

## Into-Plane Agents/Airports Brace For Expanded SPCC Requirements

Facilities subject to the rule must have a new SPCC plan in place by August 17, 2004, and implement the plan by February 18, 2005.

### HIGHLIGHTS ✂

✂✂ **Into-Plane Agents/Airports Brace for Expanded SPCC Requirements**

(Page 1)

✂✂ **Interview...**

**Ed Merlis, Leaves ATA**

(Page 1)

✂✂ **6th International Jet Fuel Conference Returns to Miami**

(Page 4)

✂✂ **News Briefs...**

**Pipeline Problem Leaves O'Hare Precariously Short Fuel**

**Fuel Tax Hike Fails In Alabama**

(Page 6)

✂✂ **World Jet Fuel Prices**

(Page 7)

**I**nto-plane operators, airlines and perhaps even airports could be required to upgrade fuel spill containment mechanisms under expanded **Environmental Protection Agency** (EPA) requirements, and the murky nature of those requirements have many in the industry questioning just what action needs to be taken.

Expanded spill prevention, control and countermeasure (SPCC) guidelines from the EPA call for containment around trucks loading or unloading into underground or above ground storage tanks, and also around refueling vehicles. The rules were promulgated last summer, but the EPA earlier this year granted extensions. Facilities subject to the rule must have a new SPCC plan in place by August 17, 2004, and implement the plan by

February 18, 2005.

Many questions remain, however, as to exactly how to interpret the new requirements. Regarding the loading or unloading of fuel, **Sarah Walls**, managing partner of law firm **Cantey & Hanger LLP**, which advises Dallas/Fort Worth International and other airports on environmental issues, says the containment apparatus "needs to be able to capture the entire contents of the largest compartment in that tank or truck."

Refueling vehicles are also an issue. "Refueling trucks may require containment because they fall into the category of mobile, portable storage," Walls says. "I have heard that if you

(Continued on page 2)

**Interview...**

## Edward Merlis, Leaves ATA, Assesses State Of The U.S. Airline Industry

**T**he juxtaposition of a recent war, a dismal economy, the SARS outbreak and the post-9/11 environment translates into one of the most difficult operating periods for U.S. airlines. **Ed Merlis** has witnessed these challenges, as well as historical events such as other wars, an oil embargo and airline deregulation that have rocked the aviation world. Merlis, who until May was senior vice president for legislative and international affairs for the **Air Transport Association** (ATA), has left the organization to join **Xenophon Strategies**, a Washington DC-based public affairs firm, as senior counselor.

During his tenure at ATA, Merlis executed federal, state, local and international government affairs

programs, including legislative, regulatory and community lobbying initiatives. He managed the association's government affairs, international affairs, airports and e-business departments, as well as the industry's energy and communications spectrum management activities. He also supervised the operations of more than 40 industry-owned fuel farms located at major airports.

Shortly after leaving ATA, Merlis took some time to discuss with **JFR** the current state of industry affairs and the ebbs and flows of the aviation sector that keep aviation executives expecting the unexpected.

(Continued on page 3)

**“I have heard that if you park a truck you have to put storage around it. I have also heard that the EPA says the rule will apply if you’re fueling planes, but they’re not going to enforce that aspect of it.”**

park a truck you've got to put storage around it. I've also heard that the EPA says the rule will apply if you're fueling planes, but they're not going to enforce that aspect of it."

The EPA did not answer requests from **JFR** for clarification on this issue. In the industry, executives are also confused as to exactly what upgrades are needed. For example, **Andy Grant**, director of fueling services for **Airport Group International (AGI)**, says that "a lot of us are still getting interpretations of exactly what the intent of this new requirement is."

Grant says that from AGI's perspective, the company is compliant in all the locations where they have into-plane fueling operations and fueling assets. "As we understand it, this is only applicable to the refueling tankers because the tankers do essentially store fuel, albeit for short periods of time," he says. "The rest of the equipment isn't really a storage vessel. It's just piping and fuel handling components. Our interpretation is this is strictly applicable to tanker operations and refueling tankers."

