

NATA AIRLINE SERVICES COUNCIL





IN TODAY'S EVER-CHANGING ENVIRONMENT, I CAN NOT IMAGINE OPERATING THE COMPANY IN A VACUUM WHICH IS WHY I FIND THE NATA ASC A TREMENDOUS VALUE.

IT HAS RAISED OUR LEVEL OF AWARENESS ON GOVERNMENT ISSUES THAT ALLOWS ATS TO MAKE INFORMED DECISIONS.

—SALLY LEIBLE,
PRESIDENT AND CEO
AIRPORT TERMINAL SERVICES, INC.



THE ASC ENABLES US TO PRESENT THE AIRLINE SERVICE INDUSTRY'S POINT OF VIEW TO THE LEGISLATIVE AND REGULATORY DECISION MAKERS.

—FRED DIBENEDETTO,
VICE PRESIDENT
BUSINESS DEVELOPMENT
FORTBRAND SERVICES, INC.

THE OPPORTUNITY

Airline service companies are an extraordinary and critical component of the international air transportation system, but they also face an intense set of challenges.

Scheduled airlines, both large and small, are increasingly looking for ways to reduce costs, and outsourced services often can be a cost-effective and secure way to do so. Start-up and “low cost” carriers rely heavily on airline service companies for turnkey infrastructures to start, maintain and expand their operations. And these trends are promising.

However, human resources, the backbone of airline service companies, often are notoriously fluid, personnel training can be uneven, and best practices in the industry still are evolving. Consolidations and bankruptcies in the airline industry have threatened many airline service companies, and made many airlines both unreliable and demanding customers. Moreover, government regulation of the airlines and airline service companies in a post-9/11 world often has been burdensome, ill advised, costly or of limited value.

Still, the economy remains strong, the demand for air travel is on the rise and barring another catastrophic event, seems destined for further growth. If the airline service industry collectively can seize the opportunity to proactively address these and other threats, greater prosperity will be assured. NATA’s Airline Services Council was formed to accomplish just that.

THE NATA AIRLINE SERVICES COUNCIL

The National Air Transportation Association (NATA) formed the Airline Services Council (ASC) in 2002 to further the interests of companies providing services to scheduled air carriers as their primary business.

ASC members represent domestic and international firms employing a combined workforce in excess of 90,000 people, and generating more than \$2.5 billion in annual sales at more than 450 airports. ASC-member company services include aircraft fueling, baggage service, catering, terminal services, cargo services, aircraft handling, de-icing, maintenance, security services, and aircraft cleaning, among others.

As The Voice of Aviation Business, the ASC was formed to:

- ◆ Promote the economic interests of aviation service companies
- ◆ Identify risks to, and opportunities before, the airline services industry
- ◆ Jointly address high importance initiatives and, when appropriate, lobby on behalf of ASC members before government and industry
- ◆ Secure understanding of ASC concerns by governmental and airport authorities and achieve regulatory, legislative or market improvements benefiting ASC members
- ◆ Provide the catalyst and setting for industry discussion and education
- ◆ Have its members recognized as integral to the success of the transportation economy by government officials and the greater scheduled air carrier community

ASC 2007 ACCOMPLISHMENTS

In 2007, the Airline Services Council accomplished the following objectives:

CARGO SECURITY

- ◆ Included language within H.R. 1, *Implementing the Recommendations of the 9-11 Commission Act of 2007*, supporting a program whereby aviation ground service providers are compensated directly by the Transportation Security Administration (TSA) for costs incurred as a result of the additional screening requirements.
- ◆ Sent letters to Air Transport Association CEO James May and International Air Transport Association CEO Giovanni Bisignani from ASC member executives highlighting continuously evolving security requirements for air cargo screening that have led to large increases in ground service operating costs, particularly in the cargo handling sector, with disproportionately small compensation adjustments from the airlines they service.
- ◆ Conducted all-day tour of three cargo handling operations at Newark's Liberty International Airport for senior TSA officials.
- ◆ Initiated and continue dialogue with senior TSA officials on implementation of new mandate to screen all cargo placed on commercial passenger aircraft, including a new pilot program to be unveiled in early 2008.

