

How Common is Common Use Facilities at Airports

By

Addison D. Barbeau

A Thesis Submitted to in Partial Fulfillment
of the Requirement for the degree of
Masters of Science

Middle Tennessee State University
2013

Thesis Committee:

Dr. Wendy S. Beckman, Chair

Dr. Ronald J. Ferrara

DEDICATION

I would like to dedicate this to my family and friends. I want to thank my parents Dan and Jennifer Barbeau for supporting me in my journey through school. I would especially like to thank my grandmother for her unconditional love and support for me to pursue my dreams. I would like to thank Andrew Gregory for helping me through this whole process; always there to read through my paper and encourage me. To all of my friends who have supported me and pushed me to live my dreams of one day being able to fly, I thank you.

ACKNOWLEDGEMENT

I would like to acknowledge the members of the Aerospace Department at Middle Tennessee State University. I would like to thank my thesis committee Dr. Wendy Beckman and Dr. Ron Ferrara for their contributions to my master's thesis. I would like to thank Dr. Beckman for her patience and pushing me to complete this project. I would like to thank Dr. Daniel Prather for encouraging me to pursue this topic, and the support he provided. I would also like to thank the entire faculty of the Aerospace Department for their commitment to my education.

ABSTRACT

This study looked at common use airports across the country and at the implementation of common use facilities at airports. Common use consists of several elements that maybe installed at an airport. One of the elements is the self-service kiosks that allow passengers to have a faster check-in process, therefore moving them more quickly within the airport. Another element is signage and the incorporation of each airline's logo. Another aspect of common use is an airport regaining control of terminal gates by reducing the number of gates that are exclusively leased to a specific air carrier. This research focused on the current state of the common use facilities across the United States and examines the advantages and disadvantages of this approach. The research entailed interviews with personnel at a wide range of airports and found that each airport is in a different stage of implementation; some have fully implemented the common use concept while others are in the beginning stages of implementation. The questions were tailored to determine what the advantages and disadvantages are of a common use facility. The most common advantages reported included flexibility and cost. In the common use system the airport reserves the right to move any airline to a different gate at any time for any reason. In turn, this helps reduce gates delays at that facility. For the airports that were interviewed no major disadvantages were reported. One down side of common use facilities for the airport involved is the major capital cost that is required to move to a common use system.

TABLE OF CONTENTS

	Page
List of Tables.....	vi
List of Figures.....	vii
Chapters	
CHAPTER 1 – INTRODUCTION.....	1
Elements of Common Use Facilities.....	2
Atlanta’s Common Use Facility.....	4
International Airports.....	5
Exclusive Rights.....	6
Slot Allocation.....	9
Delays and Fines.....	11
Turnaround Times.....	11
Research Questions.....	12
CHAPTER 2 - METHODOLOGY.....	15
Design.....	15
Participants.....	17
Data Analysis.....	18
CHAPTER 3 – RESULTS.....	20
Common Use Aspects.....	20
Implementation.....	22
Kiosks.....	24
Gates.....	25
Signage.....	28

Table of Contents (Cont.)

	Page
Passenger Capacity and Service.....	30
Competitive Advantage.....	32
Cost.....	33
Airline Resistance.....	34
Why Common Use.....	36
CHAPTER 4 - DISCUSSION AND RECOMMENDATIONS.....	37
Recommendations.....	40
Limitations.....	41
Future Research.....	42
References.....	44
APPENDICES.....	47
APPENDIX A- IRB APPROVAL.....	48
APPENDIX B- SURVEY SCRIPT.....	49
APPENDIX C- PARAPHRASED INTERVIEW RESPONSES.....	51

List of Tables

Table	Page
1. Elements of a Common Use Facility Currently Implemented.....	22
2. Time Required for Implementation.....	24
3. Who Maintains the Kiosks at an Airport.....	25
4. Common Use Gates Versus Total Gates.....	27
5. Gate Equipment Ownership.....	28
6. Types of Airport Signage at a Common Use Facility.....	30
7. Passenger Capacity and Customer Service Changes as a Result of a Common Use Facility.....	32

List of Figures

Figures	Pages
1. Major Costs Associated with Moving to a Common Use Facility.....	34
2. Resident Airline Concerns when Moving to a Common Use Facility.....	35
3. The Reason to Switch to a Common Use Facility.....	36

CHAPTER 1 - INTRODUCTION

The number of people traveling by commercial aircraft continues to grow, increasing the number of people moving through the nation's airports. As passenger traffic rises, an airport's managers must find ways to deal with the need for expansion. Many airports have implemented common use facilities as a way to deal with the increase of passengers within the facility. The idea of a common use facility is not only a benefit to an airport or airline, but also to the airline passenger. In today's world, people want instant gratification. To move an airport's location to increase the space available for expansion is very costly and inconvenient. To move an entire facility is simply out of the question for most airports, due to both the cost and the lack of a new location. Some airports, such as Denver, have rebuilt in a remote location away from the city; however, populations tend to grow up around an airport. This is also the case for many airports where all bordering property is being used by the public. For the sake of convenience people move closer to an airport, no matter the airport's location. Due to the increase in air travel over the past decade, airports are at maximum capacity. Once the airport has expanded to its full potential, it is difficult to deal with increasing numbers of passengers. Common use facilities have become the answer to a growing problem.

“Common use is a fundamental shift in the philosophy of airport space utilization. It allows the airport operator to use existing space more efficiently, thus increasing capacity of the airport without necessarily constructing new gates, concourses, terminals, or check-in counters,” (Bellotti, 2008, p. 7). In this type of facility, airlines do not exclusively lease a gate from the airport. The airport takes responsibility by owning the equipment for the gate to operate. Ticket counters are also shared by multiple airlines. In some airports the baggage system is fully automated; passengers are allowed to tag their own bags and place them on automated belt

system. This type of environment allows passengers to get to their gate with minimal delays. Kiosks are a supplemental resource for passengers to better serve themselves for a faster trip through the airport. By allowing a faster experience through an airport, an airport can generate a higher volume of foot traffic. The result is a reduction in passenger wait time, which is another advantage of this type of facility. Due to the airport gaining control over specific gates, they can move flights to any open gate.

Elements of Common Use Facilities

Robert Crandall, former CEO of American Airlines once said “of course, if rubber airplanes—which could be stretched or shrunk in response to demand—were available, airlines would use them,” (Crandall, 1995, p. 5). The same holds true for airports. Airports have a certain set of rules they must follow in order to expand. Under the National Plan of Integrated Airport Systems, or NPIAS, the United States has been allotted a certain amount of money to be used on all airport projects. Of the 19,786 airports in the United States only 3,355 airports are eligible to receive government subsidies. Covering the fiscal years of 2013-2017, it is estimated that forty two and a half billion dollars will be used on airport development. The NPIAS defines what projects are eligible to be funded under airport improvement plan funds (Glasgow, 2012). AIP allocates money to each airport or state for certain projects that need developing on airport property. The airport must also fall under certain stipulations to be eligible to receive money. Each project applied for has a certain amount that will be covered by federal money and the rest will be covered by the individual airport revenue. Each individual project will determine the amount the federal grant will cover; the majority of the projects money comes from the AIP money (Roberts, 2005).

Airports have a variety of ways they can raise local money to pick up the other portion of the funds required for a specific project. In major airports passenger facility charges, or PFC's, have been implemented and they are generating airport revenue which then must be used to further capital develop projects on the airport. The PFC's have been added onto a passenger's ticket at the time of purchase; the airlines then owe the airport that amount of money gained from each passenger's ticket. Each PFC added to a ticket varies by the distance the passenger intends to travel. If the passenger has a one-way ticket the PFC will be higher than a round-trip ticket; it also varies by the number of legs the passenger will travel. Passenger facility charges can range anywhere from one dollar to four dollars and fifty cents; the standard amount a passenger is charged is three dollars. If the airport is going to charge over three dollars, they must apply for an increase in cost (Lang, 2001).

Airports create revenue through several means: fees, charges, rent, or leases. An airport collects both aeronautical revenue and non-aeronautical revenue. A form of aeronautical revenue is collecting taxes on fuel sold to each airplane. They also exclusively lease gates to an airline which is a form of constant revenue for gates that are leased. These leases last years; the airline is locked into that price for as long as the lease exists. They also collect fees every time an airplane lands at their airport, which is called a landing fee. These sources of revenue include general aviation and emergency landings. Often forms of non-aeronautical revenue are parking fees and retail tenants within the airport. Within each airport are amenities that are provided to passengers; the airport collects rent from each tenant. Airports try to squeeze a dollar out in any possible way. All of the money that is collected from these forms of revenue must be reused on airport property for development projects (Cohen, 2012).

The need for improvement to airports came after the crisis of the 1990s. During this time, many airlines faced bankruptcies and mergers. The airline industry took another hit after the terrorist attacks of 2001; then came the economic slump of 2008, when fuel prices were at an all-time high. This, combined with a strained economy, had a very detrimental effect on the industry. Many airport projects were not being completed after the economic slowdown (Bellioti, 2010). Common use facilities are a cheaper alternative to many airport projects. Converting to a common use facility can save up to thirty percent (Bellioti, 2008). Since the economic recovery, airports have again been searching for a way to better serve their passengers. Common use is an option for cost cutting and boosting capacity (Bellioti, 2010).

Atlanta's Common Use Facility

Atlanta International Airport is the world's busiest airport. They handle 2,500 departures and arrivals, which mean 250,000 passengers daily. It is also only a two-hour flight away from eighty percent of the United States. Beginning in 1994, Atlanta made the decision to move to a faster moving, friendlier environment; this was the start of the move to a common use facility. Since then, they have implemented a consolidated rental car facility and a specialty baggage screening system equipped with Explosive Detection System or EDS.

As of January 1, 2010, Hartsfield-Jackson Atlanta International Airport became fully common use. All airlines that were participating in common use were required to sign a contract and abide by all rules set forth by the airport. The city of Atlanta took responsibility over all gates, baggage operations, and facilities that would now be called city gates. All airlines that are participating must submit a flight schedule two months prior for widebody aircraft and forty-five days prior for narrowbody aircraft. For all airlines that are requesting a new international route, a request must be submitted four months in advance of the first intended flight. For those airlines

that do not comply with the deadlines, they will be assigned a gate only after all other flights have been scheduled. Once the plane has arrived and docked it has an allotted amount of time to get the plane turned around for the next flight. These times vary depending on the type of flight, be it domestic or international (“Terminal common use regulations,” 2010).

Baggage facilities, both inbound and outbound, are specifically assigned to an airline by the city. Each ticket counter is pre-assigned to an airline after the submission of a flight schedule. Kiosks are also specifically assigned to a certain airline. Both the kiosks and the baggage facilities are overseen by the gate manager. Kiosk maintenance is conducted by an outside third party vendor (“Terminal common use regulations,” 2010). Atlanta houses eight self-service kiosks which opened in 2010. In previous years, Atlanta had kiosks; however, they were not self-service. The kiosks combined with the new rental car facility allows passengers to return their car and print a boarding pass before heading into the terminal; on a busy day check-in takes about two minutes. Atlanta has future capital development plans to implement eight more kiosks in the rental car facility, beyond that kiosks will be considered a functionality increase. In the future, the kiosks will be able to do more than simply check-in passengers; they will be able to verify passports and process foreign visitors (Snedeker, 2010).

International Airports

Amsterdam has a history of being on the leading edge of technology; in order to be competitive with other European airports, they must increase the passenger flow within the airport. Amsterdam intends to be the main port for both Europe and the Netherlands. The main competition of Amsterdam is Heathrow, Frankfurt, and Charles de Gaulle in both cargo and passengers. In 2006, Amsterdam released a vision of how the airport intended to increase flow; it included the implementation of common use self-service kiosks (CUSS) and common use

terminal equipment (CUTE). Twenty-three airlines have agreed to passenger usage of kiosks. Any specific passenger flying on any of the twenty-three airlines may check-in on a kiosk then proceed to the check-in counter to have their bags checked. Under the CUTE system; passengers can check their bags at any participating baggage check-in counter. With the common use system, Amsterdam has become more flexible in facility expansion, movement, and entry for new airlines. This system allows airlines the freedom of entry into Amsterdam without having a designated kiosk or check-in counter, thus allowing for a smooth integration of new airlines into the common use system. The fully integrated system was due for completion in 2011. The system will be fully automated; passengers will be able to process themselves. They will be able to check-in, process their own passport, tag their own bag, and place it onto the baggage belt. The passenger will only be stopped if something goes wrong. With the implementation of common use, it is estimated Amsterdam will be able to handle sixty million passengers per year in the existing terminal building (Bellioti, 2008).

Frankfurt airport has had a common use facility since 1985, but only in the form of common use terminal equipment. Since 1985, Frankfurt has implemented 1,500 CUTE stations in Terminal 1. In recent years, Frankfurt has implemented fourteen kiosks, but only as trial. The kiosks are paid for by each airline that participates in the common use self-service system. Although some airlines are not using the system, they all pay equally. Frankfurt's main goal is to achieve efficient utilization of the airports space (Bellioti, 2008).

Exclusive Rights

Traditionally, airports allowed airlines to lease a specific gate for a substantial amount of time, ranging anywhere from ten to twenty years. Once an airline exclusively leased a specific gate, they were the only airline that was allowed to use that gate. Before moving to a common

use gate, the airport needs to consider if that gate is being utilized to its full capacity, since “at many airports, full gate utilization is defined as six to eight turns per gate...” (Bellotti, 2010, p. 10). If the airport chooses to take gates away from its exclusive owner, it must be ready to incur the responsibilities that also go along with each gate that is reclaimed. Many passenger loading bridges belong to a specific airline; the airport will need to take ownership of these, along with tug equipment that will be needed for daily operations. This financial burden may be a cost the airport did not consider before regaining ownership of the gate. In many instances the airport only regains control of a few gates at a time; therefore, allowing airlines to maintain the exclusive lease. Once a gate is moved to common use, it is available for any airlines use. If an airline is experiencing delays at one gate, the airport now has the ability to move the inbound flight to another gate. When gates are still exclusively leased, the passengers have to wait out the delay, whether upon arrival or departure. With common use gates, inbound passengers are allowed to exit the plane, and outbound passengers simply move gates instead of experiencing a several hour delay, which can become a ripple effect (Bellotti, 2010).

When an airport takes over gates, they also gain responsibility for the ticket counters associated with those specific gates. When those gates are exclusively leased, so are the ticket counters, which are only operating when that gate was in use. In a common use facility the counter can be used by any airline at any time. However, each airline has its own branding. When an airline wants to use a specific gate and ticket-counter, the logo must be displayed. Once becoming common use, the airport must integrate technology for logo display. Some airports have created their own software in order to integrate each airline into gate and ticket counter signage, which is achievable by electronic signage (Bellotti, 2008).

Historically, baggage has been handled by a two-step system; the passenger obtained a boarding pass, then took his/her baggage to a ticket agent who printed and tagged the passenger's bag. The airline agent then placed the checked baggage onto the baggage carousel. The common use system allows the passenger to complete both steps in one. The passenger will be able to obtain a boarding pass and tag his/her own bag in one location. The agents will still be available to help those in need, but this system allows the agent to assist the customers that need full-service help (Corgan Associates, 2010). In Vienna, an agent is able to help 150 to 180 passengers per hour, approximately three to four times the rate of one associate using the conventional method (Vienna Airport Implementing World's First Common-Use Self-boarding Gates, 2011). The baggage system promotes passengers to process luggage by themselves. Traditionally, when an airline needed to expand due to passenger demand, they would need more agents and more ticket counters; self-serve luggage technology would dramatically cut costs. This type of baggage handling system is currently seen in many European countries, but is not allowed in the United States by the Transportation Security Administration (TSA). With this type of system, baggage can be dropped at various designated locations. In Vienna, the self-serviced baggage is dropped off at the train station that serves the airport. The luggage is then moved by a belt system to the airport reducing the amount of time a passenger must tote their luggage (Corgan Associates, 2010).

The TSA currently restricts self-tagging of checked airline bags in the United States. Since the terrorist attacks of 9-11, all airports are required to install an Explosive Detection System or EDS. The current standard operating procedures requires that checked baggage must be tagged at the point of acceptance. The EDS system that is in place screens one hundred percent of all bags; the airline agents continue to load the bags onto the plane. Since airline

agents load the luggage into the plane, the risk of terrorism after the screening process is low. A bigger concern is damaged or lost luggage. Allowing passengers to tag and place luggage onto a bag conveyor is the next logical step in passengers serving themselves (Corgan Associates, 2010).

The self-service baggage system is made possible by kiosks. These have been strategically placed in the airport around the ticket counters. For the seasoned or fiercely independent travelers, the kiosk will allow them to check-in and print boarding passes. In the United States, this is still a two-step process; after the passenger has checked-in using the kiosk, they will still need to have their checked bags tagged. Some airports have implemented kiosks at offsite locations, benefiting passengers by saving them time. Kiosks have also increased the passenger flow within the airport. Kiosks have taken the place of a person and allow multi-tasking, therefore increasing passenger flow and decreasing wait times. Due to less time spent at the ticket counter, agents are able to help more passengers per hour (Bellotti, 2008). If a passenger is unable to make the flight they are scheduled for, the kiosks also allow them to change flights. A trip that includes several legs can be detrimental for a passenger if a flight is delayed. With the new kiosk systems, they are able to change a flight at any time. Kiosks are up-to-date, showing flights in real time. If a flight were to be cancelled, a passenger would immediately know, and be able to change flights (Kugler, 2008).

Slot Allocation

The traditional way an airport allocates gates is through exclusive rights. In a common use facility, airplanes are allocated slots at that airport once the flight has arrived. No particular airline owns or exclusively leases a gate at that airport. An airplane is allotted a gate under certain conditions. "Flight-to-gate assignments not only affect an airport's operating efficiency

but also its level of service,” (Dorndorf, Jaehn, Chen, Hui, & Pesch, 2007, p. 92). If slot allocation is done properly, it will prevent congestion and delays at an airport. The conditions that must be considered for flight scheduling are: 1. Does the gate physically fit the size of the plane; 2. Is there an adequate amount of towing equipment; 3. Total walking distance for the passengers; 4. Deviation from original gate assignment to new gate assignment. All of these factors are taken into account, while also considering some constraints; one gate can only process one airplane at a time, minimize turnaround times, and the services required and gate restrictions on adjacent gates. These are the requirements for an ideal day of flights. Many times an ideal flight does not happen and other factors come into play such as gate or flight maintenance issues, flights arriving early or late, emergency flights, inclement weather, and human error. However, if a gate is held up due to airline delays, the incoming flight can easily move gates without causing more delay than necessary (Dorndorf, Jaehn, Chen, Hui, & Pesch, 2007).

Airlines spend countless hours planning a perfect flight schedule, but many times a perfect flight schedule is not followed. Slot allocation allows a certain block of time for each plane to gate, unload passengers, prepare for the next flight, pushback from the gate, and take off. Factors such as medical emergencies, inclement weather, and congestion are factors causing planes to be delayed. By rescheduling flights, some delays can be avoided and adjusted once the plane has arrived. By reallocating slots for planes that arrive late, it will alleviate some of the stress associated with delays. This also works in reverse for planes that arrive early and find the gate is still occupied by a plane. Allocation is not only the anticipation of a delay that will need to be fixed, but also the quick recovery of a delay that has already occurred (AhmedBeygi, Chon, & Lapp, 2010).

Delays and Fines

The United State Department of Transportation passed legislation in 2011 stating passengers delayed on the tarmac for more than three hours will be reimbursed for luggage fees and the bumping of flights. If a passenger is bumped from a flight they are asked to fly another flight later in the day or the next. When being bumped, some airlines will offer monetary compensation. After two hours, the airline is required to provide essential services to the passenger such as water, food and a lavatory. After three hours, the passengers are allowed to exit the plane and the passengers must be updated of the flights status every thirty minutes. This legislation has been passed to ensure the passengers have a safe and enjoyable flight experience (Royal, 2011). For airlines that do not follow the new legislation, fines up to \$27,500 per person can be incurred if the delay lasts longer than three hours. Before the legislation was passed, 584 flights were reported delayed in 2009 from May to December. After the legislation was passed, only fifteen delays were reported as delays during the same time. Due to hefty fines, airlines have become more prone to cancel a flight than incur these fines. In 2010, nearly 9,200 flights were cancelled of out 528,600 flights by the sixteen carriers in the United States in June alone. The idea behind the fines is not to punish the airlines, but to motivate them to provide better customer service (Roger, 2011).