Similarly, **Chris Straub**, civil engineer with **Argus Consulting**, takes the more narrow view of containment requirements. "It's kind of up in the air right now, but the thinking is that vehicles in use do not have to have containment," he says. "If they are parked they have to have containment."

Even under that interpretation, there are companies and locations that will need to make changes to become compliant. While some in the industry say that the previous EPA rules already required containment around parked vehicles, others say it wasn't clarified and never enforced. But the EPA has sent a message, through publications and through site visits, that it will begin enforcing the rules.

**Grant Smith**, director, environmental programs, aviation services group, **Burns & McDonnell Engineering Co.**, says rules about portable tanks needing containment was never clarified in the previous rule, and he adds that "that's where the aviation community is in an uproar." Smith says that if an operator at an airport parks its vehicles near a storm sewer and doesn't empty them every night, they would be in violation because of the potential for a spill into navigable water.

The requirements call for a secondary containment structure --

such as a concrete, shallow, swimming pool-like area, a temporary polyethylene structure or some type of physical barrier -- that can hold the entire contents of the largest container in the vehicle.

But building a berm -- or containment -- area in which to park vehicles may not be the only option. "We've been trying to work with people on finding parking in an area where they could have in their (SPCC) plan that they would be able to mitigate any spill before it reached navigable water," Smith says. "They may not have to build a berm area to park their vehicles in, as long as they have a clear SPCC plan" on actions that would be taken in the case of a spill. "You can meet the intent of regulations by controls, and those can be physical controls such as curbing and dikes, or they can be procedural controls," Smith adds.

Straub notes that depending on the facility, there may not be an easy fix available. "It's very congested," he says. "Where are they going to go? Some facilities can be easily modified, but others are going to require major upgrades."

As for the question of whether the EPA requirement extends to fueling vehicles when they are in use, most in the industry agree that it would be extremely difficult to achieve. "It's not possible because the hydrant carts and the fuel trucks have to park directly underneath the wing of the aircraft," notes **Douglas M. Waring**, senior project manager of Lake Forest, IL-based **DAI Environmental Inc.** "For anyone to install permanent secondary containment structures, you would have to place them in the immediate area where the actual wheels of the aircraft are moving over." Waring says that such extensive containment would require a complete redesign of drainage systems at airports.

### Who Pays?

Depending on how the EPA guidelines are clarified and the layout and facilities at individual airlines, coming into compliance may require only modest changes or it may demand a major capital improvement project. Particularly given the precarious state of the aviation industry's financial situation, there will likely be a battle over who will foot the bill.

Straub points out that airports own the property, but service providers

*(Continued on page 3)*

© 2003 World Jet Fuel Report  
P.O. Box 30907  
Palm Beach Gardens, Florida 33420  
U.S.A.

Published biweekly by:  
**Armbrust Aviation Group, Inc.**  
The Comeau Building  
319 Clematis Street, Suite 211  
West Palm Beach, Florida, U.S.A.  
Telephone: 561-659-6818  
Fax: 561-659-0091  
Website: www.armbrustaviation.com  
E-mail: info@armbrustaviation.com

**John H. Armbrust**

*Publisher*

**Carol Ward**

*Managing Editor*

**Robert Baal**

*Online Director*

**Scott Eurich**

*Creative Director*

**Michael Patrick**

*Research Director*

**Robin Ader**

*Analyst*

**Barbara Moreno**

*Circulation Manager*

**Patricia Holland**

*Business Manager*

Subscription \$1,675 per year.  
Transmitted via electronic mail or  
downloaded from Web. License rates  
on request.

Copyright © 2003 Armbrust  
Aviation Group, Inc. All rights  
reserved. Publication or reproduction  
of **World Jet Fuel Report** is strictly  
forbidden without prior permission  
from the publisher.