EMPLOYEE SCREENING

- ◆ In April, 2007, ASC, along with the TSA, the American Association of Airport Executives (AAAE), and the Airports Council International – North America (ACI-NA), announced plans to review and improve the effectiveness of screening employees at commercial airports. The plan focused on six areas designed to improve employee screening via a risk-based approach.

The six areas include:

1. Certified employees: creating a new level of employees who are subject to a more rigorous, initial level of scrutiny on a voluntary basis, allowing them to be removed from the regular, but not random, screening regimen.
 2. Biometric access control: expanding current use of fingerprint, iris, limited access and recorded access control measures.
 3. Targeted physical inspection: building upon the TSA's random, unpredictable employee screening measures to include roving security patrols.
 4. Behavioral recognition: growing the population beyond the TSA to include airport employees trained to recognize hostile intent.
 5. Employee training: raising awareness of suspicious behavior and implementing incentives for reporting anomalies.
 6. Technology deployment: continuing to support the development of security technology including cameras and body imaging.
- ◆ Sent letter to TSA Chief Edmund "Kip" Hawley expressing the ASC's continued concerns with the delay in processing badge applications for new employees to gain access to the secure areas of commercial airports.
 - ◆ Continue to meet with the TSA regularly representing the airline services industry on security incidents as they arise, including events at John F. Kennedy International Airport, Chicago's O'Hare International Airport as well as several other major commercial airports.

AIRPORTS PROVIDING AVIATION SERVICES

- ◆ Successfully included language within the U.S. House of Representatives' FAA Reauthorization legislation that expresses support for enhanced oversight over the Small Community Air Service Development program (SCASD) and encourages the U.S. Department of Transportation to consider the impact a grant under the program would have on existing businesses at the airport.
- ◆ Submitted comments before the U.S. Senate Subcommittee on Aviation on the trend for airports to use grants through the SCASD to further the goal of providing aeronautical services to commercial and general aviation aircraft.
- ◆ Exchanged letters with the U.S. Department of Transportation on the importance of ensuring that SCASD funding for FY 2007 is allocated appropriately, not allowing airports to use federal funding to establish ground support infrastructure.
- ◆ Sent a letter to the Metropolitan Knoxville Airport Authority Board of Commissioners Chairman regarding the airport authority's acceptance of a feasibility study on the viability of providing underwing services to airlines at McGhee Tyson Airport in Knoxville, Tennessee. The letter expressed NATA's concerns with the airport providing underwing services and encouraged the airport authority to issue a request for proposal (RFP), an invitation for suppliers to submit a proposal to provide services, typically through a bidding process.

MEMBERSHIP

- ◆ Increased membership from 12 companies in 2006 to 15 companies in 2007.
- ◆ Conducted more than 6 in-person and teleconference meetings in 2007.

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MEMBER BENEFITS

AIRLINE SERVICES COUNCIL MEMBERS RECEIVED THE FOLLOWING BENEFITS:

- ★ **Unique opportunities for peer-to-peer benchmarking and information exchange. Only U.S. forum for airline service companies to discuss legislative, regulatory and security issues**
- ★ **Individualized federal advocacy, representation and case work on ASC issues**
- ★ **Enhanced access to federal officials, including Congress, the Department of Transportation, the Department of Homeland Security and the Transportation Security Administration**
- ★ **Full recognition by government and other entities that the airline service providers have an opportunity to improve upon proposed legislation or regulations**
- ★ **Up-to-date news and information tailored expressly for ASC members and delivered via email**
- ★ **Media advocacy on behalf of members in defense of airline service companies**



WHEN A SECURITY ISSUE ARISES,
I IMMEDIATELY PICK UP THE
PHONE AND EXPRESS MY
CONCERN AND HAVE
FOUND THEM TO BE RESPONSIVE,
KNOWLEDGEABLE AND
A VALUABLE RESOURCE...
OUR COMPANY'S VOICE IS
HEARD THROUGH NATA'S
AIRLINE SERVICES COUNCIL.