Turnaround Times

Delays can be costly to an airline. The time an airplane spends at the gate is determined by how fast the ground crew can get the airplane prepared for the next flight, which is called turnaround time. The amount of time it takes to turn the plane should also be included in the flights scheduling. The airline needs to account for the loading, unloading, and cleaning of the interior of the airplane. The external activities that take place can occur while the passengers are

both loading and unloading. If the ground crew is not prepared to turn an aircraft fast enough, a domino effect can take which creates delays. An airline should schedule flights accordingly, thus allotting for enough turn time. Preparedness of a ground crew is important to ensure the plane is on the ground a minimal amount of time, and the airline is operating at the peak of productivity. Due to the increased number of passengers moving throughout the airport it is important for the airlines to minimize the time the airline spends on the ground. By using time wisely the airline can turn the plane around and be ready to takeoff once again. The longer the plane is in the air the more potential for profitable gain (Cheung-Lung Wu, & Caves, 2003).

Research Questions

Since passenger loads have risen over the past several years, airports have a need to expand. This expansion does not necessarily mean more square footage; it just means maximizing the existing buildings and increasing passenger flow. This study is intended to determine how well common use facilities work and what it takes to implement a common use facility. Some of the higher volume airports in the world have already implemented common use facilities. Some are still in the process of implementing or have implemented a portion of common use facilities at this time. The aviation industry is constantly growing by accommodating larger planes and more people. Common use facilities are intended to move more people and more planes at a faster pace (Bellotti, 2008). Many airports are practically at capacity and need a new way to handle more passengers; common use facilities make better use of the current space. Although there are some expenses included in the transition, developing a common use facility is cheaper than moving the entire airport. Kiosks help people that are experienced travelers move faster to their final destination, cutting down on waiting time in lines. Self-handle baggage systems are another way passengers can become more efficient within the airport. Overall,

common use facilities allow the airport to become more efficient. This research will analyze the strengths and weaknesses experienced by the implementations of a common use facilities. The specific research questions to be answered include:

1. What common use facilities have been established at airports in the United States?
2. What are the benefits being experienced by airports in the US that have implemented common use facilities?
3. What are the drawbacks being experienced by airports in the US that have implemented common use facilities?

CHAPTER 2 – METHODOLOGY

This research was conducted in an attempt to better understand airport common use facilities. Interviews with airport managers were the mechanism selected to conduct this study. The type of research is considered qualitative. Unlike quantitative research, which often attempts to determine a cause and effect, qualitative research allows for a more in-depth study. Content analysis derived from the interviews is how the data will be analyzed. Content analysis allows the author to compile data and then look for common themes from each interview. A common notion is that content analysis is simply a word count; while this is possible the most frequent words may not indicate the greatest concerns. Some synonyms may be used by different interviewees, and some interviewees may use words that carry a different meaning: Therefore, simply counting words can lead to missing the overall concept an interview tries to convey. As the interview is being conducted the interviewee is asked to identify specifically what each synonym one term means. This creates a better understanding of what each word means (Stelmer, 2001).

Phone interviews were chosen as the best method of contact. The scope for this project was across the United States, making it nearly impossible for face-to-face interviews to be conducted. Surveys were ruled out because in interviews the interviewer can control the conversation and tailor the next question based on the previous response, allowing for a more detailed and thorough response. Before each interview started, the participant was informed that the research had been approved by the Middle Tennessee State University (MTSU) Institutional Review Board (IRB) protocol # 13-203 (Appendix A) and the contact information of both the review board and the researcher were listed in case the participant had any further questions.

Design

The interview questions were open-ended questions, designed to identify the advantages and disadvantages of implementing a common use facility, and were constructed to answer the primary research question. Since common use facilities are implemented in phases, each airport was asked about the portions of a common use facility they have already implemented. Airports that have not fully implemented common use may have future plans regarding what they intend to implement; these plans were examined during the interview. Airports were grouped together by either the time it took to implement the existing portions or the portions of implementation that were left. Some smaller airports do not have kiosks implemented, so the level of implementation of kiosks was examined.

An interview question regarding the number of gates that are common use as opposed to gates that remain exclusive rights or preferential use was asked, as this is a primary component of common use facilities. For each type of gate, whether it is preferential use or common use, a question was asked regarding who is responsible for maintaining all components needed to operate that gate, including signage. Airports have the option for two different types of signage, either dynamic or static, and airports were grouped into the type of signage they have within the airport. Customer service was discussed in the interview, but it also falls in the category of the change in passenger capacity. As common use facilities intend to increase both passenger capacity and airport capacity; airports were be divided by how their capacity and customer service has changed. Common use type facilities are intended to create some type of competitive advantage to make an airport more marketable to airlines. Each airport was asked how their facility has become competitive, and their response was analyzed for how common use has made them competitive. The cost of each phase was be compared. The last question was be analyzed

by frequency, exploring why the airport ultimately decided to move to a common use facility. Airlines are used to the exclusive lease system where they own, operate, lease, and maintain gates and all equipment associated with those gates. The airlines were compared by how each reacted to the change of system, negatively or positively. The original questions were submitted to the thesis committee for further revision and clarification. The final interview questions consisted of fifteen questions.

The interviews were conducted over the phone. In order to keep the interviews confidential the name of the participants was not recorded. Interviews allow for clarification of words or phrases and the discussion of what common use means at that airport. By conducting the interviews via the phone, the proper follow-up questions were able to be asked based on response of the interviewee. One benefit of a phone interview is it allowed the interviewer to tailor the follow up questions to the response that would best fit the primary questions. Phone interviews also allowed the interviewer to clear up any confusion that could be caused by an interview question. Personally contacting each airport allowed for a quick response from the participants, and a high response rate. Other options of contact were considered, such as email or the United States postal service. However, phone interviews were selected as they insured a higher rate of response and the clarity of interview questions.

Before each interview was conducted the participant was read an introduction and asked for consent to conduct the interview. The introduction included the approximate length of the interview, and the nature of the questions. They were also informed that the interview would stay completely anonymous and no information would be recorded except for the airport's name. The participant understood before the beginning of the interview that there would be no consequence if they chose to not complete the interview.

The interview was conducted on a speaker phone, and each response was recorded onto a recorder and then transcribed. The entire script that was used, including introduction, disclaimer, and interview questions, can be found in Appendix B.

Participants

Throughout the world there are a number of airports that have implemented common use facilities. This thesis will focus on the airports within the United State that have already implemented common use or are in the beginning stages of implementing common use. A study was done in 2008 on the airports worldwide that have implemented common use; from this study, airports within the United States were targeted to participate in this study. The Federal Aviation Administration (FAA) also published a more recent report that included more airports that intend to implement common use or portions of a common use facility. From this list additional airports were identified for the interviews, which were not included in the 2008 study. From both of these lists thirty-nine airports were identified as being a common use facility. The originally identified airports are Atlanta, Boston Logan, Chandler Williams, Denver International, Dallas Fort Worth, Newark New York, Honolulu, Westchester county, Washington Dulles, Houston (George Bush Int'l), Killen Texas (Ft. Hood), John F Kennedy New York, McCarran International, Los Angeles International, Orlando, Montgomery, Miami International, Minneapolis International, Chicago, Phoenix Sky Harbor International, Pittsburg International, Rockford, Ft. Myers, Orlando Sanford, San Francisco, San Jose, Sacramento, Sarasota-Bradenton, Anchorage, Charlotte, Cincinnati, Cleveland, Dallas Love, Detroit, Milwaukee, Oakland, Palm Beach, San Antonio, and Nashville. The information for each airport was gathered from the individual airport's website. Some websites did not state the needed information; for those airports, personal contact via an email or phone call returned the name and

number of the appropriate person that would be interviewed. Of the thirty-nine airports, thirty responded as being interested in participating in an interview; the airports that were not interested in participating were Dallas Fort Worth, John F Kennedy New York, Ft. Myers, Orlando Sanford, Cleveland, Dallas Love, Detroit, Oakland International, and Phoenix Sky Harbor. Some airport managers stated they would like to receive the questions in advance in order to prepare for the interview. For those that requested this, an email was sent and a time for the interview was set up. The other airports were contacted to set up a date and time that was conducive for both parties. Before the interview started the interviewee was read the informed consent, and upon their agreement to participate, the interview started.

Data Analysis

Each interview was transcribed and listened to repeatedly to listen for constant comparative analysis. Specific words or phrases were pulled out and compared side by side; airports that were alike were grouped together. Some questions required to be analyzed by the amount of time. Each airports varied by the amount of time taken for each portion of implementation. The cost of implementation for each phase was asked for, but since each airport had different sources of funding, that question was irrelevant. The airport was asked about the resistance from airlines, to weigh the negatives and positives associated with the airlines. The resistant experienced from the airlines was more of a domestic versus international. Passenger capacity and customer service were grouped together by increases and decreases. Kiosks are a portion of common use, for those airports that reported have kiosks they were broken down into who maintained them, airport or airline. The required equipment was also scored by who takes ownership. The type of signage used within the airport was grouped by dynamic or static.

Common use intends to give an airport a competitive advantage. Airports were grouped by why they had a competitive advantage in the market.

CHAPTER 3 - RESULTS

A list of worldwide airports that have implemented common use was compiled in a 2008 report by the Transport Research Board (TRB). For this study, that list was narrowed down to only airports in the United States. In addition, the FAA has published a more recent list of airports that are moving towards a common use facility. These airports were added to the TRB list. The airports on this merged list were contacted for information regarding personnel who would qualify for an interview about the common use facility. Of the forty airports that were originally identified, only thirty responded with someone that was interested in participating in an interview. Once the study was approved by the MTSU IRB these thirty airports were contacted, but only twenty-one airports were ultimately available for interviews.

Common Use Aspects

The first interview question addressed what portions of common use have been implemented at their airport. Common use facilities consist of a variety of items that fall under that umbrella term. These include gates, ticket counters, IT platforms, kiosks, and baggage. A common use gate is a gate that can be used by multiple airlines in a day's time. The gate and the equipment associated with that gate are owned by the airport and is the responsibility of the airport to maintain.

One aspect of common use is gate control; this number varied by airport depending on the total number of gates housed at that facility. Another aspect of common use is the signage. The majority of the airports stated they have converted to a dynamic type signage at both the ticket counter and the gate check-in. In airports such as Sacramento and Las Vegas, the baggage system is also common use in the sense that the airport takes responsibility in operating and maintaining this system. All airports interviewed have at least two gates that are common use. In the larger airports such as Las Vegas, Los Angeles, Newark, and San Antonio, there are dozens

of gates that are common use. All airports have reported that they have at least one ticket counter to accompany the common use gate. Again, the larger airports have more than one ticket counter. Refer to Table 1 for a complete listing. All airlines stated they have kiosks, but not all were common use. Airports reported almost half and half, the airport or the airline, regarding whom owned and operated those kiosks. For smaller airports such as Sarasota, individual common use baggage systems are not utilized, but at the larger airports, such as Sacramento, common use baggage systems have been implemented. Atlanta has taken common use further than just passenger airlines; they have also integrated common use into the cargo facility.

Table 1.
Elements of a Common Use Facility Currently Implemented

Airports	Gates	Ticket Counter	Kiosks	Baggage	IT
Newark	X	X		X	
San Antonio	X	X		X	
Los Angeles	X	X	X	X	X
Nashville	X	X			X
Las Vegas	X	X	X	X	X
Phoenix Mesa	X	X	X		X
Anchorage	X	X	X	X	
San Francisco	X	X	X	X	X
Sarasota	X	X			
Dulles	X	X		X	X
Denver	X	X			
Chicago	X		X	X	
Killeen	X	X			X
Orlando	X	X	X		X
Cincinnati	X				X
Sacramento	X	X	X	X	X
Hawaii	X	X			
Pittsburgh	X	X		X	
Chrlotte	X	X		X	
Atlanta	X	X	X	X	X
Minneapolis	X	X	X		

Implementation

The second interview question addressed how long it has taken for the facilities to implement common use. While conducting the interviews this question was also addressed in conjunction with questions three, four and twelve. Question three asked if there were any other portions of common use the airport planned to implement; question four asked if there were future plans, what was the timeline associated with that. Question twelve asked how long it took to implement the portions of common use already in use at their airport. It was found that the length of time for an airport to implement common use has varied from several months to years. The planning stages have also lasted anywhere from several months to years. Sarasota reported

the planning stages lasted about four months and the implementation took about five months. San Francisco has an ongoing process of implementation. They originally implemented common use twenty years ago, but still continue to update today. Denver has been implementing portions of common use since 1999. They have had to update the IT system because the original carrier was unreliable; therefore, they are still evolving as a common use facility. For other airports, the planning stages were anywhere from one year to fifteen years. Refer to Table 2 for a complete list. Las Vegas prepared to move to a common use type facility for about a year. They have actually been common use for fifteen years. Los Angeles was the first airport in the world to implement common use; it was implemented in 1984 in order to prepare for the 1984 Olympics. Los Angeles was forced to make the decision to move to common use because they were at physical passenger capacity. By becoming a common use facility, they were able to offer gates to a variety of airlines. Los Angeles, Killeen, Phoenix Mesa, and Sacramento were originally designed and built with common use in mind. Killeen, for example, built an entire new terminal building and from the beginning they designed and implemented common use. The other airports went to common use with concourse additions to an existing building. For those airports, no future plans for expansion exist. Airports such as Cincinnati are reaching the end of gate lease agreements that were once exclusive, and are being forced to make a decision regarding what type of lease agreements they want to enter with the resident airlines. This has been a common theme for moving to a common use system.

Table 2.
Time Required for Implementation

Airports	Current Implementaion	Additional Implementation	Additional Time	Preperation Time
Newark	13 years	ND	ND	FTB
San Antonio	2 years	ND	ND	2 years
Los Angeles	20 years	ND	ND	FTB
Nashville	5 years	IT platform	ND	3 years
Las Vegas	15 years			1 year
Phoenix Mesa		Gates	3 years	FTB
Anchorage	9 months	ND	ND	3 years
San Francisco	20 years	Gates	4 years	4 years
Sarasota	5 months	ND	ND	4 months
Dulles	3 years	ND	ND	3 years
Denver	15 years	Gates	1 year	2 years
Chicago	1 year	Gates	ND	5 years
Killeen	5 years	Gates	In place	FTB
Orlando	5 years	Gates	In process	3 years
Cincinnati	1 year	ND	ND	3 years
Sacramento	10 years	ND	ND	FTB
Hawaii		ND	ND	FTB
Pittsburgh	20 years	Gates	ND	FTB
Chrlotte	2 years	Gates	ND	FTB
Atlanta	7 years	Kiosks, Gates	ND	15 years
Minneapolis	3 years	ND	ND	FTB

ND- Not determined

FTB- From the Beginning

Kiosks

Most airports have kiosks in place, varying by airport if they are common use or not. Airports such as Sarasota have kiosks, yet they are operated by each individual airline. Other airports have a mixed bag of kiosks that are maintained by the airport for common use and other kiosks that are maintained by the airlines. The kiosks that are fully common use are operated by the airport and have multiple airline check-ins. At other airports the airlines were allowed to implement kiosks and are responsible for maintaining them. For airline operated kiosks, only that

airline's passengers can check-in on that kiosk. Las Vegas is the only airport that has all common use kiosks, offsite kiosks in the convention center and in the rental car facility. The airport responses are listed in Table 3.

Table 3.

Who Maintains the Kiosks at an Airport

Airports	Airport Operated	Airline Operated
Newark		X
San Antonio		X
Los Angeles	X	
Nashville		
Las Vegas	X	
Phoenix Mesa		X
Anchorage	X	
San Francisco	X	
Sarasota		X
Dulles		X
Denver		X
Chicago	X	
Killeen		X
Orlando	X	
Cincinnati		X
Sacramento	X	
Hawaii		X
Pittsburgh		X
Charlotte		X
Atlanta	X	

Gates

Questions six and seven addressed the number of gates at an airport and who is responsible for those gates. In the past, airports leased gates as an exclusive use gate. This type of gate, and in some cases an entire concourse, belongs to the airline. Pittsburgh in the past was a hub for US Airways; entire concourses were owned and operated by that airline. A gate that is

exclusively leased allows that airline and that airline alone to use that gate however they see fit. Table 4 shows how many gates each airport has and how many are common use. The gate may only be used once a week, and the airport is not allowed to use that gate or any equipment associated with that. These types of leases have started to become obsolete; the ones that do still exist are nearing the end of their leases. Newark and Pittsburgh have exclusive leases that will run out in 2018, and at that time the airports will have to make the decision if they want to move into a common use agreement or not. At airports such as Anchorage, there is the ability for common use setup, including gates, ticket counters, and kiosks, but the gate and ticket counter is rented as a preferential use gate. A preferential gate operates basically the same as an exclusively leased gate, but the airport is allowed to regain control of the gate at any time. Due to the instability of the airlines, many airports have gone to this type of lease.

Table 4.
Common Use Gates Versus Total Gates

Airports	Total Gates	Exclusive	Common Use
Newark	110		23
San Antonio	24		
Los Angeles	90	70	20
Nashville	50		
Las Vegas	105		105
Phoenix Mesa			8
Anchorage	23		5
San Francisco	91		26
Sarasota	13		5
Dulles			48
Denver	103		12
Chicago	189	164	25
Killeen			
Orlando	96		37
Cincinnati			22
Sacramento			31
Hawaii	40		12
Pittsburgh	75		26
Charlotte	96		50
Atlanta	212		42
Minneapolis	124		20

Common use facilities have taken the responsibility of equipment associated with that gate. If an airline that was under a preferential contract were to declare bankruptcy and leave the airport, it would not be responsible for all of the left over equipment, which could not be used by another airline. In an exclusive lease agreement that airline would still be responsible for all equipment, and the airport would not be able to use that space until the lease ran out. Both common use and preferential lease agreements benefit the airport in the current economic climate. Table 5 reports who maintains the equipment at the airports studied.

Table 5.
Gate Equipment Ownership

Airports	Airport	Airline
Newark	X	
San Antonio	X	
LAX	X	
Nashville		X
Las Vegas	X	
Phoenix Mesa	X	
Anchorage	X	
San Francisco	X	
Sarasota	X	
Dulles	X	
Denver	X	
Chicago	X	
Killeen	X	
Orlando	X	
Cincinnati		X
Sacramento	X	
Hawaii	X	
Pittsburgh	X	
Charlotte	X	
Atlanta	X	
Minneapolis	X	

Signage

Question eight asked how the airport had integrated signage. To keep up with the technology of today's world, most airports have gone to dynamic signage, which are scrolling signs; this has been achieved through flat screen monitors. The logo the airline would like to use must be approved by the airport; once the airline logs into the system the carriers logo will pop up at both the ticket counter and the gate. Chicago O'Hare is the only airport that reported predominately static signs to this day. If an airline shares a gate the logo would be covered by the

appropriate airline. At Denver, they still have both static and dynamic. At the ticket counter the signage is static and at the gate the signage is dynamic. Dulles also entertains both types of signage. The dynamic signage is at the gate, but the main terminal has historical meaning with a permanent glass plate back wall sign. The type of signage found in the airport can be found in Table 6.

Table 6.
Types of Airport Signage at a Common Use Facility

Airports	Dynamic Signage	Static Signage
Newark	X	
San Antonio	X	
Los Angeles	X	
Nashville	X	
Las Vegas	X	
Phoenix Mesa	X	
Anchorage	X	
San Francisco	X	
Sarasota	X	
Dulles	X	X (at ticket counter)
Denver	X	X (at ticket counter)
Chicago		X
Killeen	X	
Orlando	X	
Cincinnati	X	
Sacramento	X	
Hawaii	X	
Pittsburgh	X	
Charlotte	X	
Atlanta	X	

Passenger Capacity and Service

Question nine and ten inquired about how customer service and passenger capacity has changed since the implementation of common use; these facilities have been around since the 1980's and intend to increase capacity. In the early 2000's, air travel was booming. Many airports decided the only logical next move was to go to a common use system. Sixteen airports interviewed reported an increase in passenger capacity. Only five stated the capacity is still the same; this is in part due to the economy. The airport physically has more capacity due to the

ability to turn more aircraft at a particular gate. Phoenix Mesa was close to capacity when they made the decision to move to common use. Since the move to common use they have increased their possible capacity. Along the same lines, customer service has either improved or has not been changed from a passenger perspective. Refer to table 7. The customer service should be seamless to the passenger. Common use allows for the business traveler or the experienced traveler to move more quickly through the airport. The customer now has more options of which airline they would like to fly, increasing customer service. For example, airlines benefit from this system in Alaska because it is mostly a seasonal destination. With a common use system an airline can come in during the season and give the passenger more of an option, without having a full time commitment to that airport.

