

## AOSP And Airline Operations Execs Discuss Pro-Active Ramp Safety

*Airport Operations Survey Shows Knowledge Gap*

Several jet fuel-related conference sessions, as well as additional operations safety discussions will be covered in depth in the next issue of Jet Fuel Report.

### HIGHLIGHTS

- **AOSP And Airline Operations Executives Discuss Pro-Active Ramp Safety**  
*(Page 1)*
- **Aviation Executives Discuss Current Difficult Operating Environment**  
*(Page 1)*
- **News Briefs... Canada Consortia Manager To Take Reigns March 1**  
*(Page 9)*
- **Platt's Adds Euro Price Values**  
*(Page 9)*
- **Into-Plane, Tank Farm Contracts To Be Split At YVR**  
*(Page 10)*
- **World Jet Fuel Prices**  
*(Page 10)*

**T**he **Airport Operations Safety Panel (AOSP)** again warned that the number of accidents and incidents on the air operations area (AOA) across the country demands the attention of airport executives. In a meeting in early February, the AOSP presented its case to key airport operations executives, airlines and ground handling companies, and recommended that nationwide standards for ground operations be devised and adopted.

Members of AOSP met in session at the **Armbrust Aviation Group's 7<sup>th</sup> Annual International Airport Operations/Jet Fuel Conference & Exhibition**, held in

early February in Orlando. The meeting was also the venue for several jet fuel related conference sessions, as well as additional operations safety discussions that will be covered in depth in the next issue of Jet Fuel Report.

The AOSP executive members present included **John Goglia**, former member of the **National Transportation Safety Board** and chairman of AOSP; **Richard Healing**, member of the NTSB; **Justin Walker**, vice president marketing operations and business development, **Air BP**; **Allen Parra**, vice president

*(Continued on page 2)*

## Aviation Executives Discuss Current Difficult Operating Environment

**M**ore than 440 aviation industry executives attended a three-day conference covering airport revenues, operations safety and jet fuel in early February. The **7<sup>th</sup> Annual AAG/ARN Airport Revenue and Operations Conference & Exhibition** together attracted a broad range of airport and airline executives, airport concessionaires and others to exchange ideas on how best to move forward in the current critical aviation environment.

Jet fuel discussions -- including focuses on how to manage high prices, the rise of resellers and the current jet fuel infrastructure crisis -- will be covered in depth in the next issue of **Jet Fuel Report**, and operations safety coverage will continue as well. But speakers in a general session shed some light on

how airlines and airports perceive the current operating environment, and how best the industry can work together to emerge stronger.

**Kent George**, executive director, **Allegheny County Airport Authority** and the new chairman of **Airports Council International -- North America**, outlined some of ACI's key objectives. Many financial issues have to be addressed, he said, including the structure of airport financing, bankruptcy laws relating to airlines and FAA budget shortfalls.

George pointed to the "trust fund" that provides much of the FAA's operating budget. "What a lot of people don't realize is that the trust fund is under-funded right now," he said. "At the end of 2005 there is only going to be about \$2.3 billion in the

*(Continued on page 7)*

**“People will leave the job of ground handler to go to McDonalds because it is a better career path.”**

operations at **DFW International**; **John Denman**, manager, infrastructure safety for the **International Air Transport Association (IATA)**; **Michael Sargeant**, market development manager, **Shell Aviation**; and **John Armbrust**, president, **Armbrust Aviation Group**.

Goglia set the stage for AOSP’s case, warning that ground handlers are currently underpaid, under-trained and under-appreciated, making them a potential danger on the ramp. “People will leave the job of ground handler to go to McDonalds because it is a better career path,” Goglia noted.

While Goglia lamented the lack of interest from airports and airlines in confronting the problem head-on, he did note some areas of progress. “We’ve seen a number of airports step up to the plate and deal with runway incursions,” he said, pointing specifically to Dallas Fort Worth International, Atlanta Hartsfield Jackson International and Los Angeles International airports. “We’ve had a number of airports move to address the driver issue,” he adds, noting that poor driving skills or inattention to the task at hand carries a serious risk on the AOA. “Experience has shown that those people are a great risk and they cause a disproportionate number of accidents.”

Goglia said that in January alone there were reports of at least eight airplanes that were damaged in ground incidents or accidents, a figure that he called “a gross underestimation.”

Healing of the NTSB noted that ramp incidents and accidents don’t get the same amount of attention from the NTSB as larger scale aviation disasters. Nevertheless, in studying the problem, Healing said the increase in incidents is due primarily to increased congestion on many ramp areas. He added: “The underlying cause is human beings making mistakes, and sometimes the conditions in which those people operate.”

