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# NATA AIRLINE SERVICES COUNCIL MEETING APRIL 27, 2010

## **MINUTES**

#### I. Welcome

National Air Transportation Association Airline Services Council (NATA ASC) Chairman Jack Evans welcomed NATA ASC members to the meeting at 8:04 a.m. (ET).

#### Meeting participants included:

- Jack Evans, Total Airport Services, NATA ASC Chairman
- Karen Avestruz, Worldwide Flight Services
- Fernando Di Benedetto, Fortbrand Services Inc.
- Wayne Eichel, Worldwide Flight Services
- Margaret Giugliano, McBreen & Kopko
- Phil Jensen, Cargo Airport Services LLC
- Leonard Kirsch, McBreen & Kopko
- Sally Leible, Airport Terminal Services
- Patrick Maloney, Air General Inc.
- Jim Mollison, Menzies Aviation
- Patrick Stanchis, Gate Safe, Inc.
- Gary Zarycki, Elite Line Services Inc.

#### Guest participants included:

- Roger Briton, Jackson Lewis LLP
- Spencer Dickerson, AAAE
- Gary Lupinacci, TSA
- Bob Graboyes, NFIB

#### Staff participants included:

- Eric Byer, NATA
- Mike France, NATA
- Dennis van de Laar, NATA

#### II. Approval of July 31, 2009 Minutes

Evans asked for approval of the July 31, 2009 teleconference Minutes. The motion was made by Fred DiBenedetto and seconded by Pat Stanchis with the Council unanimously approving the minutes..

#### III. Introduction And Roundtable Discussion

Evans asked each meeting participant to introduce himself or herself, provide a brief update on how his or her business is doing, and provide recommendations on issues for the NATA ASC to address over the coming year.

Members provided welcome feedback on issues including the current status of their business.

# IV. Railway Labor Act / Employee Free Choice Act Update

Roger Briton, attorney with Jackson Lewis LLP, addressed the NATA ASC on the latest developments concerning the Railway Labor Act/Employee Free Choice Act. Briton's Railway Labor Act presentation may be viewed by clicking here.

Briton stated that a danger still exists for airline services companies to be forced to have their employee workforces unionized, even small companies.

Briton also mentioned that since 9/11 there has not been a single case where "derivative carriers" have been found to not be under the National Labor Relations Act (NLRA). Because of this inclusion, the Fair Labor Standards Act would not apply, although some states have laws that specifically address the issue.

In response to an NATA ASC member question, Briton said that they should be concerned with local and state laws and regulations before federal.

# V. Aviation Ground Services Association Update

Spencer Dickerson, senior executive vice president of the American Association of Airport Executives (AAAE) addressed the NATA ASC on the current status of the airport industry. Dickerson mentioned that the airport economy is still "soft" but that the numbers are looking better than last year. The volcano eruption and the subsequent closure of European airspace affected economic recovery for some airports and air carriers.

Dickerson told NATA ASC members that airlines continue to look for cost control on the ground services side and reminded everyone that efficiency has become even more important to the success of the members.

Dickerson said that TSA's new advanced imaging technology will bring space and financial issues to the nation's airports. Dickerson expressed the desire to have a new TSA director in place soon.

Eric Byer said that NATA Compliance Service and AAAE's fingerprinting clearinghouse are important to each other and reminded members to make use of both.

Some of the members expressed particular concern with SIDA badging and the inability to transfer between airport locations once cleared by the system. Members

expressed the need for some standardization. Dickerson responded by talking about AAAE's BASIC (Biometric Airport Security Identification Consortium), a group of airports working with AAAE to standardize badging through the use of biometrics. Dickerson called on the NATA ASC to get involved. Eric said he would cooperate with AAAE staff on the issue.

Other issues addressed were U.S. Customs escorts and ICAO/ISAGO certification enforced at several airports in the country. Both Dickerson and Byer said they would look into the concerns.

## VI. TSA Update

The TSA's Gary Lupinacci provided brief remarks to the NATA ASC. <u>Lupinacci's Air Cargo presentation may be viewed by clicking here</u>.

Lupinacci mentioned that a major concern to the TSA is that there is still no 100% screening of cargo on international inbound flights.

Lupinacci said August may be challenging as August 1 is the date for 100% screening of all cargo on passenger aircraft.

Lupinacci also referred to the approved equipment list saying that an additional 40+ (large aperture) devices have been added. The TSA is looking into any applicability of small aperture devices for certain commodities.

VII. Aviation Fuel Providers: Issues Arising With The New Airline Fuel Consortiums Margaret Giugliano, with McBreen & Kopko, warned the NATA ASC members that the arrival of the fuel consortium business model will change the dynamics of FBO fueling at mid- to large-sized airports. Under the model, an agreement between airlines and FBOs would dictate the commercial terms on how to provide fuel services.

Giugliano mentioned the increased liability risk the fuel service provider would carry. Providers would also be subjected to an audit, meaning that it has to be approved by an airline services council. Under these agreements, the FBO could be subjected to more stringent Air Transport Association standards. Giugliano said that FBOs will be enticed by incentives such as offers to fund new construction in exchange for control of the terms of conditions and pricing.

#### VIII. Health Care Bill

Dr. Robert Graboyes, of the National Federation of Independent Business (NFIB), highlighted some of the critical components of the health care bill affecting member businesses. Graboyes highlighted major changes in W-2 reporting and 1099 forms as part of new requirements for reporting expenses. Graboyes also mentioned several tax measures that would be placed on business in order to help fund the bill. Graboyes cautioned that while many changes will not go into effect until 2014, its

impact on the administrative processes at businesses would be substantial and urged members to prepare for the changes.

More details about the bill and its impact can be found on the NFIB Web site at www.NFIB.com/HealthReform.

#### IX. Membership Update And Recruitment

Byer complimented the NATA ASC members for their participation. He encouraged them to promote the NTA ASC to prospective members. He said an additional 43 have expressed interest in joining.

#### X. New Business

Evans asked NATA ASC members for input on creating some type of code of ethics agreement between NATA ASC members.

Byer said an agreement could be drafted using the existing mission statement as its foundation and he would work with legal to come up with something. A draft would be ready for review at the Las Vegas meeting.

# **XI.** Upcoming Meetings

The 2010 NATA ASC event calendar can be viewed by members by clicking here.

The next meeting of the NATA ASC will take place on July 22, 2010, at 12:00 noon by phone. The next regular meeting will be on October 24-25, 2010, in Las Vegas, NV.

#### XII. Miscellaneous

Byer asked members if individual companies would like to provide profiles of their organizations within the ASC Monthly Update and Aviation Business Journal.

# XIII. Adjournment

With no further business, the meeting concluded at 1:58 p.m. (ET)