Table 7.
Passenger Capacity and Customer Service Changes as a Result of a Common Use Facility

Airports	Service	Capacity
Newark	No Change	No Change
San Antonio	Increase	Increase
Los Angeles	Increase	Increase
Nashville	No Change	Increase
Las Vegas	Increase	Increase
Phoenix Mesa	Increase	Increase
Anchorage	No Change	Increase
San Francisco	Increase	Increase
Sarasota	No Change	Increase
Dulles	No Change	Increase
Denver	Increase	No Change
Chicago	Increase	No Change
Killeen	No Change	No Change
Orlando	Increase	Increase
Cincinnati	Increase	Increase
Sacramento	Increase	Increase
Hawaii	No Change	Increase
Pittsburgh	No Change	No Change
Charlotte	No Change	Increase
Atlanta	Increase	Increase
Minneapolis	Increase	Increase

Competitive Advantage

Question eleven asked, if common use has given the airport a competitive advantage. Unanimously, airports said the competitive advantage that common use has given their airport was flexibility. Common use allows for flights to be moved at a moment's notice. Another benefit that was noted was the flexibility of the airlines when the airport is under construction. All gates are not capable of handling widebody aircraft; in a time of need planes can be moved to accommodate size. Common use allows for new entries into the market. Denver and Phoenix Mesa stated that common use allows a new air carrier to inquire one day and be operational almost overnight. The airports have all had inquiries for a common use gate at their specific

airports. San Francisco considers their operation a turnkey type facility. Where they have ninety-one gates that are common use, the airline must be compatible with their IT infrastructure and can come in and use a gate that has little to no traffic.

Cost

Question thirteen asked what is the biggest cost associated with going to a common use system. The question anticipated kiosks, signage, and gate equipment as cost items. The heaviest cost burden to implement a common use system has been reported as the basic infrastructure. Airports such as Sacramento have implemented common use from the beginning. The terminal that was added was designed with common use in mind. For those airports, the cost is all inclusive with the cost to build. The airport sees a financial burden when moving to a common use type system because the airport is regaining control of equipment and space that was once maintained by an airline.

The second most frequent answer stated cost concern was the risk taken on by the airport when it converted to common use. The risk is huge for an airport; the simple cost associated with buying all the equipment and maintaining it, even if it is not in use. The capital cost required to get the airport onto the same IT system is something the airport must prepare for. Although buying all the same computers, ticket printers, and bag taggers does not sound like a lot, when you multiply that by fifty gates, the cost is enormous. Figure 1 shows what the biggest reported costs were for the airports.

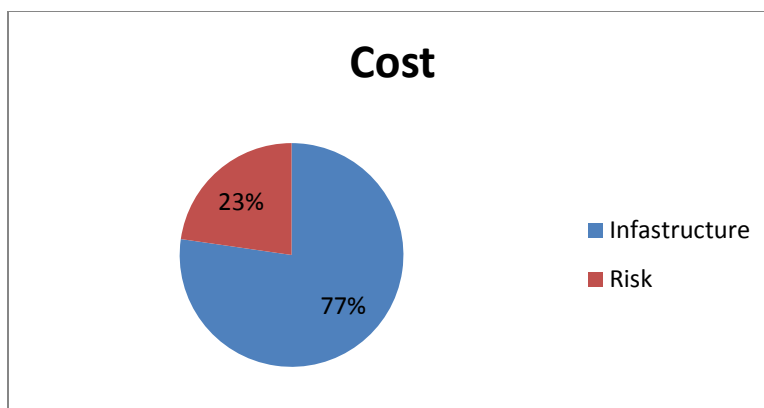


Figure 1.
Major Costs Associated with Moving to a Common Use Facility

When an airport regains control of a gate that was once basically owned by an airline, the airport takes on a large financial responsibility. The airlines are not as stable as they once were; if the airport owns the equipment, the airline is at less fault if something were to happen such as bankruptcy or merger. When a gate becomes common use, the airport takes responsibility over all equipment associated with that gate and ticket counter. Once another airline is placed at that gate, the airport is still responsible for maintaining jet bridges and all ground operations. The majority of airports reported maintenance is outsourced.

Airline Resistance

Question fourteen inquired about the resistance experienced from the resident airlines. When a facility decides to move to a common use type facility, all resident airlines are consulted. The main consensus was that the domestic airlines hated the idea of common use, but the international airlines loved the idea. For international carriers, a common use system works well because they can only operate a few flights a week; logistically for them, common use works best. For the domestic carriers, they feel their competitive advantage at that airport will decrease. Some resident airlines were concerned they would have to endure another cost by going to a common use type facility. Figure 2 indicates the resistance experienced from the airlines.

Airports have worked around this issue by working the cost into the lease; turning a common use gate into an as needed gate. Gates can be common use equipped but still be run by a specific airline. In the exclusive lease type setup, the airline was required to come into each airport they serviced and completely setup baggage systems, ticket counters, gates, and all ground operations; thus, the airlines took a huge up front capital cost burden. With a common use system, the equipment is already provided; they simply pay a flat rate to come in and use the facility. When airports were originally built, they were more of a shell for the airlines to maintain. The common use system allows the airport to have more control. In case an airline leaves the airport, it will not be stuck in a hard spot.

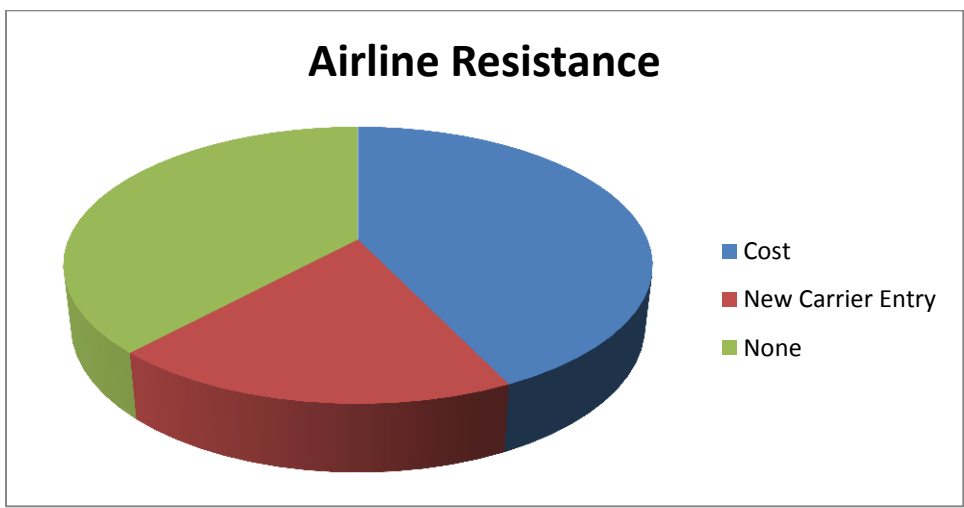


Figure 2.
Resident Airline Concerns when Moving to a Common Use Facility

Why Common Use

Question fifteen asked why the airport ultimately decided to convert to a common use facility. The overall answer was that it provided more flexibility for the airport. Common use also allows the airport to have better cost management. San Antonio states that by going to common use it delays the airports' need to build an additional concourse. Chicago reported the decision was made because it was more cost effective for the airlines. The rest of the airports agreed that it allows them flexibility in the time of need. New carriers can enter without a huge cost burden. The airport has more control over the competition allowed into their airport, and allocating space as needed. The flexibility has benefited the international airlines, by allowing more flights and more options for passengers. Common use allows for the flexibility of the amount of space they control; the ability to handle more airlines. A common use facility gives the illusion that the airport has more physical capacity. Common use has simply given the airport more flexibility in how they manage their space, but not physically building any gates, appearing larger. Refer to Figure 3 for the reasons why an airport converted to common use.

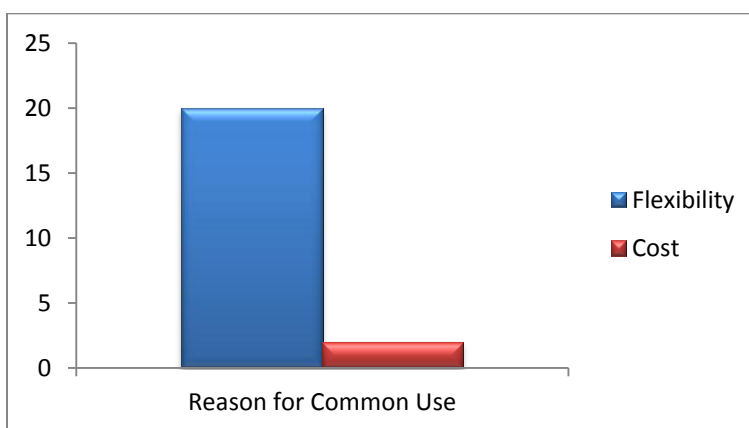


Figure 3.
The Reason to Switch to a Common Use Facility

CHAPTER 4 – DISCUSSION AND RECCOMENDATIONS

The first question my research attempted to answer was “What common use facilities have been established at airports in the United States?” This can be answered by looking at the airports which were examined and what portions of common use they have implemented. This information was summarized in Table 1. What was found is that the studied airports have implemented gates and at least one ticket counter. In addition some airports have implemented kiosks and baggage systems. Common use is a gradual switch for most airports. Many exclusive leases are coming to the end of their thirty year agreement and airports must make a decision on the next move. Preferential leases have become a more common type of lease agreement. Airports are beginning to take more responsibility for their own facilities. Several airports have embraced the idea of common use kiosks, and even are adding more kiosks. The common use information technology (IT) platform is a logical move for many airports, aimed at getting all airlines on the same system. The IT platforms do vary significantly by airport. The airports interviewed may never be fully common use, but the significant portion of most of these airports will be common use. With the state of the industry and the economy, airports need a safety net. When an airport owns the majority of its facility they are less likely to be in a bind if an airline were to leave. Airlines and airports are interdependent; one needs the other to function. Airports are making their services more available to airlines to increase productivity.

Each airport that was interviewed was at a different stage of implementation. Some airports were fully functional and have been for fifteen or twenty years. For those airports, the infrastructure has since become outdated and in is need of an update. The IT systems of today are more advanced than the system they already have in place. This switch is fairly simple; there is no need to install more wiring, they just need to update the system. On the other end of the

spectrum, some airports are in the elementary stages of planning. These airports have discussed going to common use when current leases end. For those airports, there is time to discuss the next move. None of the airports expressed an interest in reentering a long term exclusive lease with their air carrier tenants. Some airports have renegotiated long term leases to include the use of a common use gate; these are called preferential leases. The physical structure of pulling wires and implementing computers can be done without an agreement from an airline. Some of the airports contacted had just built a new facility because the old one was outdated. When the new facility was built, it was designed with common use in mind. The facility is fully housed with a common use structure. The additions of new international wings were also discussed. These were also built with common use in mind. The design of common use and the process of implementation varied significantly from airport to airport.

The second research question investigated the benefits an airport experiences from a common use system. A number of benefits were reported. The airports reported that from their customers' stand point, they have the ability to better serve themselves and move more quickly through the airport. In the traditional system, the customer would have to wait in line for an attendant to print boarding passes, as well as check and tag bags. With common use the passenger can ultimately service themselves without the help of an attendant. Common use allows an airport to handle more enplaned passengers which correlates with customers being more self-sufficient. Although some airports talked about expansion, not all of them have the space for additional wings. They have ultimately created "more space" by allowing more than one airline to service a gate that is not readily used, thus maximizing space and time allotted at one gate. The additional terminals that have been added have been predominately for international use. Airports have more of a competitive advantage due to the flexibility provided

to them through common use. They have more control over who operates at their airport. If an airline is not servicing a gate as they see fit, the airport reserves the right to add additional flights to that gate which creates profit for the airport.

It was reported that international airlines love the common use system. Many airports across the world have implemented common use and have been operating that way for years. From a global perspective, the United States is behind the curve on implementation of common use. For international carriers servicing the United States, they love common use because they have little to no initial investment to operate at that airport. A certain international airline may only operate one flight a day, while another operates two. They both can benefit from gate space. The domestic airlines have become more used to the common use system over the past decade. Originally, the domestic airlines hated the idea of common use. For an airline, such as Southwest, who has a quick turnaround time, common use is not very beneficial to them. For an airline that can only service two flights a day due to the slow turn time, common use can be beneficial. Domestic carriers have been apprehensive about the switch for a variety of reasons. A major concern for them was competition. Perhaps if the airlines could see the big picture of common use, they would see that common use is ultimately benefiting them in the long run.

Common use is a system of checks and balances between the airlines and the airport. The airport does not want to bite the hand that feeds them; on the other hand, the airline wants to still be able to service passengers from that airport. With common use the airlines can have a mutual agreement with the airport; if the airline runs a smooth operation, the airport will leave them alone. The airport is providing a more sufficient system for the airline to operate. Startup airlines that are running on a shoe string budget are more apt to service a common use airport because of

a lesser initial investment. Common use is really a win-win for both the airport and the airline. The airport is more marketable and the airline becomes more versatile.

The third research question wanted to know the drawbacks of a common use system. Of all the airports interviewed, none of them expressed a down side to common use. They have had some hurdles to jump through, but everything seemed to be operating smoothly. Since common use has been around for decades, the implementation process has become streamlined. The airlines are more on board now than they were in the beginning. The common use system appears to be a success. Airports have tested a few portions of common use and have decided to implement more because of the results. United States airports are behind the rest of the world when it comes to the implementation of common use. When airports were started they created a lease agreement with an airline, most of them lasting several decades. Airports have recently begun reaching the end of these, forcing the airport to make a decision. A common use facility is a huge financial burden for the airport, whereas in the exclusive lease agreement the airline will be responsible in the event an airline were to leave. In a common use system the airport will take responsibility over that gate. Common use is not very reasonable for a small airport or even a GA airport; its benefits are seen more in a larger airport.

Recommendations

Los Angeles was the first airport in the world to implement common use. They were forced to make this decision for two reasons, capacity and the Olympics. Airports should be more proactive in addressing issues such as capacity. Implementation of common use takes time. The airport must talk to resident airlines and get them on board with the switch. If the airport intends to add a concourse, the physical planning and implementation takes years. If an airport waits until they have no other choice, they will be in a bind. Being proactive is the best solution.

The ultimate goal of airport is to provide a service for both the passenger and the airline. By making these two goals work harmoniously, the airport will achieve success. Providing more options for the passenger allows the airports' operations to run smoothly. The switch to common use is the next logical move for airports to expand and better provide for both the passengers and the airlines.

Limitations

Given the time limit on the study only airports within the United States were interviewed. This study was conducted via the telephone. The limitations of this study were the direct responses received from the interviewee. Given more time and resources, the interviews could have been conducted face-to-face. Some answers may have been biased towards their specific airport to portray the airport in a more favorable light. A concern was expressed for the validation of the study. Face-to-face on-site visits could eliminate this concern. It was also found that questions two, three, four, and twelve could have been combined into one question. While conducting the interviews, the interviewees often combined these questions themselves.

Originally the research identified 39 airports, but contact information as unattainable for nine of these; of the thirty that remained, only twenty-two were willing to participate in the interview. After conducting interviews with twenty-two airports across the nation, they all have indicated positive outcomes for a common use type facility. The other nine that chose not to participate could have changed the data that recorded. They all have different reasons for not participating, but they may have not had a pleasant experience with the common use they have implemented.

Future Research

As this study was conducted many airports made recommendations on further in-depth research. One aspect that could be explored more would be the IT platforms that have been implemented. Airports that talked about the IT platform expressed a concern for one particular company. They had some trouble with a particular company and were forced to switch providers. Along with the implementation of IT, future research could be looking more into the actual hardware and services that are provided at a gate or ticket counter. If this research was duplicated in fifteen or twenty years it would be interesting to see what portions of common use have been implemented then. By that time the majority of exclusive leases will have ended, and airports will be forced to make a decision. At that point in time, maybe more airports in the United States will have decided to move to a common use system.

Additional research into the baggage systems could also be done in the future. Las Vegas stated the TSA is in a trial period with a few airports in the United States for self-tag and self-handling of a passenger's baggage. Technology has advanced enough that a passenger can tag and load the luggage onto a belt system. In the future more airports could implement a common use baggage system, where the belts are assigned to a gate and cued at the correct time. Expanding the scope of the research to airlines, both international and domestic, could be done in the future, as well as looking at how the airlines have adapted to common use. Given the time constraints, this research only included airports within the United States. Research could be conducted globally to look at what additional airports have implemented common use, and for those that already exist, if they have they implemented any more aspects of common use.

Common use is the next logical move for airports, as it benefits the airports, airlines, and passengers. It allows the airport to have more control over the airlines that service that airport,

and increases business. Passengers have a faster and easier traveling experience, and have more airline choices. Kiosks allow passenger to service themselves without the hassle of waiting in line. A common use gate allows for airport flexibility and reduction of delays. Common use is still evolving as technology evolves. Although it is unnoticeable to the passenger, their journey through the airport is made much simpler by common use.

References

- AhmadBeygi, S., Cohn, A., & Lapp, M. (2010). Decreasing airline delay propagation by re-allocating scheduled slack. *IIE Transactions*, 42(7), 478-489.
doi:10.1080/07408170903468605. Retrieved November 15, 2011, from <http://web.ebscohost.com.ezproxy.mtsu.edu/ehost/pdfviewer/pdfviewer?sid=78b7df95-5ed9-432f-84eb-64ce2303738b%40sessionmgr4&vid=6&hid=10>
- Belliotti, R. (2008). Transport Research Board. ACRP 8: Common Use Facilities and Equipment at Airports. Washington, D.C. : US. Government Printing Office. Retrieved from http://onlinepubs.trb.org/onlinepubs/acrp/acrp_syn_008.pdf
- Belliotti, R. (2010). Transport Research Board. ACRP 30: Reference Guide on Understanding Common Use at Airports. Washington, D.C. : US. Government Printing Office. Retrieved from http://onlinepubs.trb.org/onlinepubs/acrp/acrp_rpt_030.pdf
- Cheung-Lung Wu, E., & Caves, R. E. (2003). Flight schedule punctuality control and management: a stochastic approach. *Transportation Planning & Technology*, 26(4), 313-330. doi:10.1080/03081060310001635869. Retrieved November 21, 2011, from <http://web.ebscohost.com.ezproxy.mtsu.edu/ehost/pdfviewer/pdfviewer?sid=ad059dac-4a83-44c8-a377-5aac422714de%40sessionmgr4&vid=2&hid=10>
- Crandall, R. (1995). The Unique U.S. Airline Industry. In D. Jenkins (Ed.), *Handbook of Airline Economics* (pp. 3-8).
- Cohen, D. (2012). Department of Transportation, Federal Aviation Administration. Airport revenue use presentation

- Corgan Associates. (2010). Transport Research Board. ACRP 10: Innovations for Airport Terminal Facilities. Washington, D.C. :US. Government Printing Office. Retrieved from http://onlinepubs.trb.org/onlinepubs/acrp/acrp_rpt_010.pdf
- Dorndorf, U., Jaehn, F., Chen, L., Hui, M., & Pesch, E. (2007). Disruption management in flight gate scheduling. *Statistica Neerlandica*, 61(1), 92-114. doi:10.1111/j.1467-9574.2007.00361.x. Retrieved from <http://web.ebscohost.com.ezproxy.mtsu.edu/ehost/pdfviewer/pdfviewer?sid=177eef67-46b5-4205-9886-d222273f6e21%40sessionmgr14&vid=2&hid=10>
- Glasgow, S. (2012). Report to Congress: National Plan of Integrated Airport Systems 2013-2017. Department of Transportation, Federal Aviation Administration. Retrieved from website: http://www.faa.gov/airports/planning_capacity/npias/media/npias2013update.pdf
- Kugler, L. (2008). Defeat Airport Delays. *PC Magazine*, 27(10), 17-18. Retrieved from <http://web.ebscohost.com.ezproxy.mtsu.edu/ehost/detail?sid=4e104e6c-2ec7-4eeb-a944-d2f85ad3e339%40sessionmgr13&vid=1&hid=10&bdata=JnNpdGU9ZWwhvc3QtbGl2ZSZZyY29wZT1zaXRl#db=aph&AN=33664590>
- Lang, C. (2001). Department of Transportation, Federal Aviation Administration. Passenger facility charges (5500.1). Retrieved from website: http://www.faa.gov/documentLibrary/media/Order/PFC_55001.pdf
- Roberts, D. (2005). Airport improvement plan (5100.38). Department of Transportation, Federal Aviation Administration. Retrieved from website: http://www.faa.gov/airports/resources/publications/orders/media/aip_5100_38c.pdf

Roger, Y. (n.d). Three –hour delay on tarmacs rise. *USA Today*. Retrieved from

[http://ehis.ebscohost.com.ezproxy.mtsu.edu/ehost/detail?vid=6&sid=61cb06ca-6a6f-4ec5-b1dd-](http://ehis.ebscohost.com.ezproxy.mtsu.edu/ehost/detail?vid=6&sid=61cb06ca-6a6f-4ec5-b1dd-77f52f17d18c%40sessionmgr112&hid=102&bdata=JnNpdGU9ZWZWhvc3QtbGl2ZSZzY29wZT1zaXRl#db=aph&AN=J0E159384849211)

[77f52f17d18c%40sessionmgr112&hid=102&bdata=JnNpdGU9ZWZWhvc3QtbGl2ZSZzY29wZT1zaXRl#db=aph&AN=J0E159384849211](http://ehis.ebscohost.com.ezproxy.mtsu.edu/ehost/detail?vid=6&sid=61cb06ca-6a6f-4ec5-b1dd-77f52f17d18c%40sessionmgr112&hid=102&bdata=JnNpdGU9ZWZWhvc3QtbGl2ZSZzY29wZT1zaXRl#db=aph&AN=J0E159384849211)

Royal, L. E. (2011). Airline Passenger Rights Updated. *Black Enterprise*, 41(12), 30. Retrieved

from [http://web.ebscohost.com.ezproxy.mtsu.edu/ehost/detail?sid=4c578f28-96e1-4631-8dc4-](http://web.ebscohost.com.ezproxy.mtsu.edu/ehost/detail?sid=4c578f28-96e1-4631-8dc4-5fcf691add7b%40sessionmgr14&vid=1&hid=10&bdata=JnNpdGU9ZWZWhvc3QtbGl2ZSZzY29wZT1zaXRl#db=aph&AN=64281236)

[5fcf691add7b%40sessionmgr14&vid=1&hid=10&bdata=JnNpdGU9ZWZWhvc3QtbGl2ZSZzY29wZT1zaXRl#db=aph&AN=64281236](http://web.ebscohost.com.ezproxy.mtsu.edu/ehost/detail?sid=4c578f28-96e1-4631-8dc4-5fcf691add7b%40sessionmgr14&vid=1&hid=10&bdata=JnNpdGU9ZWZWhvc3QtbGl2ZSZzY29wZT1zaXRl#db=aph&AN=64281236)

Stelmer, S. (2001). An overview of content analysis. *Practical Assessment, Research &*

Evaluation. Retrieved from [http://szekedi.uw.hu/ad_7/overview of content analysis.pdf](http://szekedi.uw.hu/ad_7/overview%20of%20content%20analysis.pdf)

Snedeker, A. (2010, April). Do it yourself: Common-use check-in kiosks debut at airport.