Healing said he is interested in exploring the viability of standardized operating procedures. “One of the things that I’m very interested in is how do you go about reducing the risk in daily operations...and whether or not we need to develop standards that will essentially force people to follow a common path to a better level of safety,” he said.

The NTSB will be taking a closer look at the issues, Healing promised. “You can probably look for me to be raising my voice internally” to find solutions to ground handling problems at airports.

Armbrust outlined the scope of the problem existing on the ramp today. “Right now the industry is going through a lot of transition and the airlines are facing severe financial difficulties,” Armbrust said. “The airports have not had an active role, in most instances, on ramp safety operations.” But, given the fiscal constraints of both airlines and ground handlers, many airports privately note that there are increasing incidents on the ramp and worsening conditions that are beginning to demand attention from the airports.

Common causes of the increase in incidents include high employee turnover with little incentive to build a career in the business, poor or inadequate training, sub-standard maintenance of ground equipment and failure to follow established procedures, Armbrust noted.

Armbrust said the AOSP is recommending that the industry as a whole should adopt standards for ground operations. He said if all facets of the industry came together to put forth the best standards possible, ramp areas could be made far safer and airlines would save money in the process. “Can we get standards? The airports want them, and I believe the airlines and ramp operators want them. The problem is we need someone who can pull these diverse groups together....”

Finally, Armbrust said airports should be very involved in what goes on the AOA, more so than they are now. “At the end of the day they have the liability,” he noted.

Walker of Air BP said that from his company’s perspective the key issues on the ramp are “driving, driving and driving.” He says the equipment-to-equipment damage can be fairly significant and also said enforcement and compliance of driving rules have become a major issue.

Denman of the International Air Transport Association (IATA) touted the organization’s recent adoption of a ground damage prevention program. He said IATA is “uniquely placed” to take a leadership

*(Continued on page 3)*

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role in establishing global standards. Sargeant of Shell Aviation noted that there are some excellent standards being practiced in the industry, but standardization across the industry is poor. The problem arises in how best to devise standards, and who should devise them.

While coming together will likely be difficult, Goglia noted that "if we look around, we could probably take a best practice from every airline around the world."

Generally, participants agreed that the cost of ramp incidents and accidents should be getting the attention from airlines if it hasn't already. Of course, planes are insured, but often at deductibles of \$500,000 or \$750,000. "The deductible is so high that this is bottom line money," said Goglia. And Denman noted that airlines need to be cognizant of the exponential costs rising from taking a plane out of service, along with the direct costs. "The direct cost is just accepted as the cost of operations," he said. "Zero percent of airlines know the true extent of the damage."

The AAG Airport Operations Conference also focused attention on the airports that are taking a proactive approach to AOA safety. **Thomas Kinton**, director of aviation for the **Massachusetts Port Authority**, said **Boston Logan International** learned the hard way just how important safety and security are to an airport, and how even the top management needs to get involved in all aspects of airport safety.

Kinton said regulatory requirements for safety aren't good enough for him. "When you say regulatory requirements, that's the bottom, that's the floor," he said. "In as many cases as possible I want to exceed regulatory requirements."

Kinton cited the myriad entities operating at an airport, from airlines and ground handlers to concessions and government agencies and many others. "We view it as the airport operator's role to lead," he said. "You need to integrate the airport community. You need to build cooperation. You don't want to be shaking hands and exchanging business cards when the fire is burning in the midst of an airplane accident...."

Kinton described a training exercise that will simulate a terrorist threat from an international location, with a flight being diverted to Boston Logan. The exercise will include at

least three airports, **United Airlines** and various federal agencies, and Kinton stressed the need to expand the scope of safety considerations to many instances.

He added that airports need to focus more closely on what is going on in the AOA. "We need to look at the training that we give our people to operate on the ramp area," Kinton said. "We have fuel trucks, de-icing vehicles, heavy equipment - if you were driving that type of vehicle on the public roadways you would be required to get a special drivers license and be trained to run that vehicle. Yet we let people on our airfields without that license, probably in a more hazardous arena and with the potential for disaster, next to a \$100 million airplane with 350 people on it carrying 25,000 gallons of fuel." He said airlines need to come to the realization that lack of training and lack of quality personnel could easily result in an accident. "If they have to pay a little more, so be it, but I think in the end we're all better off."