Other AAG publications: **World  
Airport Revenue News**, a monthly  
magazine covering issues that concern  
airport managers, retailers, and  
concessionaires.

**Airports could be called upon to contribute in some way, depending on the ownership structure of the fueling facility.**

own and operate the trucks. "Ultimately both have some responsibility," he says. However, the leases that operators have signed with the airport require that those operators comply with all federal, state and local regulations.

Grant, who doesn't believe that AGI will have to make any modifications, says the service provider is responsible. "You're not going to get any money out of an airline," he says. "At some locations I think the airport will comply and help the fueling operators out, but if I'm an into-plane vendor at a location I'm going to assume that it's my responsibility to comply, and contractually I have to comply. This would just be a one-time cost of doing business."

Airports could be called upon to contribute in some way, depending upon the ownership structure of the fueling facility. "There could be an argument from the airlines and the fixed base operator that since it is airport land and they're essentially leasing it, the airport needs to pay for

upgrades," notes Smith. But he adds that could backfire. "Airports could agree to do it, but they might backcharge (service providers) and raise the lease (payments)."

If the EPA goes ahead with the full containment requirements, including containment for vehicles in use, Waring says airport will likely have to get involved. "For the fuel vendors, which are running on razor thin profit margins, it's a financial impossibility for them to engineer and finance major civil engineering changes to airport drainage systems to meet the requirements," he says. "The ASIGs and AGIs of the world can't fund it, the airlines are in no position to pay because their tenure at any airport is tenuous at best. Generally speaking, even though they don't like it, the local airport authority may be left holding the bag." **JFR**



**Edward Merlis, Formerly of ATA, Assesses State of the Airline Industry**  
*(Continued from Page One)*

**JFR:** Obviously the airline industry is facing an extraordinarily difficult time right now. Can you give us a broad-based picture of how you believe all this will play out?

**MERLIS:** First of all there will be a rebound because I just have faith in the economy that there will be a turnaround. But that doesn't mean there isn't a need for consolidation. Airlines, as opposed to most other industries, are precluded by regulatory and legislative barriers from reaching maximum efficiency. How the industry reaches that maximum efficiency remains to be seen, because as long as the impediments exist they can't do it in the normal orderly course of business. I don't know whether the world has room for 16 network carriers. Maybe it has room for only five network carriers, but as long as we have the barriers to reaching maximum efficiencies, airlines worldwide will suffer the consequences of not being optimized.

**JFR:** Specific to the United States, what are the chances of a **United Airlines** liquidation?

**MERLIS:** I think the chances of liquidation for any large carrier are slim because once a carrier goes into bankruptcy, a host of changes take place insofar as the cost structure is concerned, and therefore it is more competitive. A recent article in the

**Wall Street Journal** pointed out that **Delta**, which is in the best shape of the network carriers, actually has the greatest hurdles to achieving the kinds of employee savings that are necessary, because if a carrier is relatively flush with cash it can't achieve those goals. We're in an odd situation in that United has faced the gallows, gone into Chapter 11, and tremendous changes have taken place. **American** was on the verge and tremendous changes are taking place. Delta, because it is financially better off than the other two, doesn't have leverage to achieve the kinds of cost savings that **American** and United have achieved.

**JFR:** Is that primarily a labor issue?

**MERLIS:** It's more than a labor issue, it's a lease issue too. Lessors are considerably more under the gun to make concessions when you're facing Chapter 11 or in Chapter 11, than when you're not. You may have similar situations with other places you're spending money – you're capital program. You might have a different approach to your capital program if you're making money than if you're on the losing end, and if you're in Chapter 11 or on the verge of it, you may have a different package of concessions that come in a construction project from a

*(Continued on page 4)*



**Mark Your Calendars...**

**6th  
International Jet Fuel  
Conference & Exhibition  
Returns to Miami's  
Inter-Continental Hotel**



**Armbrust Aviation Group** is pleased to announce that the **6th Annual International Jet Fuel Conference & Exhibition** is scheduled for March 7 -10, 2004 at Miami's Inter-Continental Hotel.