Retrieved from <http://www.atlanta-airport.com/HJN/2010/04/customer2.htm>

Terminal Common Use Regulations. December 21, 2012, Retrieved from [http://www.atlanta-](http://www.atlanta-airport.com/docs/Facilities/ATL%20CU%20Regulations%20Effective%20Dec%20201%202009.pdf)

[airport.com/docs/Facilities/ATL%20CU%20Regulations%20Effective%20Dec%20201%202009.pdf](http://www.atlanta-airport.com/docs/Facilities/ATL%20CU%20Regulations%20Effective%20Dec%20201%202009.pdf)

Vienna Airport Implementing World’s First Common-Use Self-boarding Gates. (2011, October

13). Future Travel Experience, Retrieved from

<http://www.futuretravelexperience.com/2011/10/vienna-airport-implementing-worlds-first-common-use-self-boarding-gates/>

Appendices

APPENDIX A- IRB APPROVAL



February 13, 2013

Addison Barbeau, Dr. Wendy Beckman
Department of Aerospace
adb5d@mtmail.mtsu.edu, Wendy.Beckman@mtsu.edu

Protocol Title: "How common is common use facilities at airports"

Protocol Number: 13-203

Dear Investigator(s),

The exemption is pursuant to 45 CFR 46.101(b) (2). This is because the research being conducted involves the use of educational tests, survey procedures, interview procedures or observation of public behavior.

You will need to submit an end-of-project report to the Compliance Office upon completion of your research. Complete research means that you have finished collecting data and you are ready to submit your thesis and/or publish your findings. Should you not finish your research within the three (3) year period, you must submit a Progress Report and request a continuation prior to the expiration date. Please allow time for review and requested revisions. Your study expires on **February 13, 2016**.

Any change to the protocol must be submitted to the IRB before implementing this change.

According to MTSU Policy, a researcher is defined as anyone who works with data or has contact with participants. Anyone meeting this definition needs to be listed on the protocol and needs to provide a certificate of training to the Office of Compliance. **If you add researchers to an approved project, please forward an updated list of researchers and their certificates of training to the Office of Compliance before they begin to work on the project.** Once your research is completed, please send us a copy of the final report questionnaire to the Office of Compliance. This form can be located at www.mtsu.edu/irb on the forms page.

Also, all research materials must be retained by the PI or **faculty advisor (if the PI is a student)** for at least three (3) years after study completion. Should you have any questions or need additional information, please do not hesitate to contact me.

Sincerely,

[Andrew W. Jones](#)

Compliance Office
615-494-8918
Compliance@mtsu.edu

APPENDIX B- SURVEY SCRIPT

Script:

Hi, my name is Addison Barbeau. I am a graduate student at Middle Tennessee State University conducting research for my master's thesis. I am conducting an interview on common use facilities within the United States. The interview will take about ten minutes. No identifying information beyond the name of the airport will be used in data analysis or publications; all personally identifying information will be kept confidential.

This interview is completely voluntary; there is no consequence for not participating. You can opt to not finish the interview at any time. The research will look at the advantages and disadvantages of a common use facility as found through this interview. This interview will also give a better look inside the implementation of common use. If you should have any questions about this interview please feel free to contact me Addison Barbeau at (931) 588-8454 or by email adb5d@mtmail.mtsu.edu or my Faculty Advisor, Dr. Wendy Beckman at (615) 494-8755 or by email wendy.beckman@mtsu.edu. For additional information about giving consent or your rights as a participant in this interview, please feel free to contact the Office of Compliance at (615) 494-8918.

Are you willing to complete this interview?

Survey Questions

1. What aspects of a common use facility (CUF) has your airport implemented?
2. How long has it taken to implement the CUF that you currently have?
3. What other aspects of CUF does your facility plan to implement?
4. If additional implementation is planned, what is the projected timeline for completion of your CUF?

5. How many self-serve kiosks are in your facility?
 - a. Do you have any kiosks offsite?
6. Does your airport still allow exclusive right gates?
 - a. How many gates does your facility house?
 - b. How many gates are still exclusive rights?
7. Who owns the equipment that is required for gate operation?
8. Since the implementation of CUF how has the facility integrated airline signage?
9. Has your airports customer service improved since the implementation of your common use facility?
10. How has your passenger capacity changed?
11. How has converting to a common use facility given your airport a competitive advantage?
12. How long did your facility prepare to convert to a common use facility? How long did you prepare for each aspect of implementation?
13. What were some of the largest costs associated with the implementation?
 - a. Cost for signage?
 - b. Cost for Kiosks?
 - c. Cost for gate Equipment?
14. What resistance was experienced from the resident airlines?
15. Why did your airport decide to move in the direction of CUF?

Thank you for participating in this interview.

APPENDIX C- INTERVIEWS

Newark

Q: My first question is: What aspects of a common use facility has your airport implemented.

A: We have kind of two different kinds of that here. In terminal B, we have an international facility, and that international facility has 15 common use gates, as well as a customs facility, and that is ____ facility. Would you like me to give you a little background?

Q: Basically, what a common use facility is, is where they have ____.

A: So, would you mind us giving you background?

Q: Oh yeah, go ahead.

A: Basically, our purpose is to leave gates and all the associated space to an airline and have them assume all the basic responsibilities and all the liabilities that go along with that. This is the airport of the New York metropolitan area, so there is enough demand to do that. Now we have 15 common use gates in terminal B that are utilized for the international or non-United Airlines international traffic, although they just fell over into it and used it as well. And that is because these international airlines do not have the critical mass to lease gates from us because they are only flying once or twice a day, or less than that, maybe three times a week, so they pay us really just on a per-use basis and then the passenger fee associated with the use of that gate. Probably the largest gate users are British Airways, Virgin, Atlantic, and Porter Airlines now that _____. So some airlines are again pay just a lease and they do not have any property rights. Now, for the rest of the airport except for six of those gates is really only ____ Airlines, of which United is the bulk carrier here. There are six domestic common use gates in terminal A six out of, I believe, 28 total gates, so we have six gates in terminal A that we use to accommodate domestic airlines, for instance, I believe Jet Blue is on those gates and even United is just on a usage basis, so we do not have any long term rights to those gates. Those gates ____ a little different from the way we operate the common use fees and terminal B, which are the gates ____ served by the airlines, so we have a safe, appropriate way to schedule those gates and the use of those gates based on a passenger basis. In terminal A, the airlines start an agreement with us where they basically we like them to guarantee so many turns per day so the gate is fully occupied, and if they do not, we have the right to obviously place additional business on the gate and we like to have ____ maintenance responsibilities for those gates.

Q: Right.

A: So those are the two business models that we utilize at the airport for these common use facilities.

Q: Okay. So how long did it take you to implement those portions?

A: Well, I think the first four of those gates of terminal B have been utilized in that manner since the late 1990s and the other six gates that we have been using in terminal A we have been actually up to eight as of right now. ____ the long term lease is there until 2018 in terminal A

and as airlines have changed or merged or gone out of business, we use that as an opportunity to fix that gate. The number six I gave you is actually eight right now because American Airlines we just renegotiated their lease with them. We took back three gates, of which we are leasing one to Virgin American who will start flying here in April but they are doing it not on a common use gate, they are leasing the gate till 2018. Then we have ___ gates that are available for common use that are available for any other new entries _____.

Q: Common use not only has to do with the gates but it has to do with signage, kiosks, and such. So what other parts of the common use have you implemented? Have you done kiosks or integrated signage?

A: I talk about gates, we really talk about all the associated space that is required to operate at the airport, so we will give them, say like Jet Blue will basically have two gates that are fully utilized and all the associated space including ticket counters, bag belts, and all the stuff needed to operate at the airport, so the space is divided up on a per gate basis. We have divided up depending on how many gates you want we will assign to that proportionately the amount of ticket counters and other stuff. If they want a kiosk, it is really up to them to install. Right now, there are no common use kiosks at the airport.

Q: They are all one airline...

A: They are all airline specific. If they want one, we do not mind them putting it in.

Q: So basically, if you are going to add gates, you just wait until someone leaves that gate or do you have future plans to take over gates that are not used readily?

A: Right now, we have more capacity in common use gates than we have airlines willing to come in here, so in the future, like, you know, in terminal A when all those leases expire in 2018, we are really debating on the business model that we might utilize with the idea that we would really like to have is for ___ portion in 2019 common use facilities and so the Port Authority and the airport operator can maintain full control as to accommodate new entrants. A decision has not been made yet, but my guess is it will be a mix of long term leases with airlines assuming maintenance responsibilities and liabilities and at the same time having the airport operator regain a certain amount of common use to accommodate new entrance and growth for access to the airport. But as of right now, there are more common use gates than airlines to accommodate.

Q: For the interview standpoint, how many total gates do you have and how many are still exclusive?

A: There are 110 total gates here at the airport. Fifteen of those are international common use gates and eight are domestic common use gates.

Q: And then everything else is still exclusively leased?

A: Correct.

Q: Do you know roughly how many kiosks your facility holds?

A: Look, I mean, again the assignment of the kiosks ___ if the airline wants to do that. I think that is more. Only airlines have a critical mass to set up their own kiosks because of the

market we are in. but I think a company kiosk is more typical in secondary markets where you might have a lot of airlines sharing a kiosk, but over here, they might put it in themselves just to make the check in process easier and more efficient. You know, United Airlines has over 60% of the passengers at the airport, they have a number of kiosks all over the place. Those other airlines, including Jet Blue, who are on common use gates, I believe they have them as well. ___ long term lease kiosks, again, just to speed up the check in process.

Q: So for the gates that are common use, the equipment that goes along with that, responsibility for that has been taken over by the Port Authority or by the airport, is that correct?

A: Can you say that again – for the gates that are not common use?

Q: The gates that are common use, for the equipment like the tugs and the jet bridges and things like that, responsibility and maintenance for those – who is responsible for that?

A: Yes, the airport operator is responsible for those common use gates.

Q: I know you say you try and segregate the common use from who is still exclusively leased, have you had any kind of integrated signage within your airport?

A: Yeah, sure. Specifically, we have signage on the airport that is really and airport operator function to provide, so those access signs in all the terminals, those signs that you might see, including for terminal C, which is exclusively United Airlines, they even break out where arrivals are, departures, or maybe their international business. It is all an airport operator function.

Q: I just know in my research that I have come across problems with, you know, if Jet Blue is at this gate at 11 o'clock and then American wants to be there at 2 o'clock, how do you integrate that signage, is I guess, my biggest question.

A: That signage, it might be generic, that happens not to be a problem here because where we provide it is actually in the international facility, it is not necessarily those domestic airlines, but for instance, the ___ might be leaving now and ___ might be leaving from the same gate later on. Everybody might be directed to the same gate, but we have those electronic boards that advise everyone of what gate the airline is departing from and the time of departure, so everybody is going to know where the gate is and have an expectation of the departure time. And we have integrated signage also ___ changes where ___ I mean, it changes based on the ___. It's electronic.

Q: Since you have implemented common use, how has your customer service changed? Has it improved?

A: I think that common use does not necessarily have an impact on the end customer. It is really a business model that the airport operator chooses along with its airline customers to accommodate business. I would say peaks and valleys might be seen in therefore ___. When you have the benefit of a significant critical mass, I believe ___ the business owned by it, the airport would like to just lease space and be a landlord for the airline that can accommodate that lease and have that critical mass of business. So the common use concept is really to be able to provide flexibility and to accommodate new entrance so there is not one dominant airline that controls

all the critical airport assets. They are hoping ultimately that that accommodation has an impact on customer service, but the physical customer service you are hoping is almost blind to the user of the airport.

Q: So how has your capacity within the airport changed since this implementation?

A: Well, the capacity has not changes as a result of this implementation because a gate is a gate is a gate. We have not added gates. We have just taken them over and made them available to other airlines. You know, if this particular airport is also challenged because of the FAA ___ system, so because they are all for managing suggestion and see how effective or not that is, but it has an impact on our ability to grow because they have imposed a ___ system that they manage that really manages to the amount of operations you get through her an hour. Your question is how does this ___ accommodating growth. They can only accommodate growth if an airline can get in here and use those gates, but that ___ system is going to impede that.

Q: So do you feel that common use has given your airport an advantage – what kind of competitive advantage do you have over the other airports there?

A: We have a competitive edge because I would say we are a mixed bag. Not all accommodate customers who want to invest – I mean, United Airlines, formerly Continental, invested over one billion dollars in this airport, so we want them to be able to have somebody bring in other people’s money and invest an enormous amount in the facility and we want them to be able to bring in that improvement to the airport with other people’s money. And so, that being said, that combined with our common use gates, gives us the ability to try to attract other business into the airport so there is not any one carrier that can claim exclusive use of all the property and deny entry into this market. I think the ___ of business models has served the airport well.

Q: So you said the implementation started back in the 1990s. How long did your airport prepare for this shift to common use?

A: You know, I wish I had that much history but I do not know. The international facility was built in the mid-1990s and that was a ___ terminal B and those gates were converted to grow the international business and to make available to those foreign carriers who do not have the critical mass to lease your gates. I just do not know the implementation time. I would say it was not difficult in terms of the legal option to develop a ___ for that. The difficulty was the investment of the construction needed to build the MIS facility associated with the gates that would accommodate that international business.

Q: What were some of the largest costs associated with moving to this type of facility, was it signage, was it taking over the equipment?

A: The largest part is risk associated with having gates not leased. That is your only ___. I mean, if you are building gates, just to take a number out, 10 million dollars each or 25 million dollars each, probably more reflective of today’s market, if you have a specialty realty business, you want to be able to flip it over ___ pay down your debt on that investment. The common use facility and all associated issues, like you said, signage, there is ___ systems, there is everything, the brick and mortar that go into that, ___, the reading the ___ of the PSA. The whole thing of providing it on a use basis rather than having the ___ cash flow that comes with a long term

lease, so it is risky to provide those common use gates because you do not have a use for them 24 hours a day, but as an airport operator, we look to mix business practices ___ special amount of gates ___ not a guarantee of cash flow as well as any airline could, but at the same time ___ provide the ability to attract new business here.

Q: When they implemented this, were the airlines hesitant to go to this or what kind of feedback were you getting from them?

A: Well at first, I do not want to mention names, but the newer airlines that are coming here in April have put up ___ in San Francisco and LA, they have an option. Do you want to lease the gate until 2018 and have all the maintenance responsibilities or do you want to be on a common use gate? And so, they opted for leasing the gate because what the idea is they want to be able to put as much volume through that gate as possible and receive their ___ costs, so if you are going to be an airline that is going to do seven, eight, nine, ten flights a day on these gates, you do not want to pay those common use charges, you want to have a fixed charge so you can put more volume through it and your cost per passenger goes down. So that is the option the new airline opted for because they are a high volume operator. If you get an airline that wants to do two flights a day, they probably would opt for common use gates where they do not have that obligation to pay the full rent but just pay the use for them to ___ the day.

Q: I like that idea of how they have, some of the research I have done, there has been a lot of push back from the airlines about going to this. So ultimately, what was the deciding factor for you to move into common use?

A: What was the deciding factor? I think it was just that we want to free up some gates. Again in the mid-1990s, we wanted to do it to accommodate and grow with the international business here because we knew we would not ___ to those European and Asian carriers who had no interest in leasing the gate long term. So it was a business model developed so we could attract that business, and domestically, we just thought that since United spent a substantial amount of money in the late 1990s in growing this airport, that it was probably wise to set aside some common use gates to try to attract other airlines that might not have the critical mass to lease the full gate for 24 hours a day and 365 days a year.

Q: Were you at capacity when you decided to move into this or was it just a business model decision?

A: I think it was a business model decision. We still have more capacity as a high volume airport and there are gates available. If you were an airline and you were calling me, I will tell you to come down tomorrow, we will get you on a gate, and get you started and I believe that it is a business model. As a public airport operator, you want to be able to accommodate new entrance airlines as they ___. And as for the economic environment over the last few years, it has been somewhat difficult, we are hoping it turns and we hope we start attracting new entrance again.

Q: That completes my portion. Do you have any addition questions or anything?

A: No. I think you should fly us and tour the airport.

Q: I wish I had the time.

San Antonio

Q: My first question is what aspects of common use facility has your airport implemented?

A: It has all been in the planning and preplanning stages with the exception of some IT infrastructure that we have put in place and we have built our newest terminal about two years ago.

Q: So two years ago is when you started planning for this common use.

A: Yes. Especially prior to that when we were designing the building, so probably closer to four. We actually put in some infrastructure two years ago.

Q: What parts of common use do you plan to implement? I know you said that you have some IT stuff in place already.

A: We have two concourses here, really two terminals, but one of them is terminal B, which is the newer one, and terminal A. Terminal B was actually built with common use in mind, so we could turn it on tomorrow if we needed to. So from all the ___ to the back wall monitors to the infrastructure, everything is ready to go. Terminal A, which is the older one, on which we are doing about a 30 million dollar renovation to, one of the projects is called the IT mod and that will do everything that B has so from the cabling, the common use monitors and stuff like that. Where we are going to be is, the next step would be the business decision of when would we actually turn on common use, and that will likely be in about two years and what we will do is a phased approach, and we will probably do half of one of the concourses.

Q: So, you are working on implementing side A, you are working on putting it into place?

A: In part of it, it will be in about two years.

Q: You plan to complete that part of it in about two years, right?

A: Yes.

Q: Do you have any kind of kiosks in your facility or do you plan to put any in?

A: We will do that when we actually implement common use, so right now any kiosks that we have are all individual airline owned. We do not have any common use kiosks yet.

Q: How many gates do you have?

A: We have 24 gates.

Q: And they are all exclusively leased still?

A: No, they are not. We do a preferential gate, we do not do exclusive. The majority of our gates are exclusive. Number one, we look at utilization, like Southwest Airlines, the amount of turns they do per gate, it makes no sense to go to common use on that because they are more efficient than the common use would be. On our other gates where we have one or two carriers

that have a preferential use right now, we will probably go to common use. We have four gates that are called city gates that look and act like a common use gate. We control and determine who goes, the times they go, and stuff like that, but it is really not common use, but they are city owned gates. They are not leased to anybody. We do all ____.

Q: When you say a preferential gate, how does that work for you?

A: Preferential versus exclusive: Exclusive says that Southwest can use it and only use it and that is the way in reality it works but when you put them on a preferential it says hey that is your gate, your brand and everything, but if something bad were to happen at the airport, and I need to get access to your gate for another carrier, it has to let me do that. It would likely never happen with the exception of an emergency and most airlines are willing but when you tie yourself into an exclusive that is it.