**Dallas Fort Worth International** also has a pro-active approach to managing the AOA. **Allen Parra**, vice president of operations, noted a shift in strategy among certain US airports. "A lot of airports are looking to the European model, both on landside operations and on the airside," he noted. "A lot of airports are taking over jobs and responsibilities that were previously handled by the airlines."

At DFW, airline leases currently in place preclude the airport from taking over certain activities, but the airport at least is gearing up for change. The airport currently has four terminals, with a fifth scheduled to open in July. In three of the five terminals, the airport controls the ramps and most of the gates. When airline leases expire in 2009, Parra said, "The airport will be looking to take over control of the (remaining) ramp and terminals and gates."

DFW has formed a ramp safety committee and is planning to kick off a year-long ramp safety campaign, Parra said.

**Alan Black**, fire chief for the **DFW Airport Department of Public Safety**, said his department has shifted to focusing more on the continuous safe operation of the airport, rather than a sole focus on safety. "Safety is

*(Continued on page 4)*

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still our first priority but I submit to you that business continuity can be a priority," he said.

**Los Angeles International** is at the forefront of ensuring safety in the AOA. **Raymond Jack**, operations chief, says airport knowledge and action on the ramp is an evolutionary process. "Ramp safety is something that people think just happens," he said, but in fact it takes a concerted effort to ensure smooth operations. Jack noted that LAX handles about 1,790 operations a day, and a large number of those are 747-400 planes that take roughly 40 vehicles to service. The LAX AOA is constrained, so a massive number of operations need to take place in a very confined space each day.

One key ramp program at LAX is the imposition of DMV-type penalty system for driving infractions on the ramp. LAX holds the individual driver accountable, rather than the company that employs that individual, since many ramp workers are employed by more than one operator at the airport. The airport also requires all drivers on the ramp to carry Class B (or commercial) drivers' licenses.

"We also found out that when we left it to the tenants to look at their own equipment and have the most serviceable, many times business priorities were slightly different than safety priorities," Jack said. LAX operations staff regularly inspects equipment on the field and takes equipment out of service if it doesn't meet standards.

LAX is attempting to reduce the number of ground operators working on the ramp and take over control where they can, as Jack says, "trying to put a little sanity" in operations.

**John Denman**, manager, infrastructure safety for the **International Air Transport Association**, pointed to IATA's ground damage prevention program, which has the aim of reducing the cost of ground damage by 50% over the next five years. Denman said the high costs resulting from accidents and incidents on the ramp have gotten the attention of major airlines around the world.

**Deborah Ale-Flint**, airport operations manager, airside, **Oakland International**, said OAK has a high gate utilization, averaging nearly 10 turns per day compared to the industry

average of about six turns per day. While good from a business perspective, Ale-Flint noted that "that culture of quick turns in our physical environment...leaves us with some questions and concerns" that the airport is attempting to address.

Finally, **Paul Meyer** of **Atlanta Hartsfield-Jackson International** outlined the airport's runway incursion prevention program. ATL is laid out with parallel runways, and there are no taxiways or runways that vehicles need to cross. Meyer said the airport approached the problem with two prongs: the first making improvements on the airfield and the second raising awareness among people operating on the ramp. Meyer described the improvements made, such as changing the color of markings delineating active runway and taxiway areas, and also delved into the training undertaken by ramp personnel.

**Airport Operations Survey Shows Knowledge Gap**

The Airport Operations Conference was also the venue where the Airport Operations Safety Panel released a survey on the safety of airport operations. The survey entitled "*Cost Savings and Efficiency Gains through Standardization*" was conducted by Armbrust Aviation Group (AAG) at the request of members of Airport Council International's Technical Committee. The survey was conducted over a four-month period ending in December 2004. Surveys were sent to airport/airside operations managers via email and additional surveys were completed by telephone. In total, 46 airports from the US and Canada participated in the survey. Of those 75% came from the top 25 airports in North America (see page 7 for information on ordering the AOSP survey).

**Ground Handling Standards**

In the survey, 61% of respondents admitted that their airport has no minimum standards for ground-handling operators. Of those that do, most are related to driving on the air operations area (AOA). Other areas of standards include perimeter

(Continued on page 5)

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security, runway and taxiway incursions, fire prevention and spill carts and response. The survey found that generally ramp operations standards are instituted by the airlines in agreement with their operators. Some airport involvement and ongoing oversight is rare outside of driving certification.

All airports responding to the survey said driver certification and speed limits on the AOA are mandatory. They all also had an active runway and taxiway incursion program.