—GARY LUPINACCI, DIRECTOR
CARGO SECURITY & TSA COMPLIANCE
WORLDWIDE FLIGHT SERVICES



AS AN AVIATION EXECUTIVE WHO
RECOGNIZES THE IMPORTANCE OF
SAFETY, I AM IMPRESSED WITH THE
PROACTIVE EMPHASIS PLACED
ON SAFETY AND ACCIDENT
PREVENTION BY NATA. TAS HAS
A PERFECT THREE YEAR SAFETY
RECORD AND THE NATA SAFETY
1ST PROGRAM HAS BEEN AN
OUTSTANDING RESOURCE FOR ALL
AIRLINE SERVICE PROVIDERS.
OUR PARTICIPATION IN THE ASC
SAFETY COMMITTEE HAS BEEN AN
INVALUABLE RESOURCE TO THE
SUCCESS OF OUR COMPANY.

—JACK EVANS, CEO
TOTAL AIRPORT SERVICES, INC.

THE 2008 ASC AGENDA

ASC identified the following issues as legislative and regulatory priorities:

AIRPORTS PROVIDING AVIATION SERVICES

- ◆ Continue to monitor the distribution of funding to airports as provided by the SCASD in addition to commercial airports improperly taking on ground handling services that could be in violation of their Airport Improvement Program grant assurances. The ASC will continue to advocate strongly for airports issuing a request for proposal prior to delving into the ground service providing business.
- ◆ Establish an RFP Web board where airline services companies can review opportunities to provide ground handling services at commercial airports.

CARGO SECURITY

- ◆ Continue dialogue with senior TSA officials on the implementation of new security mandates requiring that all cargo placed on commercial passenger aircraft are screened.

EMPLOYEE SCREENING

- ◆ Continue to work with the TSA and industry groups on the employee screening initiative, ensuring that blanket, checkpoint screening measures for all employees at commercial airports are not incorporated and more commonsense procedures, including random screening, are utilized instead.
- ◆ Develop with the TSA a secure Web board, or other appropriate notification procedures, that allow airline services companies direct access to security protocol that affect their businesses at commercial airports.

RAMP SAFETY

- ◆ Secure six ASC-member companies to participate in a ground safety reporting initiative in conjunction with the International Aviation Handlers Association. Initial findings are to be reported in mid-2008, with the appropriate process changes and training recommendations to follow.

MEMBERSHIP

- ◆ Increase ASC membership to 25.
- ◆ Conduct two in-person meetings, including a Capitol Hill Day in Washington, D.C., in addition to holding teleconference discussions, as appropriate, in 2008.

Although the ASC caters to the unique concerns of airline service firms, NATA's traditional membership has always been made up of aviation service companies.

Founded in 1940, NATA aggressively promotes safety and the success of aviation service businesses through its advocacy efforts before government, the media and the public as well as by providing valuable programs and forums to further its members' prosperity. Headquartered in Alexandria, Virginia, NATA is one of the leading aviation trade associations in the United States, with nearly 2,000 member companies operating in the U.S. and internationally.



The Voice of Aviation Business

ASC Contact:

Eric R. Byer
Vice President, Government & Industry Affairs
ebyer@nata.aero

National Air Transportation Association, Inc.

4226 King St.
Alexandria, VA 22302
800-808-6282
www.nata.aero

AIRLINE SERVICES COUNCIL MEMBERS

Air General Inc
Aircraft Service International Group
Airport Terminal Services, Inc.
Alliance Air
AMB Property Corporation
Aramark Aviation Services
Cargo Airport Services
Fortbrand Services, Inc.
GAT-General Aviation Terminal, Inc.
Huntleigh USA
Menzies Aviation
Servisair
Swissport Fueling, Inc.
Total Airport Services, Inc.
Worldwide Flight Services

2008 SCHEDULE

Spring ASC Meeting/Day on the Hill

May 6-7, 2008

Washington, DC

Fall ASC Meeting

October 2008

Las Vegas, NV