Q: I have this question in here, but it does not really pertain yet. When you plan to move into common use, is the airport going to take responsibility for the baggage belts, the tugs, and the catwalks, and that kind of thing, or who is going to be responsible for maintenance on those?

A: Well, we actually do that now and we do it through what is called a consortium. The BHS (baggage handling system) we built two years ago. We own and operate it, but now we operate it through consortium. Are you familiar with consortium?

Q: Yes.

A: So we do all of our jet bridge maintenance and we own all the jet bridges, the baggage belts and all of that is done through a consortium.

Q: So when you do decide to move into common use, that will not be an issue?

A: That is right. That is basically already in place.

Q: Was that something that you planned out when you built your second ____?

A: Yes.

Q: With common use, you have a lot of integrated signage. Have you already started doing that? Is that part of what you have already implemented?

A: That is what we have in place and some of it is being used as common use, you know, for messaging and stuff like that, but most of it is just there ready to turn it on basically. I mean, it is there being used, but Southwest is only running Southwest stuff. When we go to common use, then we could run whoever we define to that gate.

Q: I know you have not completely done this yet, like I said, but do you anticipate a passenger change or a customer service change? Do you anticipate that to be better or how is this looking for you?

A: We think ____ simple fact that we can accommodate more carriers and the utilization of the facility. Will the customers really notice this? I do not think so.

Q: You said you started preparing for this about four years ago? Is that how long it took to plan it out?

A: Part of it was because we were building a new facility so we wanted to build the capability into that and a lot of it was ___ we were so constrained by dates, but with the economy, we do not have that pressure anymore, so honestly, that is why we are not probably implementing common use as fast as we normally maybe would have because with the decrease in airline activity, it is just not putting the pressure on the gates that we had before.

Q: So before you built your second terminal or second concourse, were you at capacity?

A: Oh yeah, absolutely. That terminal was built as a replacement for one that we tore down, so we actually gained no additional capacity, and common use will actually delay us building a third terminal.

Q: Since you have built your second terminal, has your capacity increased.

A: No it has pretty much been the same. We have a little bit more of an increase in international traffic but not really in domestic carriers.

Q: It took you about two years to build your new facility, correct?

A: Yes.

Q: Do you anticipate adding more things for common use and how long do you think that will take?

A: About two years that we are doing now and that is what we are doing in terminal A.

Q: It will take two years for each portion, you think?

A: I think it will take two years for us to do all the renovations that will allow the second terminal to be common use ready.

Q: How long have you been working on terminal A now?

A: We just started.

Q: What do you think was the biggest cost associated with this? Do you think it was the integrated signage, regaining control of all of your equipment?

A: The IT associated work. Building a new terminal, we did not see a difference in cost because it was just part of the building construction. Where we are seeing the cost is in the renovation, which most airports would see and that is the new cabling that is required. I mean, we were running very old fiber and stuff and so it is the back wall infrastructure that we see as being very expensive, which is cable.

Q: Have you talked to your resident airlines about going to common use and what kind of feedback have you received from them.

A: For the most part, yes we have talked to them. For the most part, we do not get any push back, especially when we talk to the dominant carriers like Southwest that is doing a great job with the utilization and we kind of tell them hey we are going to leave you alone and everyone else can just be happy. For the smaller carriers, it is just going to help them out on costs.

Q: Definitely. Ultimately, why did your airport decide to move to common use and how has it been working?

A: We have not moved there yet and the decision to do that again is going to be a cost driven one because that will keep us from building a third terminal.

Q: Do you foresee building a third terminal in the future?

A: We have it in our capital program, but we have it for about 10 years out and that of course will be market driven but without common use it would probably go from a 10 year plan to a 5 year plan.

Q: I think that is all the questions I have. Do you have any questions or anything for me?

A: I do not think so. What do you plan to do after you get your degree?

LAX

Q: What aspects of common use has your facility implemented?

A: We have implemented several different common use software solutions over the last 30 years. We started in 1984 as the first common use airport in the country or actually the world. That was a homegrown solution that we contracted for with Motorola and what happened was that was really a gateway to ___ systems and it was a way that we were trained to manage building facility for the Olympics in 1984. Following that, Motorola spun off its components to both ___ and ___. ___ really took the ball and contracts for LAX and maintained it for a long time. ___ entered the market later and was not able to really gain much traction because ___ had been in the market for a long time. ___ was in use here up until 19... well, it is still in use today and it continued to be used by the airlines at Tom Bradley International. In the year 2000 when we wound up having the need to validate all the systems for Y2K, the airport discovered that this dynamic display of signage in the terminal ___ information displays and our airline name displays were not compatible and had to be replaced. At the time, there had always been a push by the airport to move to common use and our airport was very close to capacity and sometimes over capacity. At the time, we actually had fire marshal closures of the building, so passengers were not actually allowed to enter the building. This was in the year 2000 because air traffic was huge and growing and we had no way to manage it because the building was at capacity, so they decided to ___ to a common use ticket counter with the airlines cooperating to try and basically load balance the building. They started working together at the airlines to ___. The airport authority said, "Well, we really would like it to be something that we control because this is getting out of control and you have not managed it effectively," so there was a push to move to common use. With the display signage and the gate control software not being Y2K compliant, the airport said we are going to put in our own common use system and airlines would put into their lease agreements with the airport once ___ at the end of their maintenance contract, you are going to move over to our system. We did that for a lot of reasons, not just because it was not

full managed by the airlines, but they also did a poor job of customer service themselves, so broken ___ printers and things like that were allowed to happen. We thought we would do a better job managing it. So then, once September 11 happened, our capacity dropped and we all of the sudden flipped to well we do not have that much activity anymore. The ___ said well this is costing us a fortune and we are not going to move to common use anytime soon, so they dropped ___ and the support contract and they converted to a single use sign display control software with Comet and then the old gate management system would _____. Did you have a question?

Q: No. I'm listening. Go ahead.

A: So then we wound up the building was set by 2004 to become 20 years old and we had new mandates for baggage screening and so we re-engineered the building to be able to put the bag screening systems away from the passenger lobbies. As a result of that, they moved to common use. It was competitively ___ and ___ was awarded the contract.

Q: So ___ still has the contract for IT?

A: Right. They still have the contract. The airlines actually operate the ticket counters and the gate systems, but the core system that drives everything is owned by the airport authority at least for now.

Q: So over the past 20 years, you have slowly been implementing these portions of common use for one reason or another?

A: Right. We are switching really slowly compared to other airports and I looked at, when I started working on common use in terms of the designs, I said, you know, we are not going to be, I looked at the implementation models and I said we are not really going to be like Las Vegas where we can just come in and spend the money because we have got the money issue ___ all the gambling revenue in Las Vegas. I mean, the measuring their revenue of dollars per square inch and that cannot be ___, so I said, well we are just not going to have that kind of money and our airport authority has vacillated back and forth with we want to do well by the airlines but they do not work nicely together because they are all competing. And then, I looked at other models where airport terminals that were big enough that could really force the issue on all the airports like Toronto and I said that is not going to happen here either because there is going to be no major reconstruction of everything during a downtrend in the aviation industry. I approached management and the airlines and I said you know what I do not want to call it common use, I am going to call it shared use. Because shared use means we are going to work nicely together. We are not going to come in and mandate you got to do this. You are not going to mandate back to us that we have to do it this way. If we can provide something better, then we will provide it to you. If you can provide something better, we will take it so that we got out of the animosity that typically happens in common use.

Q: Do you have future plans to implement more common use within your facility?

A: Yes. We actually when we did terminal 6 redesign with Delta, we said, you know, this was our vision before of one kind of common use system. We are running ___. It works well. Do not take our word for it. Go talk to your airline participants and at Bradley, it works really well. If you want to use it and are okay for the development, go ask them to install it. There was a back and forth as to whether we should do it ourselves or they should do it and management

figured out that it was probably too complicated to figure it out formally and do the costing correctly, so they competitively procured it, but in the end they said you know what if it works, we are going to take that. They did and they have been working with it and it gives us the ability to actually share information.

Q: Do you have a projected timeline on the rest of this stuff? Do you think it is going to take a couple more years?

A: We do not have any formal policy to adopt common use for all the airlines in all the terminals but what our policy is based on the carrier, what their strategy is, we want to work with them. So if they want to install common use and they want to follow what we have installed, we are fine with it. If they want to install something else and it is in a lease hold area that they have and they have a long term lease on it well that is their business.

Q: Do you have kiosks within your facility?

A: We do in the international terminal. In the domestic terminals, it is completely up to them what they want to deploy.

Q: How many gates do you have?

A: I was going to try and find that out, but I actually did not. We have been doing so much construction, I wanted to verify the numbers with properties. It has got to be somewhere near 80 to 90 gates at least.

Q: What portion of them are still exclusive or not common use gates?

A: Most of them. There are only about 20 that are really common use.

Q: Where anyone can come in and use them?

A: No. That is right. Anyone can come in and use them. There are other gates that the airlines operate under assured tenant agreement that they have got with airlines that have been assigned to those terminals, so Southwest and U.S. Air work cooperatively to manage their gates in that terminal. We stay out of their business if they are doing it efficiently. If we find in certain cases that the airline is not using them efficiently, we go back and say you know what that is not even real estate. We have new entrants, but what are you doing with this? And most of our lease agreements have trigger clauses that if they are not utilizing all of their lease hold gates, we have the opportunity to actually take them back. It is not something management intends to do. It is only if an airline was really doing poorly that they lost capacity so much. Like United, after September 11, terminal 8 was vacant. In that case, had we had that kind of a lease agreement in place, we would have tried to take it back.

Q: Who owns the baggage handling systems and the catwalks and the tugs? Is that the airlines' responsibilities for that stuff or is that on the city? Or how does that work there?

A: Again, everything at the airport is based on property ___ and we being a legacy airport, the first ___ airport, we had very old lease agreements, which were long term so we typically operate on a terminal by terminal basis and an airline by airline basis. It is very convoluted. In general, what happens is the airlines take care of everything on their lease hold so that is the jet

bridges, that is the baggage handling systems. In certain cases, like in terminal 2 where we had a corporation called LAX2 in place, which was a consorting of airlines that have gone through mergers and acquisitions and are no longer really there. When Delta and Northwest merged, Northwest was in terminal 2 and they were the dominant carrier, so they had all the maintenance contracts, all the support, and everything else, so when that merger happened, they moved over to Delta's lease hold space, which was longterm on that part, so we basically had to work with ___ to pick up all of the aviation services in that building ourselves. But we are still working with the airlines in that building collaboratively.

Q: So for the 20 gates that you do have that are common use, who takes responsibility for maintenance and stuff on those jet bridges and stuff like that?

A: That is under, it used to be called LAXTech, and it is now Tipitech.

Q: You are outsourcing that ownership?

A: We outsourced it to basically the airlines in the building and they operate as a not-for-profit corporation that is responsible for managing the building's common use services. So the ticket counters, the gate readers, jet bridges, bag make up system, they take care of those maintenance issues. The core system in common use are the servers, communications systems, flight information ____, all of those are city responsibilities and we have a separate contract ____ for those.

Q: How did the integrated signage work for your facility? Did you have a problem converting over to that?

A: We had many problems when we converted over to the current ____ system, we will put it that way. It was terrible because it had been built over 20 years with technologies being implemented at different points in time. It was common to have paper signs up in the 1980s and the 1990s in the terminal. This just did not work. When we converted to Arrant it worked for the first time so by 1990 the signs were in decent condition but very difficult to maintain because we were told that our renovation was going to come and it took 10 years between when we implemented the Arrant systems ____ so we had source parts that had not been made in a long time. We had to support our AEG board, which was made in Germany in the mid-1980s, so it was all 10 to 15 year old hardware. It was very difficult to maintain. And then when we replaced it all, everything worked much better.

Q: How do you feel you feel about your customer service? Did it improve? Did it get worse? What do you think?

A: It got much better. We implemented some things like we redesigned the baggage systems we had implemented a long term bag drop, so international customers would be here sometime like six hours before their flight departures. They would have to carry their bags around and with the common use system, we engineered it so that they could get their boarding passes, bag tags, and then drop it and then it would be in the bag make up system and as that flight was being called for actually putting the bags on the plane, it came out of the storage bins and was assigned out to the planes, so it was much better for customers.

Q: Wow. That is awesome. How has your capacity changed? Did you say that you were at capacity when you decided to move to common use?

A: We were at capacity, and then the other thing too, during the construction effort, we actually modeled the departure, the ticketing lobbies for departures and we discovered that we did not have enough capacity on the ticket counters, so we actually had to move part of our facility's check in to the lower floor, the arrivals level. That would not have been possible without common use. It both provided capacity and then we could ___ that capacity if we needed too, so it was very helpful to be able to do that.

Q: How do you feel common use has given your airport a competitive advantage over others?

A: It is easier to operate here as an airline. It is much easier for us to add and to be flexible with the airlines that are here. In terms of passengers, I think it probably works better for them. The flow is a little bit easier. It is a little bit better. Ticketing lobbies are not filled with screening machines, so it does work better. Plus, we also have an ability to direct customers to the correct ticket counter. We have 144 ticket counters here at LAX in the international terminal and you have to try and find your ticket counter and it changes, so they are not always on the same street, so with common use, we are able to actually put up direction signs to help passengers navigate to what the right ticket counter was. It has worked a lot better.

Q: Before your implementation many moons ago, how long did you prepare to move to that type of facility?

A: First of all, we have never not been common use in the international terminal, so the move to it was more radical when we first started up in 1984 because airlines were used to having dedicated terminals and they were like what you want us to log in any place, so that whole notion of transitioning never really took place in any of our solutions. It was more ___ or just the airline consorting ___ best one to do that. That has been more of the issue. It is not like a lot of airports if they are trying to convert to it and it is a new thing for the airlines. It is more we have been doing it all the time.

Q: This is not part of the interview, but for me I feel like through what I have learned the airlines because some of this is so old, they are more willing to take it on instead of being very hard headed about it.

A: One thing that the common use does for now and one of the other things my airlines are not so against common use anymore – it controls their costs much more effectively. There are some airlines that go oh good, you are common use, I do not have to set it up. So they can just come into the airport and go oh you have got a ___ system, great, I do not have to pay for the IT stuff and the communications stuff. For my airline, I just have to connect to my host and you have got it all set up and the gateways are there. It really helps new entrants. That is the other thing that we are planning on using it during construction efforts, it is going to be easier to relocate airlines. I think that is where is going to be playing out more with our airport than with other airports because we have a lot of moving that we are going to have to do and we may construct these terminals while we stay operating.

Q: So you are still in the process of trying to update your old system?

A: Right. I like watching old movies and there was a movie that was done in 1966 called The Loved Ones and I looked at it and went it has not changed. It still looks the same, the terminal building and I was like wow it is really old. The building is so old it has asbestos all over it, terminal 3. That we just decided we are going to just knock down and rebuild. We have a lot of aging infrastructure. Just our elevators and escalators, just to give you a sense of it, all of them were put in in the 1960s. None of them have been really changed, so we are spending half a billion dollars on elevator/escalator modernization over the next three years. It is like more than a terminal ____.

Q: What is the largest cost associated with this? You think for you it is the infrastructure itself?

A: And that is because of our old buildings because they did not have networks back then.

Q: We kind of just discussed this about the resistance you received from the airlines at first, were they kind of like I do not know about this or how did that work?

A: There has always been a bit of what are you going to do to us because they are afraid we are going to do something to them that will hurt their business and I think LAX more than many other airports has really tried to develop an attitude of working with the airlines now. That had been different in the early 1990s when Mayor ____ took office and you may have heard about this but he was trying to privatize our airport and then airlines and the ____ were adamantly against it. At that time, we did have a ____ between the airport and the airlines. We had a lot of problems in calculating rates and charges and ____ a lot. When our new executive director took over about five years ago, all that changed. She just came in and was like this is crazy. You cannot rebuild an airport, you cannot keep it operating if you are arguing with each other all the time. So she really smoothed over a lot of problems with the airlines that way.

Q: You have a lot of international stuff. How did the international airlines respond to the common use idea?

A: Most international carriers prefer common use. Most international carriers do not do dedicated systems.

Q: Just because they do not have that many flights?

A: It is also a combination of flights and then they may change planes, they may change routes. It is just easier for them not to have to worry about deploying their own systems as opposed to the old style aviation carriers like American and United when they came in, they did everything. We were just landmarks.

Q: As we discussed before, what was the biggest factor for your airport to go to common use?

A: Capacity management.

Q: And that has definitely helped?

A: Absolutely it has helped. It would not be possible to run the airport as efficiently without it. The other thing too that you may want to also consider when you are asking other airports,

ours was paid for in part through revenue lending fees, which permit use of ticket taxes for capacity enhancing programs or projects, so that is in fact how we paid for the core systems that we just installed like five years ago. That is not always the case. Not every airport wants to spend money on those kinds of systems.

Q: Along with you having capacity issues, did that, I do not want to say slow down the process of building another concourse, but you know, did you add concourses throughout this?

A: We added a temporary check in counter facility in our arrivals hall, which fortunately had enough space to accommodate it and we took our dominant international carrier, Mexicana, and that means they are not likely to move around very much. They are mostly ___ destination to and from LAX so they essentially, although they are an international carrier, they operate very much with Southwest and they are not going to move around much and their load balance is pretty similar, so that let us move a lot of ticket counters down there and then it freed up the upper normal departure lobby for construction.

Q: Do you think LAX will ever add another terminal? Is that needed because of common use?

A: I do not know if it is really needed because of common use. We are reconfiguring, we just completed, the board just approved a week or two ago, a specific plan that is calling for construction of terminal 0 and reconfiguration of the existing spaces so it operates ___ is more the way I would put it. It is not that common use will be driving it, it is more that we need a better, more efficient layout for the airfield.

Q: I think that is it for me. Do you have any questions or anything?

A: No. If you have any other questions or if you want me to get any more detailed numbers on anything, just contact me.

Nashville

Q: What aspects of common use has your facility implemented?

A: Will you give me your definition of common use?

Q: Common use has to deal with gate usage that is no longer exclusively leased. They can be...

A: Currently, right now, we do not have common use gates per se. Each gate space or ticket space is assigned. However, we are going through the final phases of a terminal renovation and within that terminal renovation, we are going to implement what will be common use space. Right now, we have what is considered to be mostly legacy carriers, which are the names you are most familiar with, Southwest, American, Delta, those carriers. Typically, those carriers in locations like Nashville desire to have their own space for branding purposes. They are large enough that they do not want to use common space.

Q: You said you are just finishing up renovation for this?

A: We had a 3 tier terminal renovation. And the last phase of that renovation is we are going to convert some ticket space and some ultimate gate space into common use ___ gate space.

Q: How long has construction been going on?

A: Well, there have been three phases, so I mean, we started almost five years ago, so in totality.

Q: The portions that you plan on implementing will be gates? Do you plan on doing any kind of baggage system, integrative signing, kiosks, anything like that?

A: All of that will be done in association with the final phase when we establish the common area, because what happens is, you have to have those things. Gates, ticket space, they will still have individual office space, but baggage, all of that.

Q: Do you have anyone who is looking to come in and be common use?

A: We have had some smaller airlines inquire and we have had some airlines within the area who do not currently serve Nashville inquire, but airlines are very secretive, so they will make a determination when we have it _____.

Q: Do you plan on putting any kiosks in? Do you already have kiosks in place?

A: We would establish kiosks, but right now, no. Nothing currently is in place, because it will not be done until that final phase of the renovation.

Q: Do you do exclusive leases at Nashville?

A: Yes. Right now. Everybody leases their own individual space.

Q: The majority of airlines at your airport are?

A: Yes.

Q: How many gates are there at Nashville?

A: Let me see. I do not know. We always look at them by concourse.

Q: There are three concourses, correct?

A: There are three operational concourses, actually four. We have a D concourse that we no longer use because that was dedicated for American Eagle when this was a hub, so we have three active concourses. In regards to facility, we actually have four. We have A through D. Concourse A is our one concourse, B is the next, C is our largest concourse, and then D was the American Eagle hub. Now it is vacant. We have about 50 gates total.

Q: When you do move into common use for those gates that are going to be common use, who will take responsibility over the baggage systems, jet bridges, and tugs for those gates.

A: They would outsource it.

Q: Each airline would outsource for that?

A: And what will happen is most of the time they all agree on the same, everything from who is responsible for cleaning the areas, doing the above wing and the below wing, they will typically outsource.

Q: With your phase of construction, did you integrate signage? Is that something you have gone to for these gates?

A: No. Typically when we do signage, we will put it up last. That will be the last thing we do because it causes passenger confusion.