Among other areas of safety, the survey also noted that fuel handlers generally comply with federal guidelines for fueling operations. However, drivers of fuel trucks are generally not required to obtain additional licensing that is required to operate vehicles carrying hazardous materials on public roadways.

Some airports have instituted an accident reporting procedures for vehicle incidents in the AOA, the survey noted, but said “the overwhelming majority do not have knowledge of the number or severity of incidents and accidents on the ramp” and added that airlines and operators are not obligated to inform airports.

Equipment used by ground handlers is also not being scrutinized by most airports, although a few reported aggressive programs at their airports to monitor the condition of all equipment in the AOA.

**Driver Training**

The vast majority of airports responding required some form of driving training and certification for vehicle access in the movement and non-movement areas in the AOA, the survey found. Some airports take on the role of training themselves, while others allow ground handlers to issue permits and administer driving tests, with little or no oversight from the airport.

The survey found that some airports conduct continuous airside monitoring to enforce driving rules, while others administer correction action only if an incident occurs.

Of the airports surveyed, 27% imposed fines for driver violations in the AOA, while 73% prefer other penalties or retraining. The most

common ways to curb violations are the establishment of a point system, retraining, and temporary or permanent suspensions.

**Training and Certification**

In general, outside of driver training and certification, all other actions performed on the ramp by ground-handlers come under the scrutiny of operating companies and airlines. Only 34% of the airports surveyed opted to take on the training task themselves, with others relying on the airline or ground handler to accomplish that. Airports have varying levels of oversight to that training.

The survey noted that in most cases, outside of updates to driver training and certification, most survey respondents indicated no knowledge concerning updates to ground handler training programs.

**Employee Turnover**

Most airports surveyed acknowledged that they have no information regarding the number of part-time employees who work on the ramp, or the employee turnover rate, but a few reported rates as high as 50%.

In fact, 88% of airports said they did not know how many part-time employees worked on the ramp, or whether that number has been on the rise. About 80% of respondents did not know the rate of employee turnover on the ramp. One respondent noted, “It may be a tolerable situation for the industry to have high turnover rates inside the terminal for food workers or cleaning crews, but high turnover rates on the AOA is a safety concern.”

**Incidents and Accidents**

Asked whether they had seen an increase in accidents, incidents or injuries in ground-handling operations over the past 24 months, less than 10% of respondents indicated a significant increase. However, another 40% acknowledged having little information, since most incidents and accidents are not reported to the airports.

The survey noted that defining

*(Continued on page 6)*

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the costs associated with incidents and accidents is problematic. The term “ramp rash” is an industry term that applies to damage to aircraft, ramp equipment and terminal buildings caused by vehicles. There is anecdotal evidence that over the past few years there has been a sharp increase in the number of incidents.

One respondent noted: “There were three medical incidents during the first 12 months, increasing to 10 events during the last 12 months. Similarly, hazmat incidents increased from 38 to 58 incidents during the same time frame. Although the incidents are under review, it appears that the increase in the number of incidents and injuries is due to insufficient tenant training and employee inattention while performing their duties.”

**Security**

Airlines or ground handling companies are responsible for security background clearances at a majority of airports responding to the survey, with 48% of airports taking on that task themselves. The types of security employed at airports participating in the survey varied. Security included systems such as perimeter fencing, electronic ID badge cards, biometrics, photo cards of all airport employees, with additional security to monitor access to AOA, vehicle inspections and manned vehicle checkpoints.

**Ramp Congestion and Runway Incursions**

AOA congestion has become a growing problem at some airports as the airlines have increased frequencies, particularly of smaller regional jets. In addition, as airlines attempt to restructure, equipment transfers have not kept pace, leaving some airports with excess equipment that clogs the ramp, creating unnecessary congestion. Some airports have implemented programs to address this issue, ranging from charging lease fees for parked equipment to tagging equipment for removal.

The survey found that a few airports are aggressively monitoring the condition and maintenance schedules for equipment employed on the ramp. In some instances, derelict or poorly maintained vehicles can be

impounded. However, at most airports participating in the survey, there was no knowledge of the amount, type or condition of the equipment on their ramps. Instead, those issues are left to airlines and their airport operators.

Airports are, however, actively involved in trying to reduce runway incursions. Fully 92% of respondents have a runway incursion program in place, while half of airports have a vehicle clutter program.