This will be the second time that the hotel, which overlooks Biscayne Bay, will host the conference.

**AAG** is currently working with key industry participants to identify topics and speakers to create an informative agenda. Early indications call for significant focus on the accuracy of current pricing models with plans to explore additional pricing options.

**AAG** plans to facilitate industry challenges regarding existing pricing models in open discussions and working groups. Check back regularly for information on topics and speakers.

We welcome suggestions regarding agenda topics and speakers.

Contact Barb Moreno, Conference Manager at 561.659.6818 ext. 104 or email: [bmoreno@armbrustaviation.com](mailto:bmoreno@armbrustaviation.com)

state or local government.

**JFR:** If a major carrier was liquidated, how big an impact would that have on its key hub or hubs?

**MERLIS:** If a hub carrier were to liquidate, obviously there would be back-fill because of all the O&D traffic it carries. But another carrier wouldn't necessarily establish a hub at that locale. But without knowing the amount of O&D traffic or the cost structure of the airport it's impossible to say how big the impact would be.

**JFR:** Some industry executives and analysts have expressed concerns about the number of hubs and the viability of medium-sized hub airports. From an airline perspective, is it wise to cut back on the number of hubs utilized?

**MERLIS:** I would say yes and no. If there is consolidation in the industry you would have a consolidation in the number of hubs just by the very nature of the consolidation. If you look at **US Airways**, at one point it had a host of hubs in addition to what it currently has. So I think as this business constantly changes, those kinds of decisions are made.

**JFR:** Take, for example, St. Louis, which has embarked on an expansion plan despite the loss of **TWA** and the subsequent de-emphasis by American of that hub. From an airline perspective, is that expansion wise?

**MERLIS:** When American acquired **TWA**, many said it was a brilliant move because it would give them an alternative Midwest hub, particularly as traffic continued to grow and Chicago became more congested. Now, using the hypothetical that if United were to meet its demise you don't necessarily need that additional Midwest hub. Alternatively changes that are taking place in traffic flows due to security requirements, the greater likelihood that people will drive to destinations two, three or four hours away, may change the necessity also because you may go into greater stage length or smaller equipment. It's a dynamic industry, constantly changing because of internal and external factors. Whether St. Louis is long-term viable for American is something that we'll know sometime in the future. What is interesting is that it may be the actions of United or someone else that impact it, not necessarily American.

**JFR:** There is a lot of talk in the industry that the hub-and-spoke

model is broken, or at least damaged. What are your thoughts?

**MERLIS:** That's absolutely wrong. If we didn't have a hub-and-spoke system you wouldn't have service in the vast majority of communities in America. As an example, in the first quarter of 2002 there were 40,000 city pairs domestically. In the 40,000 city pairs, tickets were sold in 26,000 of them. A point-to-point carrier such as **Southwest** or **JetBlue** serve no city pairs smaller than number 2000. Where are the people in city pairs 2,000-26,000 going to get service if we don't have a hub-and-spoke system? Secondly, a carrier such as **Southwest** serves, of the 489 airports, no airport smaller than number 104. Where are the people from airport 105-489 going to get service if you don't have a hub-and-spoke system? So the model is not broken, but it must be made more efficient. Look at what **US Airways** is doing by moving toward more regional jets. If you have impediments to maximizing efficiency, it's not the hub-and-spoke system that is broken, it might be something else that is broken that impedes reaching optimal efficiency.

**JFR:** With airlines such as **Southwest**, **JetBlue**, **Air Tran**, **ATA** and others, do you think hub-and-spoke will be de-emphasized?