Q: But you do intend on doing integrative signage for the common use gates?

A: There will be integrated signage done in a manner that each airline can have some sort of branding, but yeah.

Q: Do you anticipate your customer service to improve with this?

A: I will not necessarily say customer service, but I will say it will allow for some additional destinations. We think our customer service now is pretty strong, and basically for a city the size of Nashville, we have almost every domestic destination we desire. There are only about four or five more cities that we do not have direct service to that we would like to obtain but it would allow, in our mind, for greater competition, which typically will lower prices for our passengers out of the city, and it does open the door for potentially international connection.

Q: Do you think this will increase your passenger capacity?

A: Not capacity, but I think it will increase our passenger _____.

Q: How do you feel this will give your airport a competitive advantage over surrounding airports?

A: It would allow for easier or less expensive entry into the market in that we would require an airline to initially there is less capital outlay because they do not have to build out ticket space or gate space and that type thing. They get to lease less space.

Q: In your planning stages of going to this type of facility, how long was your initial planning for this?

A: Our planning was over a three year period before our ultimate master plan. It was over three years that we looked at, you know, what would be best for the airport.

Q: Was it in your capital projects?

A: It was part of it. We just did not break it out. They typically will not break it out. You typically to gate space to gate space, terminal space to terminal space. You would, from a business perspective, we asked for things and our engineers and our techs made sure it was put in there, but it is not broken out.

Q: What do you think is the largest cost associated with this? Do you think it is going to be signing or the infrastructure itself?

A: No true cost. I mean it is not costing us any additional. We were already doing a terminal renovation.

Q: Do you think that you will experience any kind of resistance from your current airlines or your home airlines?

A: We do not _____. We do not anticipate it in that this is very common across several airports. Some of our legacy carriers, depending on the fee, actually have similar relationships. If they do not have a very large presence in an airport, some of our legacy carriers may have already have multi use arrangements.

Q: Why did Nashville decide to go to a common use facility?

A: First, we had the capacity. Second, it allows us to anticipate for growth. Third, we have had airlines inquire about it.

Q: Before you made this decision to move?

A: During our initial master plan investigation into what we were going to do with the terminal.

Q: I think that is it for me. Do you have any additional questions?

A: I do not.

Las Vegas

A: Why are you interested in common use?

Q: When I started my master's thesis, everybody kept preaching, you know, you need to find something that interests you first of all and I had to do a competition for the FAA on, I think it was ways to expand existing facilities, and I stubbed across this in my research and it really kind of interested me and then I wanted to pink something that could maybe channel me into a job right out of school, and so that is how I fell into this, and I have really enjoyed it so far.

A: Good.

Q: Anything else? Any other questions?

A: No, I do not think so. Just a real general question too, I am not sure if you are aware there are two transportation research board studies on common use you might want to avail yourself of.

Q: I have used both of them quite heavily in my research.

A: Good. Excellent.

Q: For your airport, what portions of common use have you implemented.

A: Everything. We are really the only major U. S. airport to be 100% common use.

Q: How long did it take you to implement all of that?

A: Well, there are different aspects to that common use and we have been very active in actually participating in helping set the standards, and what I mean by that, is we work with the industry groups, the International Air Transport Association, formerly the Air Transport Association, now Airlines for America, and Airforce Counsel International to help set the actual technical standards around different common use items. We implemented what was formerly called CUSSK, it is now CUPSS (Common Use Passenger Processing Systems) as the industry standard, and I led that worldwide group for a number of years and that is now the standard for ___ facing common use. We worked to help set the standard with those same industry groups on CUSSK (Common Use Self Service Kiosks) and we implemented that in October 2003, so we have about 420 or so kiosks throughout our airport facilities. They are all common use. There are no proprietary kiosks. There is no proprietary airline systems in any publicly accessible area. That is the way our operative agreement language with the airlines reads. Through all that time, we have common use flight information display systems, common use ramp information systems, gate information systems, dynamic signage, and all of the different areas. Our baggage systems are common use, so really, from front to back, top to bottom, it is 100% common use with some of those systems having been implemented at different times. We started back in March 1997 was our first implementation, so we have been doing this about 15 years now.

Q: How long did you prepare for the process to change or to go into common use?

A: We ___ were prepared for the better part of one year, maybe a little bit longer than that.

Q: So you said you have 120 kiosks? Is that right?

A: No. About 420 kiosks.

Q: Are they all on site? Do you have any off site kiosks?

A: We do have some off site. We have some at our rental car facility. We have some at the convention center and so they are both, but the majority of them are on site throughout the terminal facility. It is not necessarily just at the check in counter. There are also some at the entrance to the parking garage and in a couple of different areas adjacent to security check points and those types of things where folks can grab a quick boarding pass and head straight on out to the gate without having to go down to the check in area.

Q: For your gates, do you have any gates that are still exclusively leased or anything, however you call it?

A: We do not. The only thing that we have that may look to some people like a lease, is a preferential assignment. That preferential assignment to an air carrier gives them the ability to set their own schedule on that gate. In other words, if they have a flight change or they have a new route that they need to add, whatever it is, they get the first right to that gate, so it is a preferential assignment type basis. With that said, there are also many gates throughout the facility that we actively manage and keep as county gates and those are assigned to different air carriers generally speaking on a first come, first serve type of basis. So all in all, the common use facility, and I probably should have said this to start, have been an incredible benefit to us. It is hard to really even calculate the benefit that has occurred to us over 15 years in terms of the overall flexibility and the use of the facility, the ability to rebuild certain portions of the facility or out on the ramp and ship carriers almost overnight and not adversely impact their operation.

Just many, many different things. The ability for the carriers to add flight segments that they might not otherwise add if they were just constrained to certain leased facilities, so a lot of flexibility both on our part and on the air carrier's part. And really at the end of the day, I would argue a better level of service to the customers overall.

Q: Tell me, exactly how many gates to you have?

A: I believe we are at about 105 currently.

Q: When you talk about a city gate, is that one specific airline comes in and uses that daily or is it three or four that use it daily, or how does that work for you?

A: So you are talking about a county gate, is that what you said?

Q: Yes.

A: So that can be just a particular airline. Most normally, it would be used by a number of different airlines that generally probably have preferential gates in that area and they are spilling flights over during a peak period onto the county gate. It could also be a carrier that operates in total at county gates. There are some air carriers that do that as well and do not have preferentially assigned gates, so it really is whatever we need it to be for our operation, that is really what it is.

Q: The equipment that goes along with each gates like the tugs, the baggage systems, and the jet bridges, who is responsible for maintaining those?

A: And you touched on an interesting item there, that is jet bridges, and yes we do own all of the jet bridges, as well. We do take the responsibility for maintaining everything that we provide. We have, at this point in time, more than 20,000 pieces of equipment and/or systems that we maintain in our technology group. Everything from boarding pass printers to bar code scanners and kiosks and everything in between, so it is a significant responsibility in terms of maintenance, but that is something we have taken on and we have the staff ____ that provides that maintenance on those types of items, as well as, on other items, such as the jet bridges.

Q: What would you say was your biggest cost? Would it be the infrastructure itself, the equipment, the signage, or the kiosks?

A: You know, everything needs to ride on a very robust network, so the cost, if there is not that robust network in place, that could probably be a significant element of cost from an infrastructural standpoint. However, most airports now, of really almost any size, have a fairly robust network in place. I do not think that is anywhere as big an issue as it would have been, and actually was, for us 15 years ago. That was really kind of when we moved into common use was the same time that we went ahead and put an extensive, campus-wide, high-speed network fiber and high-speed copper network in place that really everybody rides on now. That was on a little bit of the leading edge at the time that we did it. I do not want to say we were the first because we were not. But it was a little bit on the front edge of that wave, if you will. Now as we talk about it 15 years beyond that point, I do not think that is really out of the norm at all even for small hub type airports or smaller airports. If that is the case, if you assume that there is a good network in place and just the overall equipment and maintenance and support of that equipment,

it does not have to be done in-house, it can be done through a third party contractor. That overall provision equipping the provision of service from hardware standpoint all the way through maintenance is probably going to be the most expensive element. Now let me quickly say that the math was pretty simple when we did it. Basically, in our initial installation, the cost of providing that common use system, not including the network infrastructure, but the overall common use system that we have in place, including the hardware, was roughly equivalent to the cost of a single gate, and we had just built some terminal facility, so we had a pretty good idea of what each gate cost us in that new air site terminal facility. Our planners looked at it and said that they felt like we were about 15% more efficient in the overall gate use because of having common use. That 15% at that time, I remember we had 93 gates in place, at that point in time, that 15% would have meant about 14 or so gates, and if you even said well, maybe they were a little bit overstating the case, let us say we were 10% more efficient, that is the essential realization of about 9 additional gates, all at the cost of about one of those gate just in terms of hard dollars. That was the really, I like to call it third grade math, that we kind of went through to say, you know what, there is just almost no down side to this whatsoever. We are so much more efficient. As we have moved over that 15 years, we have extended it into other areas, added things such as kiosks, now self-boarding, self-tagging, all of those types of new processes that make us and the carriers more efficient, provide the customers better service, and I would argue that really from a cost standpoint, it was a no brainer.

Q: I heard you just mention self-tagging of bags. In the research that I have done, TSA has prevented the United States from doing that.

A: That is not true any longer. Actually, at the beginning of last year, well even before that, at the end of 2011, the TSA launched a pilot program. There were three air carriers involved, Air Canada, American Airlines, and Alaska in Boston, Austin, and _____, Oregon respectively, all trialing self-tagging. The air carriers, which I might note, I have been tagging my own bags internationally in other countries for four or five years, so certainly, an old thing. But you are right, the TSA up to that point would not allow that to happen in the U.S. for the simple reason that they saw that bag tag as a "secure document." So in any event, they ran this pilot program, and by everybody's report was phenomenally successful. We were in phase 2 of that trial, so that was phase 1. Phase 2 was going to extend it to several other air carriers and airports and we as one airport had about three partner air carriers that were in that second phase. The program was so successful that the TSA said you know forget this, we are done with the trial. We are not going to have a second phase. We are just going to go away and write the requirements and we will get back to you and release those to the industry by March 2012. Actually, they came back early. I think those requirements were issued I want to say somewhere around late January, early February 2012 and with that, then it very clearly defined what air carriers have to do, and I emphasize air carriers because it is their process, although an airport certainly needs to be able to facilitate it, had to do to start self-tagging. We actually opening up our new terminal, terminal 3, which we opened last year in June, is entirely set up for self-tagging. Any air carrier that operates over there, the kiosks are bag tag printing capable. Everything is set up. There are scanners to scan the tag, which is part of that requirement. We opened in June. We opened with two air carriers self-tagging, West Jet and Air Canada, and they have been very happily self-tagging. Since that time, we have about three other air carriers that we are working with right now that are looking at starting self-tagging in that facility and an additional air carrier over in terminal 1 that is probably about two months out from starting self-tagging, so that is something that you can

mark down and you can mark my words here, self-tagging is going to be the norm. If we were talking five years from now, self-tagging would be something that every single passenger is doing on almost every single flight no matter who the air carrier is or where they are in the U.S. The benefits are that significant.

Q: I had read that the United States wanted to move to that, but the TSA was the holding factor, so is that made possible by the new ETS baggage screening system?

A: Well, that certainly helps. I mean, every bag is going through screening but there are also some other parts of that process that they have tweaked and developed that really allows that to happen. As of roughly this time last year, so over the course of the last year or so, air carriers can apply in a fairly expedited fashion. The first time they do it, it is a little more of a process and a little bit more of a review process. After that first time, then anywhere in the U.S., it is really just a notification type thing and they can bring up self-tagging anywhere that they operate. I really expect over the course of the next year or two for that to really kind of sweep across the U.S. just because the benefits are so incredible significant to the air carriers and the airport. It just literally erases the cues at the bag drop areas where self-tagging is in place. That has been the experience of almost all of the air carriers that have done that and some other reasons they are so aggressively rolling it out.

Q: Does that go along with your kiosks? Do you have certain drop-off places for self-tagged bags on and off the airport?

A: It does go along with our kiosks. The kiosks that are located relatively close to the check in area and, I am just looking here.

Q: Like, at your rental car facility, can they drop their bags there and then the baggage is handled from there to the plane?

A: There is that. That is kind of a different thing. That is off site check in. Are you near your computer there?

Q: I can grab it. Let me see.

A: As they say, a picture is worth a thousand words. I have got your email address here. If I shoot you a couple of pictures, I think I could talk to those and you would have a better understanding.

Q: Go ahead and send them while I am powering up here.

A: Okay. Let me just find a couple.

Q: How did integrative signing work for you? Was that a big issue to put up and make all the airlines go to?

A: You are talking about dynamic signage?

Q: Yes, within the airport.

A: I will say this and I will shoot you a couple of pictures of the signage that we have done too. I guess maybe it can look in here. You know, that was one of the criticisms of common use by the air carriers frankly and it has been for many, many years. Common use, as you are probably aware by now, started out in 1994 and really was focused on the Los Angeles summer Olympics, and the number of air carriers that were going to have to use that international facility. That was really the whole genesis point of common use, and so that was one of the criticisms. I think now, of course, the cost has come down relative to signage that is very bold and vibrant and that really moves past the difficulties of the old days where the CRQ monitors were very small and sometimes, at least in the early days, could not really show the colors properly. Now we are certainly more than able to do that.

Q: Because technology has picked up so much?

A: Well, technology has gotten better and cost has gotten lower, so I guess, it is really kind of the sweet spot.

Q: Would you say that your customer service has improved since your shift into common use?

A: I think it definitely has because we have been able to work and implement many of these new processes in that common use arena that we otherwise would not really have been able to put in place. And then also, the ability of the customers to be served in a customer-friendly fashion. I think that has really been facilitated by common use, as well. I think really, more recently some of the things we have done, the ability to handle more customers in a fashion that is really kind of not cramped and has added value and added service to the customer I think is just really always going to be a good thing.

Q: How has your passenger capacity changed within your airport? I know you said it was like adding 9 to 15 gates.

A: We have certainly seen many cases over the years where we have really been the beneficiary of considerable capacity benefits in that fashion, so where you had, for example, air carriers we were able to mesh together in certain parts of the facility as air carriers that had very strong daytime presence versus carriers that had very strong nighttime presence and really effectively have those operating in the exact same space, where as in the old fashioned way of doing that, that would have been impossible to do. You get some of those. You get some cases where we need to do some renovation work on the facility. We are able to do that in a customer-friendly manner. You know, the customer is really kind of transparent for the most part for the customer especially with dynamic signage. The customer does not realize that this particular place where that air carrier is operating is not where they always operate perhaps. On the other hand, it may well be where they normally operate and of course all the signage very clearly delineates that.

Q: How do you feel common use has given your airport a competitive advantage?

A: Common use really allows us to keep our costs low to the air carriers and that is very critically important to us in making sure that we get service to the city. Las Vegas depends on having service to the city and it is very critical to our community. We are not a large hubbing destination at all. We are mostly origin and destination traffic. So, you are either coming to Las

Vegas or leaving Las Vegas, and that really frankly is what we would rather have. We do not want to be using our terminal facilities or our runway or anything to facilitate hubbing. We really want them coming to Las Vegas. In any event, we think that over all, common use installation really facilitates additional service to the city. That is a good thing for the air carriers. It is a good thing for the customers who want to get here. We want to be able to avail themselves of everything that Las Vegas has to offer. It helps us to keep our costs low to the carriers where I started there and allows them to cost-effectively add service to Las Vegas.

Q: I got your pictures, and the only thing I do not see are the slot machines.

A: That is true. You probably do not in those. I think you can kind of see the picture of the kiosk. Now those are the kiosks that would be in front of that kind of quad set of kiosks with the scale. Those are in front of the bag drop area, so those are all bag tag printing capable. Then they would put their tags on and carry them forward to the drop point, which you can kind of see those stations there where they would drop their bags with the signage behind. You can see the curb site signage in one of those emails and also kind of the overall check in signage that has got a very tall LED sign in front of the different areas. I think I included one of the gate pylon type signs, and that is something we really have a lot of fun with and it has been very well-received by the customers. We have a lot of positive feedback on those. Those are signs where we display actually the destination city is actually a cityscape picture of that city and if you are departing at night, if it is a nighttime flight, then it is a nighttime shot of that city. It is just kind of a fun element. We integrate the weather into that and some other things, as well. We really tried to do things ___ in the gate area but throughout the facility from a signage standpoint that are kind of unique and more bold and vibrant than the air carriers are even doing in their own proprietary facilities.

Q: When you originally implemented common use, what kind of resistance did you see from your airlines?

A: The air carriers often, and it was more of the case back then, but most air carriers felt like they wanted to have their own systems. In some cases, that was kind of an interesting conversation because the corporate folks sometimes wanted their own systems, while the local folks who had the challenges of operative day in and day out and trying to put 10 pounds of potatoes in a 5 pound sack were saying wait a second what is wrong with this picture? Why is it we would not support this because really it sounds like it is going to help my operation out. So it was really kind of a funny conversation because the local folks felt like there was some significant benefits if it really worked the way it was advertised to work and the corporate folks kind of had this we do not like common use mindset, we want to do our own thing. We kind of pushed through that and I think we have really worked hard with all of the different industry processes to make sure that we were facilitating all of the new things. Those conversations with the air carriers have gotten over the years to be very, very positive and productive now. I rarely have a difficult conversation with an air carrier. More often the case, they are coming us wanting us to try something or pilot something here on our common use system and so we do a lot of that year in and year out for different elements. I think it has really become a very positive thing, but yes, certainly in the early conversations, it was not welcomed with open arms shall we say.

Q: Last question. Why did you as an airport decided to move to a common use type facility?

A: Really to give us flexibility and additional capacity throughout the terminal facility. The ability to make sure that we never were in a position where we had to tell an air carrier that wanted to provide service to Las Vegas no, you cannot come in. And to my knowledge, in that 15 years that we have had a lot of growth in passenger traffic here and a lot of new carriers. We have never had to tell an air carrier, no, there is no room in the inn. We really have been successful in that respect.

Q: That is amazing. My portion is done. If you have any questions or anything, I can certainly answer those.

A: No, I think we have chatted about it quite a bit. I think it has been great to get the new common use standard in place, as you saw I am sure mentioned throughout the ____ reference documents as well that common use passenger bussing systems are ____ standards, so really that means that all the different flavors of common use can be very effectively deployed with just a single standard technology, so I think that has been an exciting development and then all of the new processes that are coming are built on that single standard platform. I think we are really definitely seeing a shift in the U.S. to much more common use, which has always been the case in Europe and in other parts of the world, as you may have determined already in your studies. Where there are new terminals and new airports, for example the new terminal in San Diego, that would be a great airport to talk to because of their size, what they have to do and the passenger traffic they have to handle given their very, very small size, has really pushed them to make a much more extensive deployment of common use and it really the only way they can handle the growth going forward rather than having a completely dedicated facility. The airports are looking at those types of things and there really is kind of a ____ change going on in the U.S., so your study is well timed.

Phoenix Mesa

Q: What aspects of common use has your facility implemented?

A: We are a common use facility throughout. We are using ultra electronics and ____, and we have what they call common use terminal equipment, as well as local departure control systems, so that is at our ticket counters and our gates.

Q: How long did it take you to implement each portion or all of it?

A: On the gates themselves, we also have what they call GPUs and ____ units.

Q: And those are included in the common use?

A: Yes. Those are included in the common use.

Q: What is a GPU?

A: ____ powered unit, so when the aircraft comes in, it provides the power to the aircraft.

Q: Oh, okay. So how long did it take for your airport to implement these?

A: We have been active since the airport opened as far as we were built with a common use model to begin with.

Q: When the airport was originally designed, it was designed to have the common use gates and the facility itself?

A: That is correct.

Q: Do you have any future plans to add more gates or add more kiosks or anything like that?

A: We plan to add two more gates and they will be common use, but we do not at this time have plans to expand our common use outside of the normal common use that we have today, so no kiosks.

Q: When you implement these gates, is that part of your project and layout plan, or is that something that was originally designed?

A: When we built new gates, and we have been in construction adding gates for the last three or four years, so we have it down pretty taut, so that when the building is being built for the gates, the technology plan is there for common use, as well as the operational plan.

Q: So, do you currently have any kiosks in your facility?

A: We do have kiosks, but they are carrier provided.

Q: They are not part of your common use system?

A: They are not.

Q: How many total gates do you have at your airport, and how many are still exclusive rights gates or shared gates?

A: All of ours are common use gates and we have eight.

Q: For the airlines at those gates, did you have any kind of resistance when they came in, or did they come in knowing that it was common use?

A: Yes. They came in knowing that it was a common use environment.

Q: For the equipment, such as tugs, baggage systems, and jet bridges, who is responsible for maintenance and maintaining those pieces of equipment?