Respondents viewed runway incursion as the single largest threat on the AOA, and most airport managers placed the issue at the top in terms of an airport’s operational safety. Most airport systems incorporate color-coded active signs, call up boxes, ramp painting, lights outlining taxiways and boundaries and lights to establish non-movement and movement areas. Also, most airports require that an escort must accompany an aircraft being taxied, towed or otherwise moved across a runway or active taxiway when a non flight crew is at the controls.

**CURE**

Common Use Ramp Equipment (CURE) is in its infancy at most airports in North America, although it is widely used in Europe. CURE is similar to Common Use Terminal Equipment (CUTE) that has taken hold at several North American airports for inside the terminal use. On the ramp area, however, airlines have resisted the change, fearing a monopoly situation that could lead to higher costs. However, some say that improved utilization has lead to cost savings through the efficient employment of both personnel and equipment.

In fact, 61% of airport respondents said they are interested in exploring the possibilities for CURE at their airports.

**Standardization**

In light of the responses from airport operations managers, the survey concluded that standardization of airport operations guidelines is desirable. While there have been efforts by airlines, airports, airport operators and various trade

*(Continued on page 7)*

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organizations to adopt standardized best practices, in most instances individuals, companies and airports are left to their own internal guidelines.

There are not industry-wide guidelines that encompass ramp operations. With the current financial state of the airlines and the deteriorating situation in regard to airline manager-worker relations,

AOSP recommends that the industry, including the airports, adopt a universal set of ramp operating standards. **JFR**

**Editors Note:** To receive your copy of the Airport Operations Safety Panel (AOSP) survey entitled **“Cost Savings and Efficiency Gains through Standardization”** e-mail your request to [AAG@armbrustaviation.com](mailto:AAG@armbrustaviation.com)



**Aviation Executives Discuss Difficult Operating Environment**

*(Continued from Page One)*

trust fund – it just can’t go on like that.”

He also criticized the Bush administration’s proposed budget that would slash funding for airport improvements by about \$500,000 million. “This directly affects airports in the way they fund their capital projects, which then directly affects the airlines.” George also noted that the general airport revenue bonds that fund much of the capital costs at airports are currently classified as private purpose and subject to tax, and said ACI would work to get them designated as public purpose bonds.

Touching on a subject that has hit home at Pittsburgh International, George said bankruptcy laws need to be changed to hold airlines more accountable to their leases. “We’re in a unique position this year in that there is a recognition that the bankruptcy laws aren’t working on the aviation side,” he said. “The ability to reject a lease the first time they go into bankruptcy, then come out and have the ability to reject it again is not right.”

Finally, George said airport costs to airlines are going to continue to be a key issue going forward. “Even though airport costs represent only 4-6% of the total operating costs of the airline, they are looked at by the airlines as controllable costs that they are trying to reduce,” he said. “We need to watch our costs, but they also have to realize and be cognizant of their responsibility to be able to fund the system that they use on a daily basis.”

Consultant **Michael Boyd**, president of **The Boyd Group**, agrees that airport costs are divisive in the industry. “We think airport costs are going to become a huge battleground,” he said, adding, “There is nothing that says Southwest has to fly to all the communities they fly to.”

Boyd also said the price of jet

fuel is a key determinant in the health of the industry going forward. “The price of motion lotion will drive everything,” he said. “If oil stays in the \$50 range, if you are a community that is smaller than about 150,000 enplanements you better plan on tuning up the Chevrolet. If it goes down into the low 40s or even the 30s we’re going to be fine.”

Taxes and “irrational pricing” are also making recovery next to impossible. Boyd noted that “It’s almost like we have three sins out there. We have tobacco, we’ve got liquor and we’ve got air travel. The airline industry is being taxed into the ground,” he said. Boyd also noted that financially precarious airlines are pricing tickets so low that there is no way they could possibly earn a profit.

**Airline Viewpoints**

**Arne Haak**, director, corporate finance, **AirTran Airways** and **Lee Lipton**, director of strategic planning, **Southwest Airlines** spoke about some of the key challenges facing airlines today. Both low-cost carriers were profitable in 2004, somewhat of an anomaly in the US airline industry. But both say the goal is far higher than just being profitable.

“We’ve had six years of profitability,” said Haak. “Nonetheless profitability is nowhere near what it was pre-9/11, and it’s been a struggle, very honestly.... While we’ve been in survival mode for the past several years we think we’re well positioned for growth.”

Lipton said Southwest expects more. “We are profitable but we are not prosperous,” he said. “We are not producing returns at the rate Wall Street expects.... Simply being in the black is not enough to plan for the

*(Continued on page 8)*

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