**MERLIS:** It's American, United and Delta! American doesn't have a hub in Washington DC but it flies nonstops from Washington DC to Los Angeles. If the market can bear non-stop service, airlines will provide it. You can't have non-stop service unless you have volumes, and from an air carrier's perspective, if the volumes are there they'll provide the non-stop service. Look at **Alaska**. Alaska's flying all these Seattle transcons (transcontinental flights) now. They're picking up pieces which other carriers have not necessarily flown nonstop and demonstrating that you can do it, and make money on it I'm sure. There will be changes, but there are constantly changes.

**JFR:** Low-cost carriers are currently healthier financially than the legacy carriers. What is the future of that segment of the market?

**MERLIS:** Depending on a variety of factors, if some of the legacy carriers become lower cost they may give some of the lower-cost carriers a run for the money. The second thing

*(Continued on page 5)*

**“If we didn’t have a hub-and-spoke system you wouldn’t have service in the vast majority of communities in America.”**

you have is the maturation factor. After 30 years, Southwest's average employee tenure is going to be a lot more than it is today. JetBlue's is going to be a lot more than it is today. So on the seniority system, people will be making a lot more than they are today. They still have other factors in their way of doing business which are lower cost, but the labor cost difference alone will not be as great 30 years from now, if the industry survives in its current fashion.

**JFR:** But probably still not as high at United's, for example, on a percentage of operating revenue...

**MERLIS:** Definitely not as high. I think one of the reasons is that we have a wage system where a person flying a 747 makes more than a person flying a 737, even if the 737 captain has more seniority. It's a choice the employee has -- does he want to move up, and by moving up he'll have a higher rate of compensation but his hours of working will be different. If you're in a single-fleet carrier you don't have that differentiation, nor does the carrier have the training costs, because every time one guy moves up lots of other people move up too. For every one training incident, depending on the carrier you could have five or six or seven additional training incidents. That incurs the training costs as well as the non-productivity costs, because those employees are not working, in the sense of transporting passengers. That's another efficiency the low-cost carriers have. It's an efficiency on the labor side, on the maintenance side, and it's undoubtedly an efficiency on the purchasing or leasing side. The legacy carriers have to figure out how to compete with it.

**JFR:** Should the legacy carriers rethink their fare structures?

**MERLIS:** Absolutely. It's Byzantine. The problem is no one carrier can do it -- it's a competitive market. The one time it was tried -- value pricing in the summer of 1992 -- nobody had the financial wherewithall to remain competitive without undercutting that structure. That structure had a first class fare, a full coach fare, an X-percent discount for seven-day advance purchase and a Y-percent discount for 21-day advance purchase. It was transparent -- everything about it was good. That's not to say that's the only way to do it, but clearly there is a need to maintain or establish a fare structure that is intelligible, because otherwise you are alienating your customers with

regularity. Value pricing or something similar would make things very transparent. The problem is that no one carrier can do it without fear that his competitors will chip away at the city pairs that his competitors serve and undercut him, because pricing drives this equation by and large.

**JFR:** At a recent ACI economic specialty conference, **David Plavin**, President ACI, suggested that airports may be well-served to begin to take on roles traditionally handled by airlines, such as ground services. From an airline perspective, is it feasible or advisable to give up some of those non-core activities?

**MERLIS:** The people running the fuel farm are not airline employees, they're contract employees, and the people running the trucks aren't airline employees.... There is no reason not to have multiple competitive vendors. I think there is no monopoly that airlines necessarily have on how to do those things, nor is there a monopoly that airports have on how to do those things. One of the major complaints this industry has had for years, it's the monopolies that airports have had in foreign countries in running baggage systems, fuel systems and the like. They've been excessively costly. They've not been efficient because it has not been competitive.

**JFR:** Do you anticipate any trend toward airlines outsourcing their fuel departments, such as JetBlue's approach.

**MERLIS:** Here's another way of looking at it. A number of years ago I am told that one of the major carriers, during one of its downturns, experienced a downturn about half as bad as it would have been but for the fact that its fuel department had made so much in the way of savings. So it may depend on the individuals running it and how successful they have been able to contain costs. I think it is one of those costs that you examine, but how a company makes its decision is specific to the company's circumstances.