A: Okay. The GSU equipment, so the tugs and those kind of things, are actually provided for through the air carrier. We do not do that.

Q: Do they outsource that?

A: They do. We have three carriers here. Each of them outsources that responsibility.

Q: Do you have integrated signing within your airport?

A: We do, but let us get back to the other questions you asked about jet bridges.

Q: Yes.

A: We do not have jet bridges here, but we do have stairs, and the airport provides the stairs.

Q: So they have taken responsibility for that portion?

A: We take responsibility for the maintenance and the purchase of those.

Q: Is there anything else that the airport provides for a gate?

A: For the gate, obviously the space, then the counter, all that common use equipment, which would be the PC, the printer, the monitors, scanners. We provide that, as well as digital signage that goes with the gates.

Q: So those could be changes depending on what airline was at that gate?

A: That is correct.

Q: Do you feel that your customer service has improved since you have, well you said that this was originally designed...

A: What I can say is that our customer service is good. We always rank, on a four point scale, we are always above 3.

Q: So I know, I talk about your changing passenger capacity, but you all do not really know what it was like before?

A: No. We do not.

Q: How are you on capacity? Are you close to capacity?

A: Yes, we are close to capacity. This is the best way to look at it: Our carriers will tell us we are close to the capacity simply because they all want to fly out at the same times, but where we are at right now is we have the eight gates, we just did a _____ passengers last calendar year, and we are expecting to do probably about 1.3 is what we are envisioning for the next calendar year, but we have to build two more gates for anything bigger than that, so we are pretty much at capacity for the flights the way they are scheduled today.

Q: So when you reach 1.3, that will be capacity and you have to build two more gates?

A: With the exception of if we scheduled appropriately, we could do better than that, but the way the carriers are now, yeah, for us to be able to accommodate their flight schedules, we have to build two more gates.

Q: How do you feel that common use has given your airport a competitive advantage?

A: Well, one of the things is all the infrastructure that procurement, as well as the ongoing maintenance is the responsibility of the airport, so the carrier does not have to worry about IT issues here at all and our common use environment allows that to share in their outsourced maintenance, so in other words, the people that run their ticket counters and ATO stuff, the ticket counters or the gates because our equipment is the same throughout. They can work one carrier

and then jump over to the other carrier with no problem whatsoever. Whereas, if it was different and they had different hardware and different things to think about, there would be a learning curve to that.

Q: So by making it all the same, everybody can switch?

A: And that is what we do, I talked to you about the GPU and the HVAC units. Because we provide those, we provide the exact same piece of gear so that means that the people that are docking the aircraft, there are no mistakes. They know where they need to plug it in. They know how to turn it on, so they are very familiar with the equipment.

Q: What do you feel was the biggest cost with implementing common use? Do you think it was the signage, the responsibility of the equipment, you have no kiosks, or do you think it was the infrastructure itself?

A: I think if you put the GPU and the HVAC in there, that was definitely the most expensive. Those units are about \$80,000 apiece. After that is the IT infrastructure. It is the application that you have to buy for common use. That is no cheap by any stretch of the imagination, and then you have to provide all of the hardware as well.

Q: I know you said that this was designed with common use in mind. The air carriers that came to you as an interest to your airport, was that part of the reason they came was for the common use or was there some kind of resistance against common use at your airport?

A: There was a little bit of resistance. Each carrier wanted to be able to do their own thing, but with common use, you kind of have to do the best for everything. There is a global solution, so they have to treat their systems a little bit to fit into that global solution. Two of our carriers had already had experience with the Ultra system. It was fairly easy for them to snap into it. One of the carriers did not, so there was a little bit more of a struggle with that.

Q: Why the decision to move to common use?

A: Simple space. We knew that we did not have the space to accommodate multiple airlines with what we had initially, so in other words, initially when we opened up, we had four ticket counters and four gates. Actually, if you look at the real space, we had two gates and four ticket counters. That is one flight for some folks. We knew that we had to make it so that if multiple carriers came in, that they could share that space.

Q: So, that was ultimately a size and capacity decision?

A: Yes.

Q: That is all the questions I have for you. Do you have anything for me?

A: No. I would love to see your report at the end of the day though.

Q: I can definitely email that to you once I get that done.

A: That would be great.

Q: What aspects of common use has your facility implemented?

A: We have common use at ticket counters and at gates. We have ticket counters and gates and then we have some at self-serve kiosks, as well.

Q: How long did it take to implement those portions of common use?

A: Well, there was an initial RFP process, which took about six months and then the installation itself because we have unfortunately had two vendors _____. The initial vendor, it took about six months, or excuse me, about nine months from the time he got the contract till the time everything was up and running and that included their construction of gate podiums and the back walls, installing all their hardware, software, getting the computers hooked up and all that stuff and instead putting in _____ installing ticket counter inserts, and then that kind of went by the wayside, we went _____ number two on our _____ process and they just basically had to bring in new hardware, software, where they put the switches and their programs, and they installed new printers. And that was about a three month process for that was all.

Q: Does your airport intend to implement any more common use?

A: Basically, we have some equipment like the computers available to install at existing airport administered gates that do not have CUPPS cuff at this time, but it is just on an as needed basis if we get new airlines that want to come in and use it then we would install it at that time. That is basically our plan.

Q: How many kiosks does your facility have?

A: The self-service kiosks, we have four. Are you referring to actual ticket counters though?

Q: No. Just the self-service kiosks. Are those run by any particular airline or is that?

A: No. The self-service kiosks are actually run by the contractor, which is actually, I do not know if you need to know, is Air IT and whatever airlines want to be included as part of that kiosk program, they get with their IT and it gets magically installed on it, however all that works and then their passengers can come in and use that to print off their boarding passes.

Q: How many gates do you have at your facility?

A: We actually have 23 gates that have jet bridges and we have one gate that does not have a jet bridge and that does not count our regional carriers, which are all ground loaded.

Q: How many gates did you say are common use?

A: Common use gates we have, I have to count them in my head, common use gates we have five.

Q: And the rest are still, do you do exclusive rights?

A: No. Actually, we do not call them exclusive, it is actually preferential use here, but some of our airport administered gates just have a gate podium there but they do not have any

equipment there because most of our airport administered gates that we have, the majority of them are actually in our international terminal, which we do not have a lot of international traffic and so they are pretty much not used and so we only have one gate over there that is actually on the CUPPS system.

Q: The equipment on the common use system, who maintains, owns, and operates that?

A: The airport owns it but it is actually a contract with Air IT for maintenance.

Q: That equipment, does that include the tugs, the baggage systems, what all does that include?

A: That just includes the equipment at the gate, the computers pretty much. The baggage system is all owned by the airport. Everything that is basically under the floor to the baggage claim carousel, that is all owned by the airport and maintained by the airport.

Q: What about tugs and jet bridges?

A: The jet bridges themselves at airport administered gates, they are owned by the airport and at the preferential leased gates, they are owned by the airline who leases that gate.

Q: Do you have integrative signing within your airport for those common use gates?

A: Say that again.

Q: Do you have integrated signage within your airport for the common use gates?

A: I am not sure what you mean by integrated signage. We have way-finding signage, which does not usually list the actual airlines on it, but for the ticket counters and the gates, there is a monitor on the back wall and so when an airline, you know, connects into the reservation system through the computer, their logo pops up on the back wall on the monitor and that is basically their signage, so when they sign up, that signage goes away. We do have, at some of the ticket counters, we do have some overhead signage that is just your basic airport green with flight letters. It has their name on it, but that is pretty much it.

Q: When I say integrated signage, I mean some places have, you know, the scrolling digital signs with their logos, and for each airline they can change that, but I mean, that is basically...

A: Basically, what it is, I do not want to say it is similar to when they connect into their system and their logo pops up on the back, it is just a static logo. We cannot really manipulate it. It does not show the flight times, you know, arrivals and departures or anything. It is just the logo. They actually integrated that into the logo that they send us and that will actually show up on the back wall.

Q: Is that the same for the gate?

A: Yes.

Q: How has your customer service improved since you have gone to the common use type facility?

A: I am not sure if it actually, you know, the common use compared to a preferential and getting the customers through the lines and stuff, I am not sure that that has improved, but the second company that we have got for this has improved significantly over the first company. I am not sure if you are requesting that kind of data. The first company was horrid. It was absolutely horrid trying to get their people out here to work on problems, and customer service that year, which was two summers ago was horrible. There were delays caused by the system, but with the new system and they actually had an on-site person. It went like clockwork.

Q: Well, that is good.

A: It was great. It was good. We were happy for that.

Q: How has your capacity changed?

A: The capacity itself, I am not sure if the capacity has changed. We do have some new airlines coming in this year and they are going to be using the CUPPS system but I am not sure that is why they are here. I am sure it helps out because with that common use system they still have to have some IT people come up and help connect and do whatever their magic stuff they have to do, but they do not have to come in and run the cabling and install the computers and do all that stuff, so there is a savings to each airline when they have the common use. Granted, they have to pay per plane passenger for that common use but it still ends up being cheaper than to send their IT people to go from ground zero and install their equipment.

Q: How do you feel that common use has given your airport a competitive advantage?

A: It is basically for that same reason because of the availability of common use so that their IT people do not have to come up. The thing is with where we are located, we are a destination and not really a hub except within Alaska itself, so the dynamics here are different than they would be in Denver or somewhere else where it is a big hub kind of a thing.

Q: How long did your facility prepare to move into a common use type facility?

A: Are you talking about from when we started thinking about it until it was implemented?

Q: Yes, you know, to put it in process, planning, and that kind of stuff.

A: It was ___ kind of rattling around for a while because of course we have had a couple of different companies rattling around and saying you need our system for while and finally, we started getting some more seasonal carriers in here. Some are seasonal carriers and to help with that process, you know, it was determined that a common use system would be a good thing. Granted, all of the seasonals did not go on in the first year, which is probably a good thing. Not everybody actually joined it the second year, but we are hoping that we are going to get all of our seasonals on it this coming summer. This will be our third season. So I think the planning part of it, you know, we are talking about probably one year at least before we actually went through the ___ process and like I said, that probably took probably about six months for that process to get ___ and get it sent up and graded or, I forget what that is called, to come up with our final contractor.

Q: What was the biggest cost going with this type of facility? What is the infrastructure?

A: The biggest cost is actually the equipment itself, kind of. What I have got here, and what actually went to our projects manager for it to find out what everything costs, and actually, I am going to try and tweak this a little bit and then send it to you so you have the answers in front of you and make it a little easier for you. The cost of the signage, which is just the back wall monitors was about \$75,000. The kiosks, the four self-service kiosks, was about \$60,000. The gate equipment, which was the hardware, software, the computers, the printers, all the IT stuff, so the initial contract was pushing \$500,000 and with the second contract, it was \$700,000. We had to pay for the second contract because everything else was in place. The cost of the counter inserts at the ticket counters, the gate podiums because they actually built everything, the gate podiums. They built the back walls. All that initial cost for that was about \$565,000 to \$600,000. Those, once they are built, they are there. So, when we ended up with our second contractor, we did not have all that cost the second time. Luckily, it was just hardware, software, and then they replaced the printers, but they did not replace any of the computers or monitors or anything like that. The initial printers were terrible.

Q: Did you experience any kind of resistance from your resident airlines?

A: The only resistance we got from them was basically anything related to cost. None of our existing tenants are on common use system. They are all still on our preferential system, and they just wanted us to make sure that we did not install it at every available gate that we had because we do not really have airlines to fill those gates yet. They wanted us just to make sure that we did not put it at a gate or at a ticket counter unless we actually had an airline that was going to be using that. That was basically the only thing that they had. It was not really resistance. It was more just cost containment kind of a things.

Q: Concerns. Yeah.

A: We do have a couple of them that are kind of leaning towards going to common use.

Q: You said you have seasonal airlines. Are they more apt to use the common use system?

A: Yes. Yes, they are.

Q: Ultimately, why did your airport decide to move to common use?

A: For the flexibility of the carriers, especially like I said, the seasonal carriers because in the winter time, we do not have as much traffic as we do in the summer because we are a tourist destination, which is a good thing. It is just the flexibility to be able to have that common use at different ticket counters and at different gates, but especially if one airline is a little delayed and someone needs to come in at that gate, we cannot really make it that gate, we have the flexibility of putting them on a different gate. They can just sign in and their information comes up. That kind of thing. It makes it, like I said, just the flexibility is a good thing.

Q: That is all the questions I have for you. Do you have anything for me?

A: I do not think so.

San Francisco

Q: What aspects of common use has your facility implemented?

A: We have common use check in facilities, common use gate facilities. Along with that, we have common use baggage make up, baggage claim, baggage handling and screening. Pretty much, we have entire terminal systems that are common use.

Q: How long have they been in place and how long did that take?

A: Good question. We actually have had some lesser aspects of common use since really the mid to late 1980s or early 1990s as far as an international terminal that had some shared gates and other facilities. Perhaps not so much common use as shared use in that there was a consortium of airlines who banded together and members of that can sort of share the gates. But as far as what would generally be called the common use facility, let us say it started with the opening of our international terminal in December 2000. How long did it take? It is still going on.

Q: You are still implementing portions of the common use?

A: Yeah. As time goes on, we are always looking at other areas of our terminal complexes and we have four terminals that common use might be appropriate and then we can cat a little bit more about how we lease space a little bit more later maybe. It is kind of an ongoing process I guess you would say. We did that and probably would never make a decision to convert the entire airport to common use, so it is not like we set a course that has an end, I guess you would say. The planning and implementation of our international common use terminal probably took about four years. They probably started on that in about 1996 or so and it opened in 2000.

Q: So that was when the planning stages originally started?

A: Yeah. An estimate, sure.

Q: How many kiosks do you have at your facility?

A: Common use kiosks, we have 61.

Q: 61?

A: Yep.

Q: Do you have any kiosks that are off site?

A: No we do not.

Q: Okay. How many gates does your facility house?

A: The entire airport has 91 and of those.... By the way, let me elaborate on that a little bit. Those are gates as measured in kind of the classic European sense of holes in the wall where people can walk through and get on an airplane. So, some gates and we have roughly ten of them, actually service more than one stand or more than one aircraft parking position.

Q: They are staired gates I guess we could say?

A: Well, in some cases they are or in some cases we actually have one gate that has two loading bridges that can service either one big airplane or two small airplanes at the same time.

We measure gates as a leasable unit. When we portion assigned gates to the airlines annually, a gate is a leasable unit that includes some square footage of seating or lingering space in the terminal and a hole in the wall and at the end of that hole there might be one aircraft parking position or might be two. By the way, we do not do, except for emergency situations, any routine bussing. We do not have remote stands and bus operations.

Q: Do you do exclusive leases or do you do preferential use?

A: That is a good question. We do preferential use. We just started that two years ago.

Q: How many of those type gates do you have compared to your common use gates?

A: We have, it is somewhat variable. Every year, as part of the gate assignment process, the airport as the first step in process, gets to choose or pick I guess you would say how many common use gates we want for that year and we are limited by the lease, by the way, to no more than 10% of the total gates at the airport. We do not take that many, but it can vary by year. However, what does not vary is the 24 gates in our international terminal complex are, if you really want to split hairs, not common use, they are shared use and those gates are throughout the term of this lease allocated to the consortium of international airlines that operate at San Francisco. Those airlines banded together and formed a corporation called SFO Tech and the airport then gives that consortium, that airline association the right to use those 24 gates, which they then share among themselves. We call them common use. They are pretty generally known as common use. In fact, if a third party, if a ____ airline needed a gate, they can contact SFO Tech, their operating company, make arrangements for a gate. So in that respect, it is common use. They have common use equipment that is set up, but technically, the airport does not dictate. We cannot tell Delta, sure go and add Delta space. We cannot tell Frontier Airlines, sure go ahead and use gate 3. They would have to ask that airline association. This year, we have two absolutely true common use. We have two gates that the airport controls. We assign them. We bill for them. We maintain them. We operate them. And then we have these other 24 gates in the international terminal that are shared use, technically call them "kind of common use" not to completely confuse.

Q: I am with you. So, for the gates that you do hold as common use, the airport, who takes responsibility for the jet bridges, the baggage systems, and tugs? Whose responsibility is that?

A: The airport. We maintain. By the way, baggage systems are a little different deal and we are primarily driven this way because of the TSA funded security equipment that is part of the baggage systems, so for example, the airport owns the baggage handling system in our terminal 2, which is used by American Airlines and Virgin America. They have the preferential gates. They are the only operator of preferential gates in that building. They lease ticket counters in that building. Those ticket counters are serviced by the baggage system that the airport maintains. That gets a little tricky. We do not preferentially assign what we call support space, which in effect becomes check in counters, ticket counters, and bag systems. We may get to that stage someday, but they do not turn over like gates do.

Q: So for the gates in the international side, is that maintained also by SFO Tech, all of the equipment?

A: Exactly right. Gates, the loading bridges, the accessories with some exception, and the baggage handling system in the international terminal are operated and maintained by the SFO Tech consortium. The airport owns them and we do this will all the... We have a lot of airport owned equipment. For example, we have bridges that are preferentially assigned to airlines. We dictate the maintenance standards for those and we periodically inspect them and we enforce ____ maintenance standards and that kind of thing on them but the responsibility falls to the airlines.

Q: How has signage worked for those common use gates and the consortium group?

A: All of them have dynamic electronic signs so that they can be configured to display flight information and branding for any airline that uses any gate. In the international terminal, the first step in that is the resources are assigned by a resource management system that says, okay it is 2 o'clock, make this gate Virgin Atlantic. We use dynamic signage in all of our common use and shared use gates.

Q: How has customer service improved in your airport since common use has been implemented?

A: A lot to tell you the truth. We have ____ and there is some seasonal, and unfortunately, some go, as well as some come but we have about 26 airlines operating in our international terminal and without shared check in counters and gates, it would virtually be impossible to support all their needs. For one thing, the example you site of signs, identification would, they could not possibly all have their own, so they would do some kind of sharing, but if it were not under the auspices of the airport, you know, they are going to shop for the best deal and United is the biggest, so they are going to actually go to the lease part of the facility then they will sublease or accommodate. For example, they probably would only accommodate their star alliance partners, so then we have got the one world folks who would not have any place to go because there is passenger confusion. You have, we had this in our old terminal before we went fully common use, you know, what do you do about computer equipment? Delta cannot use United's cannot use ____ cannot use British Airways, so they all have these fleets of roll around devices. It is impossible to tell who is where. Again, you cannot control signs. You cannot control passenger flow, and from an airport perspective, we are just not as competitive because now when a new airline comes to us and says we want to fly to San Francisco, we can say great what time? Okay, we have a gate. You go make sure that your common use computer application is available on our ____ platform and you can start next Friday and everything is turnkey. It is all ready for you. Previously, or without common use, you just cannot do that. For a one or two flight a day operation or in some cases even less, maybe a two flight a week operation, the airlines just cannot sink capital resources into an airport. It does not pay and they do not have the means to do that, so that is really the only way you can accommodate them. Great thing. Along with that, we have a completely common use flight information and passenger information system, so we have one source of arrival and departure information that is displayed in our terminals that is displayed on our website that is presented on our mobile app, so if you check any of those sources in the course of your journey, they are always going to agree as far as times and gates assignments. For the 97% of the flights, the ultimate source of that information is the airline system, so everything including the airline's website and sources agree, which is great. We used to get all kinds of complaints that I checked the Delta website and it said 12 o'clock. I

got to the airport and the ____ said 12:30 p.m. and the gate sign said 1 o'clock. And we solved all that, almost.

Q: Along the same lines, how has your passenger capacity changed within your airport?

A: Well, pretty simply, you can accommodate more flights on fewer gates, ticket counters, bag systems, belts, etcetera, when you get full utilization and unused capacity is available to another user rather than tied up by a lease holder. If United ____ that they only four times a day, we could fill in the gaps now. Previously, without preferential use written the way we wrote the leases and without common use and that is a four times a day gate, with common use or preferential lease where you can use unused capacity you can, you know, it is the type of operation you could get four to six more turns on that gate. Saves a fortune. By the way, when I was doing what you are doing, I came across a study that was done on the Las Vegas airport when they built their first common use concourse back in the mid-1990s or something, late 1990s, and if I recall correctly, they built 13 gates to accommodate capacity, that had they gone with preferential use, they calculated I think they needed 18. Their construction demand was cut by almost one third.

Q: I am interviewing them and I am looking forward to that. Definitely.

A: Are you interviewing Sam Ingles?

Q: Yes.

A: Samuel Ingles, and do not tell him I said this, but the absolute, not just probably airport, but industry expert, the guru and in many ways kind of the founder of a lot of these common use concepts, particularly related to the electronics, the passenger processing and information systems. You cannot go any better. You can tell him I said that.

