the airports and security editor for *Aviation Daily*. "We're starting to see more advanced x-ray machines, but we still have to take our laptops out of their bags while other countries -- like the U.K. -- have machines that let you leave them in. Ben Gurion Airport in Tel Aviv is testing a scanner that lets people keep their shoes on, but we still have to take them off here in the United States. Companies are

Southeast Chapter—AAAE

Robert C. Brammer, Editor
SEC-AAAE
8712 Caspiana Lane
North Charleston, SC 29420

Phone: (843) 425-3878
Fax: (843) 225-1799
Email: secaaae@aol.com

We're on the Web at
www.secaaae.org

**Lower Fares
Coming to
Chattanooga**

Lower fares are coming to the Chattanooga Metro Airport courtesy of US Airways who will be introducing a lower fare structure for local travelers. Many US Airways' fares have been reduced 30% to 50%, leaving them within \$80 of fares from Atlanta.

"US Airways sees a great opportunity to recapture local passengers by offering competitive fares that will keep travelers flying out of Chattanooga instead of driving to neighboring airport," said Mike Landguth, President and CEO of the Chattanooga Metropolitan Airport Authority. "Even with the price of fuel falling in recent weeks, most travelers would agree that 2 1/2 hours driving through traffic, plus the hassle of parking, long lines and an unpredictable wait through security just isn't worth the minimal savings."

Metropolitan Nashville Airport Authority

Request for Industry Comment

The Metropolitan Nashville Airport Authority is seeking industry comment on documents pertaining to a second Fixed Base Operator to be located at the John C. Tune Airport, in Nashville Tennessee.

A draft Request for Proposals, inclusive of the Airport's Minimum Standards For Operators of Aeronautical Activities and a sample lease agreement can be found on the Authority's website at www.flynashville.com/business/.

It is requested that comments from interested parties be submitted via e-mail to Al McDill at al_mcdill@nashintl.com, prior to Feb 1, 2009.

This request is for industry comment only and is not a solicitation for proposals at this time.

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developing machines that can scan liquids, one of which will be used at Abu Dhabi Airport next year, yet we still are limited in the liquids we carry."

While Wilson makes valid points, Siciliano argues that there has been chatter about terrorists gutting laptops to turn them into bombs, prompting the T.S.A. to perform due diligence. As for other countries' security practices, "Other countries who haven't been targeted simply don't see a need," he says. "Other countries aren't any more or less technologically advanced than we are. The technology comes from private companies that are often U.S.-based, but not always. If anything, they may not spend as much on the technologies readily available to them when doing a cost benefit analysis."

Regardless, there have been some solid inroads made since 9/11. Sterns is pleased that cockpit doors have finally become secure, ensuring that the only person capable of opening the door during flight is the captain. And it's become more and more evident that passengers are less willing to sit idly by and allow terrorists to take over, as they've been trained to do in the past. But the future still holds promise of improvements. Wilson reports that although some countries refuse to use them due to privacy issues, millimeter wave scanners -- which perform a "striptease" body search -- are being used more often. And Sterns believes the advent of pre-screening capabilities is a definite step in the right direction.

However, Stearns isn't optimistic about the future of airport security, proclaiming it's about to go from bad to worse,

predicting that more and more people will be fighting to get on less and less flights, which will in turn cause more problems for all involved. But ask Siciliano and he'll tell you that as long as we're doing something, we're always moving in the right direction.

Says Siciliano, "Security is a process -- a journey, not a destination. It's not a place you ever arrive. Are we secure? No. Are we any more secure than before? Maybe. Is the current system in place a deterrent? To a degree. There is no such thing as being 100% secure. However, we continually strive to make it as difficult for the terrorist to do their job. To do nothing is to throw your arms in the air and give up."

By Carly Milne, Writer for AOL Travel