**JFR:** You've been in this industry for many years. What are some of the most dramatic changes you've witnessed in your career, and where do you see the industry going?

**MERLIS:** The most dramatic change was going from being regulated to deregulated. The second is an international issue. Years ago, all international service from Europe came into Kennedy. You didn't have flights to

*(Continued on page 6)*

**“I think the chances of liquidation for any large carrier are slim because once a carrier goes into bankruptcy, a host of changes take place insofar as the cost structure is concerned, and therefore it is more competitive.”**

**“One of the major complaints this industry has had for years, it's the monopolies that airports have had in foreign countries in running baggage systems, fuel systems and the like. They've been excessively costly. They've not been efficient because it has not been competitive.”**

Chicago or Boston or Washington. I think that the fact that in international service we now have 20-plus points of embarkation from the United States is the second thing that has tremendously changed the industry. I think the third wave would be the rise of the low-cost carriers. The fourth wave, which we're probably in the midst of now, is dealing with the post-9/11 environment, not just in aviation but society. It's affecting our economy, it's affecting our aviation system, it's affecting lots of things. The first couple of years of every decade there is one of these big hits. In 1973 we had the Arab oil embargo. In 1982 we had the second embargo, in the early 1990s we had the first Gulf war and now we have 9/11 and the second Gulf

war. We then spend the rest of the decade getting back to financial health, then get hit with something else come the beginning of the next decade. If you look at the last 30 years, we get hit badly in the first two or three years of each decade, then spend until about the sixth year of the decade trying to get out of the hole. Then we make some money through the last year of the decade before we plunge once again into whatever the abyss is.

**JFR:** An optimistic outlook then?

**MERLIS:** Oh sure! The industry has changed dramatically in the past 40-50 years and it will continue to, so it's always exciting. **JFR**

*News Briefs*

**Pipeline Problem Leaves O'Hare Precariously Short on Fuel**

**Chicago...** Inventories are being replenished in Chicago after a pig stuck in the **Teppco Pipeline** near Indianapolis shut down the line over the weekend of June 21. The closure left **Chicago O'Hare International Airport** precariously low on fuel, with supply of less than one day.

The line was operational again on Wednesday, June 25, with 100,000 barrels pumped that day, according to **Bob Sturtz**, director, petroleum administration, for **United Airlines**. Inventory back to the normal five days is expected by early next week.

The affected line carried fuel for both **American Airlines** and United. "Without that fuel coming up to Chicago the airport was operating with less than a day's fuel supply on hand," says Sturtz. "United and American both implemented a fuel ferry while the problem was being worked on, and we asked all the other airlines serving the airport to ferry fuel as well." He adds that three other pipelines continued to serve the airport.

One source says the situation was so critical that "there were airlines that were actually fueling through."

A spokesperson for Houston-based **Teppco Partners**, which owns the pipeline, told **AAG** that, "Over the weekend **Teppco** conducted an internal inspection on our line running to Chicago. The tool became stuck, and as a result we had to temporarily shut down all deliveries north of Indianapolis. That line was placed back in service very early Tuesday morning -- it was only a

matter of a few days where the line was shut down. Everything is back up and running and its business as usual."

Sturtz says he isn't aware of any flight cancellations due to the problem.

**Fuel Tax Hike Fails In Alabama; May Be Revived In Autumn**

**Alabama...** A bill that would have raised state aviation fuel taxes in Alabama recently died in committee as the Alabama state legislature ended its session June 16, but could be introduced again this fall.

The proposal, which would have raised Alabama's jet fuel tax from 1 cent/gallon to 3.5 cents/gallon, is part of a bill sponsored by Democratic State **Rep. Nelson Starkey Jr.** to enable the state to raise enough money to be eligible for matching federal funds for airport development.

"The jet fuel tax deal is strictly so that the airports can get federal matching money," says Starkey. "There's a ton of federal matching funds that we can't take advantage of right now because the of the current \$600,000 (jet fuel annual revenue) cap and that's handicapping the development of regional and rural airports."

The proposed tax hike would generate about \$2 million of the \$5 million needed for the state to come up with the 10% match for federal funds. Starkey says the rest of the needed money would come out of the state general budget, but there's a catch. The state budget for next year is currently on hold until residents vote on tax package

*(Continued on page 7)*

**"Without that fuel coming up to Chicago the airport was operating with less than a day's fuel supply on hand," says Sturtz.**

# World Jet Fuel Prices

## Spot Cargoes

Trend 

Rotterdam			Mediterranean			Middle East			New York			US Gulf Coast		
6/27	6/20	6/13	6/27	6/20	6/13	6/27	6/20	6/13	6/27	6/20	6/13	6/27	6/20	6/13
244.7	234.7	244.4	238.8	229.6	237.6	26.72	26.34	26.65	76.92	74.72	77.05	74.16	72.95	75.14
Chicago			Los Angeles			Pacific NW			CIF Japan			Singapore		
6/27	6/20	6/13	6/27	6/20	6/13	6/27	6/20	6/13	6/27	6/20	6/13	6/27	6/20	6/13
79.34	76.52	78.76	76.05	75.40	75.00	77.15	76.50	75.90	30.11	29.77	30.03	28.22	27.82	28.25

## Futures/Differentials

Trend 

IPE Gasoil*			NY Heating Oil			WTI Crude			Brent Crude			Rott Jet/IPE Gasoil		
6/27	6/20	6/13	6/27	6/20	6/13	6/27	6/20	6/13	6/27	6/20	6/13	6/27	6/20	6/13
229.5	228.0	225.4	76.75	77.00	74.75	29.01	30.82	30.65	27.04	27.02	27.01	15.2	6.70	19.0
NY Jet/Heating Oil			Gulf Jet/NY 2 Oil			Gulf/Los Angeles Jet								
6/27	6/20	6/13	6/27	6/20	6/13	6/27	6/20	6/13						
1.73	0.94	0.58	-1.03	-1.01	-1.46	-5.18	-2.45	0.14						

Key: U.S. weekly averages cents per gallon, WTI Crude, Asian jet in \$/barrel, Europe, Medd \$/Ton

Sources: Opus Jetfax, JFR

(Continued from page 6)

linked to a Alabama constitutional amendment that would boost revenues by more than \$1 billion.

Assuming the amendment passes, Starkey said the state legislature will be back in session in September, when the aviation tax bill will likely be debated again.

Starkey said the bill has the support of most of the state aviation industry. "The aviation community, as far as I can tell, is willing to pay more in order to have good landing areas, good runways and good lighting," he said. "It's a huge benefit to rural areas that may not be on a major interstate but do

have a good airport so they have a chance of attracting some industry. It will also help the major airports in Huntsville, Montgomery and Birmingham."

### Air BP Expands In South America

**South America...** Air BP continued its expansion in South America by announcing an agreement with **Aeropuertos Argentina 2000 S.A.** to develop a \$1.5 million fuel storage depot and refueling facility at Ezeiza International Airport in Buenos Aires. The storage depot will include two 340m<sup>3</sup> tanks, with into-plane

refueling done using specialized refueling vehicles. Air BP said the fuel will come from a variety of sources, including local refineries. The new operation will employ 30 people full-time and will serve airplanes at the International and Aerolineas Argentinas terminals, as well as the cargo and maintenance areas. Ezeiza International is currently the second largest airport in South America in terms of fuel volume and passenger numbers. Air BP already has operations for 35 airports in Chile, Bolivia, Venezuela and Brazil, refueling an average of 300 jets a day. **JFR**