Q: I will. How has common use given your airport a competitive advantage over others?

A: As I mentioned earlier, the fact that we can offer a turnkey operation in many cases where literally we have airlines that can and do operate here without even having a local manager because we can provide all the facilities and our ground handlers who are based here ____ those types of folks can provide all the handling services. We can offer a very quick start of service and a very low start up cost. By the way, the downside of that in people who are more inclined to promote exclusive leases and long term commitments will tell you, and it is true, that when they do not have any stake in the location, so to speak, they can pull out just as quickly without much cost and that does happen. You do get people who are literally just testing the waters and they will fly a few months and then say, hey you know what, I am not coming back next week.

Q: That is something we have talked about in my classes is a low barrier to entry but a high barrier to exit through industry as a whole.

A: Yeah. That is exactly right. Now there are those kind of intangibles of reputation and no matter how poorly you might have faired in San Francisco, you probably, you carried some passengers, you probably developed some, and probably not as many as you wanted, but some

number of committed frequent flyers and when you pull out you obviously burn some of those bridges.

Q: How long did your facility prepare to move to a common use type facility?

A: Well, probably the four years that we talked about when we discussed the planning and implementation of our international terminal. A quick number there but every year, as I mentioned, our number of other common use gates changes and every year the location of those common use gates can and usually does change, you know. Last year, it was gate 43 and gate 59 and the next year it is going to be gate 59 and gate 21. To turn over the gates like that, if the gate has already been equipped with common infrastructure, which is kind of a whole other _____, I think, if it has got cabling and infrastructure to facilitate installation of common use, electronic signs, and passenger processing computer equipment, it literally takes one day. If it does not, and remember, we are converting facilities that were previously exclusive use in our domestic terminals with the exception of terminal 2, which is new. When we take over a gate, if you will, we have to install and we will install common use cabling backbone. It depends on location, but that can take a month. But we will be doing that, if you will, underneath the floor as the day of the changeover grows closer. So from a customer perspective or an airline perspective just in that turnover of common use gates, we will tell them you need to be out no later than midnight July 1 because that is when your lease expires and we will have that gate ready in two days at the latest.

Q: So, do you have any further plans to implement any more common use in your facility?

A: You know, specifically, we do not but we always reserve the right as we redevelop spaces, which an airport like ours that is pretty big and has varying generations of terminal buildings and other facilities that comes up a lot. We always evaluate for common use. We reserve the right to do it as we can and we do have a policy of anytime that we renovate or transition a space from exclusive control of one airline to another or common use, we install common cabling infrastructure that promotes easy changeover of airline, proprietary equipment or common use equipment. In a way, we are becoming more common use capable all the time and we are becoming more flexible as far as accommodating preferential movement of airlines. The worst thing you can have is because of the allocation formula, let us say Delta Airlines goes down one gate and at the same time Alaska Airlines increases their service, so they are due one more gate. Now you have Delta removing cables and Alaska putting in cables and then next year maybe Alaska goes down and Jet Blue goes up, so then you have Alaska's one year old cables pulled out and you can imagine how that goes, so we do not do that. The first time that gate turns over, we will go in and install airport provided cable infrastructure so that from then on, the transition is unplug your equipment, plug in my equipment, our network engineers make a few keystrokes as far as routings and you are good to go. So in that respect, I think most airports are probably doing that if they have gone to a preferential gate plan or resource allocation just because otherwise literally your building just gets constantly torn up by electricians.

Q: What was the biggest cost associated with this? Was it signage, infrastructure, or equipment?

A: The biggest cost for us or for any airport really is going to be through these transitions and begin to think about taking on some of these things 15 years ago that remember in the past were always done by the airlines. All we did is build the shell and they came in and equipped it

and ran everything so the cost of the equipment was the most, and certainly the most new cost we encountered because we just had never done that before. The passenger loading bridges depending on how big and how capable might run anywhere from \$250,000 to \$500,000 and I suppose as an airport, we were vaguely aware of that because the airlines were spending that but we were not, so the first time that we looked at buying 45 of those things, there was a little sticker shock I am sure. The equipment, I would say, has to be it and in some respects just because we were always building the buildings, at least for us. I know some airports, _____ still does some of this, I think Los Angeles historically did. I do not believe they do it anymore but they even let the airlines build the building. Sure, go ahead, use this plot of ground. Build yourself a terminal. Knock yourself out. We never did that. We always have owned the terminal buildings. It is just recently that we started to take over ownership of the bag systems, loading bridges, and the infrastructure to support the airlines.

Q: So, when you first moved into common use, did you have any kind of resistance from your airlines that were there?

A: Any kind. Vehement. Violent. They hated it. And to some extent they still do, by the way. It depends on the airline frankly and the legacy airlines still are very reluctant even be too soft a word. They are pretty much anti-common use down the line with the exception of airports where they have very small operations, very small operations and they feel, I think Sam would certainly agree with this, my airport colleagues would agree with this but it is an opinion. I am not sure it is a fact. I would not say it is a fact. The airlines are also a little more inclined to go along with common use where they do not feel they have a lot of competition because one thing that they really like about exclusive use is even if I am not using it, you cannot. That is, depending on the location and the competitive landscape, a big deal for them. In general, what we find is if the airlines believe that they have enough activity to warrant leasing a gate, check in counter, and bag system, if they think they have enough activity, they might do that and not use airport provided common use equipment and I do not understand that beyond the competitive part because unless they reach a certain mass and that mass is not, by the way, where they make that decision they want to do it, it just does not pay for them. I just do not see how it could possibly pay for them to maintain, to rent, and the periodic refresh, if you will, and refurbishing the equipment. By the way, I come from an airline background, so I do kind of understand that part of the business but we have airlines that are responsible because they insist on it for the maintenance of one passenger boarding bridge. If we give them our 45 page requirements with the daily, weekly, monthly, quarterly, semi-annual, annual inspection requirements, they just say I cannot afford to do that. Well, we can do it for you. How about that? They are very anti...it used to be that they said the stuff does not work, you cannot maintain it reliably, we cannot do everything on your common use equipment that we can on our proprietary equipment and over time, and again, Sam Ingles in Las Vegas at the forefront of proving this, it is just not true. Not any longer. It may have been in the beginning.

Q: So, were you with the airlines when this change was coming about?

A: Funny you mentioned that. I worked for United Airlines, so our hub carrier and our biggest international carrier as well until 1999 and I came over to the airport, so when I was with the airline, I was on the side saying hell no we want those three ticket counters. We are going to put our equipment on there. That is it. Nobody else is going to use them, our stuff. That gate is going to be our gate. We are going to...oh, yeah. I was on the fighting against it side. And

suddenly in 1999 as we were finishing up the building and ____ I came to this side. By the way, at that time I did not immediately change my mind to tell you the truth. When you see how it really works and how the big picture fits together trying to run an airport with 46 different airlines and 26 of them all in one building and you know one guy has got 245 flights a day and the other one has 0.5 flights a day, then yeah, they are all your customers. You have to service them. And more importantly, their customers are a subset of our patrons. It is really, I think it is pretty clear that common use, ____ rather than costs. Again, at certain levels. United Airlines operates in our terminal 3 and they have pretty much the entire terminal, they do have the entire terminal occupied, it probably does not make a lot of sense and would not help a lot to rip out all of United's proprietary equipment and put in airport common use equipment because still United would be the only ones using it. However, if I were United, then I would say yeah but if you did that, then you are responsible for the maintenance and the upkeep and you know replacing the stuff every five or six years when it is outdated, okay maybe that is a pretty good deal but the airlines do not look at it that way.

Q: For me, I have seen a lot of push back from the airlines on this and they do not really see the bigger picture because of the competitiveness like we talked about earlier.

A: Exactly.

Q: My last question is why did your airport decide to move into common use.

A: We decided to move into common use because it was really the only practical alternative to support our particularly our international operation that is give or take 24% to 25% of our business but hugely important to the rest of our business. When you talk about drive and demand, that 25% international is probably the directly producing another 25%, maybe less, I do not know, I have never actually calculated it, of our domestic business the whole regional economic engine thing, it is a hugely different result when you are dealing with international trade, international passengers rather than, you know... Let me put it this way, if we could get one more flight to Bakersfield or one more flight to Hong Kong but not both, it would not be a real hard decision. To accommodate everything we needed and all of our demand and everything we saw in the future and see in the future for the international, we have to share those resources. I mean, people fly to Europe at different times than they fly to Asia, so you want to use the same resource rather than have two sets so that probably, the flexibility and the turnkey nature of having a common use environment for our range of international carriers from, as I said, some less than one a day. We have some seasonal airlines that routinely will only come in here twice a week during the summer, which is of course is ____ Vegas or San Diego and then we have United who operates 20 some international departures a day. To take care of both, it was really the only way to do it. Now, if the domestic side, when you have preferential gate assignments, unfortunately there is sometimes winners and losers because we assign or we allocate the gates based on number of seats flown the previous year. It does not take into account how carriers want to or feel they need to keep their schedule. So your number of seats last August, which is the month we use, thrown into the whole pie with everyone else's might give you two gates but because you are a more or less one haul transcon airline, you operate three a four flights at the same time early in the morning and three or four flights at the same time in early afternoon and before you had four gates and it was fine and you just tied up to it if you were not using it and nobody else could use them anyway and that was great. Now you only have two. Where do you go with your other flights? You became a loser and the idea is to provide common use capacity

to buffer that. And also the common use capacity allows an airline that wants to expand this year over last year the place to do that.

Q: Was the airport at capacity when this decision was made?

A: It depends on how you measure capacity. You know, as far as air space capacity, no. As far as if you look at the way airport terminal planners do this it drives me nuts is they come up with some reasonable or aggressive or not number of turns per gate and they say okay you should get you know everybody, three airplanes you can get seven turns per gate so if you have got 21 flights, you need three gates. If you have got 500 flights you should have however many. So in those measures, no we were not at capacity. Now the _____ we were damn near and probably are at airspace capacity and we also were at gate capacity. It kind of depends on how you look at it. By going to preferential, we broke loose those gates the airlines were not fully utilizing.

Q: For passenger capacity, were you at capacity within the airport? Or was that not an issue?

A: No. No. In fact, we have just now exceeded our previous record of 42 million, which was set in 2000. This past calendar year, we had 44 million. We are operating pretty much the same number of gates. It ebbs and flows a little bit and there is always some closed for construction and other things, but no, we are not.

Q: That is all I have. Do you have any questions or anything for me?

A: Just curious. It is Middle Tennessee State? Is that it?

Q: Yes sir. It is in Murfreesboro, TN. I do not know if you are familiar with that area.

A: I think I have been through Murfreesboro when I was a kid on vacation or something.

Q: It is possible.

A: It rings a bell. I am from this area. Are you majoring in the aviation field or business or what is your MBA?

Sarasota

A: We have done this before.

Q: What aspects of common use has your facility...

A: Can I ask a favor please? Can you pick up the receiver because you have an echo and it is a little bit hard to understand at times.

Q: I have to record it.

A: You do. Okay. Go ahead.

Q: What aspects of common use has your facility implemented?

A: We have common use from the point of view, I guess, you know the criteria now is it called CUPPS, ___ the different facets, we have it where the ticket counter, it is at the ticket counter and it is at on five of our 13 gates. What I mean by that is that the airport authority has provided the computer equipment and the equipment necessary for an air carrier that, should they elect to use common use, they basically either provide the personnel, so to speak, or lease the personnel from above or below wing provider. We use the Air IT, which I might say, the computer system, call it that is our transfer. You get what I am talking about? You know that company?

Q: Yes sir.

A: Okay. So we were actually Air IT I think we were their first customer back when they got started.

Q: You mentioned that you have 13 gates at your facility?

A: Yes ma'am.

Q: How many of those were common use.

A: Right now I believe five or six are common use or set up for that and the reason for it is let us see five or six of the other gates and there are some of the gates that are not used are preferential gates from the airlines. Our airlines here do not lease per se the gate. It is under what they call a preferential use.

Q: All of your other housed airlines are preferential use gates?

A: For the most part, yes.

Q: How long did it take you to implement common use into your facility?

A: I think we accomplished it in a matter of about, from the start of the contract and so on and so forth, we probably did it in about four or five months.

Q: Wow. How long did the airport prepare to go into common use? You know, think about planning it and that kind of stuff?

A: We basically went into common use back in, I think it was and do not quote me on this, I think it was 2005 because at that time traffic and so forth was growing tremendously in the airlines. We had just acquired AirTran as an air carrier, a low cost carrier and we had seasonal traffic, such as Air Canada and CanJet Airlines operating in here and so when you have something like that where an air carrier is to come in and just want maybe one or two flights, it does not pay for them to bring in all their own equipment. It is much cheaper and we do not charge for the use of the common use equipment.

Q: Do you have any future plans to implement more gates, baggage systems, or kiosks?

A: At this time, no ma'am. I would have to guess, and this is a what if, the next step would probably be just take the entire terminal and go to common use but that step has not been made nor is it a decision that is needed at this time.

Q: Do you house any kiosks?

A: We do not have any common use kiosks.

Q: They are all owned by the individual airlines?

A: The airlines themselves have their own kiosks. In other words, we have Delta, Air Canada use the common use equipment. United uses the common use equipment. U. S. Airways has their own.

Q: For those common use gates, who takes responsibility over the equipment such as the ticket counters and the jet bridges and the tugs and that kind of thing.

A: The responsibility for the maintenance of the equipment falls back to the airport authority and my IT department takes care of that. The responsibility of the black box or whatever is it, that transfer point within Air IT, that is theirs.

Q: For the gates that are common use, how have you accommodated for signage?

A: We basically have electronic signage, but what we have done is because we have the availability of gates, the carriers themselves pretty well stay at the same gate, so it is not a big issue. We are flexible in that.

Q: How has your customer service improved since the implementation of common use?

A: I think there is really no, what you would say, change in the customer service between one air carrier and the other. I think that is something that is kind of, what you would say, behind the signs. The customer service issues comes up when you have the meeters and greeters, the people that are there at the counter, the operation of the equipment, that type of thing. I do not think it has really changed as far as the you know the customer. He has not had any degrade in his customer service.

Q: How has your capacity changed?

A: By having that it gives you flexibility, so in other words, I can have United and/or Air Canada or somebody else if they show up, they can operate from the same ticket counter, as long as the flights are not on top of each other. See, that is another thing when you have common use is that the way it is set up here is that you have one computer unit that operates two stations and then you have your ticket counter and your boarding passes and so forth all associated with each... and I think right now, we have got a total of eight positions set aside at the ticket counters and then you have the equipment at the respective gates.

Q: How has common use given your airport a competitive advantage?

A: It is just that it is competitive in marketing. When we were trying to get air carriers in here having that is a marketing tool. Whether they take it or not, that is their choice.

Q: You said it took you a couple of months to implement. How long was common use in the planning stages, you know, bouncing ideas back and forth?

A: I think, quite honestly is that we were probably only in the planning stages only maybe three or four months. I did not take long to see the benefits for moving ahead with it.

Q: For your airport, what were some of the biggest costs associated with going to this. Was it the infrastructure?

A: The infrastructure, wiring, and then equipment itself. Any really, the equipment is not that expensive, it is pretty much off the shelf. The only parts of it, which are probably more expensive than others is the ticket printer and the bag printer. Those are particularly unique machines. Otherwise, you are dealing with off the shelf computers and keyboards, screens, things like that.

Q: Was it a big cost burden to take over the equipment such as the tugs and the jet bridges?

A: No. We do not do anything on the tugs. Do not confuse this. I am only talking about the ticket counters and the gates. We do not operate anything that we have common use concerning below wing operations.

Q: What kind of resistance did you experience from your resident airlines when the decision was made to move to common use?

A: Like I said, we made common use available. They had a choice whether they wanted to take it or not. You know, for example, Delta Airlines just said no we are going to stick with ours. U.S. Airways said we will stick with ours. At the time, Air Tran was here and they stuck with theirs. It was just that the seasonal carrier or a carrier that may have had one flight a day. I think one of carriers at the time that used common use too, and they are not here anymore, was TransStates. They used it because they only had one flight per day.

Q: Why did you make the decision to move into common use as an airport?

A: Why did we do it?

Q: Yes sir.

A: Like I said, I think the biggest thing is that for us as a small hub airport it is very, very competitive to get airlines in here and the more options you present to them in the way of your marketing package, the better off you are.

Q: So, it was definitely a marketing move for you?

A: It is more marketing and also it is cost effective for an airline operating limited operations.

Q: I think that completes my portion, do you have any questions or anything?

A: Not really but I would suggest if you wanted to, have you called Air IT?

Q: No I have not contacted any of the holders such as ULTA and SITA.

A: There is SITA or Air Rink. I forget now what they are called. They have been bought out I thought. I can give you the name of a person that knows me well. He was the person that I

worked with Air IT that they might be able to just give you some insight that I am not giving you as far as the overall capabilities and so on and so forth. You do not have to document it. It may just help you in what you are doing.

Q: What was the name of your contact?

A: You can call Mark Sapp.

Q: Where are they based out of?

Dulles

Q: What aspects of common use has your facility implemented?

A: The only thing ___ I am going to tell you that ___ to do a lot of research because there are a lot of different departments and people that are involved. There are various aspects of your questions?

Q: Yes.

A: I have actually got a couple people that are going to help me and provide some answers and then I am going to email that back to you. Let me run through and give you what I can right now. We have a hybrid here at Dulles. I do not know, are you familiar with the airport here at all?

Q: Vaguely.

A: We have got a main terminal building, which houses all the ticket counters and the baggage claim areas and those kind of things. And then we have midfield concourses. There are actually two different buildings labeled as four different concourses. We have four gates that are basically narrow bodied region jet type gates but actually that is to the back of the main terminal and what we have is a combination. The four gates on the main terminal, 40 plus or minus gates on the A and B jet courses, and four gates on concourse B are what we deem common use. The reason that those are common use is because we use primarily facility charge funds to pay for them. We have got those set up and when I say common use, we lease them by permit and they are ___ basis. Say if AirTrans comes in with their Air 380, we lease them a gate for that A380 for the time that they need to be on the ground and we may share it with other carriers. We can move them with 30 days notice, that type of thing. It is not a Las Vegas model. It kind of operates that way. It gives us the flexibility to accommodate multiple types of airplanes and carriers.

Q: You said you have 40 gates at each concourse? Is that what you said?

A: No. There are about 40 gates between the A and B concourse and then we have got eight other gates that are kind of scattered over the main terminal and the other concourse.

Q: So you have about 50 gates that are common use?

A: Yeah. And about the same number that are preferentially leased through United Airlines for their hub operation.

Q: How long did it take you to implement common use within your airport?

A: It has been built in phases and the first gates that were deemed common use would have been the B jet course, and it was constructed back in the mid- to late-1990s and it has been expanded a couple of times since then. So, overall, the construction project probably start to finish took us three or four years.

Q: How long did you plan to move into common use?

A: It was really more of an afterthought, if you will. When we built facilities, after we started building them, we decided to set them up so that we could use them with maximum flexibility. It is a year or so in the planning process.

Q: Do you have any future plans for more common use at your facility?

A: I will not say we have any firm plans. It is part of the master concept that, as we go forward, we will just have to see kind of what our need are.

Q: Do you have any kiosks within your facility and are any of them common use?

A: We have... a number of the carriers have their own. The main terminal is a little bit different. It is preferentially leased, but we do have common use check in equipment in it, primarily the behind the counter equipment. And they are free to use it or they can install their own preferential equipment. They do sign up and lease it on a preferential basis. The only carriers that have installed common use kiosks is _____ and _____ and there is a total of maybe six of them. All the rest of the carriers use the preferential equipment.

Q: For the equipment that is required for the gate like some airports have talked about below wing operations, they do not do anything with that. But jet bridges or ...?

A: Everything on the common use gates is our equipment. We contract out through Air Rink and it is common use equipment.

Q: You take responsibility for that but it is contracted out? Is that what you said?

A: Yes.

Q: Since the implementation, how you have you done integrated signage for those gates?

A: Those gates are all electronic LED backdrops. We get the logos and then they are programmed.

Q: And that is the same at the counters, too?

A: No. The counters are a little different. The counters is all preferential space and because the Dulles main terminal is a historic building, it has got a designated glass plate back wall sign.

Q: Okay. So how do the gates that are common use, what kind of ticket counters do they use?

A: The main terminal, the check in counters, and I will not for the kind of, I know you are familiar with Nashville.

Q: Yes.

A: If you walk into the main building there at Nashville, you have got the ticket counters and that is where we have, it is preferentially leased, but we have equipment that can use, it is common use equipment. The ____ through security go down under the gates. That is the portion that we really treat as common use. That is where we issue on a permit basis. And they lease it on that basis so that if you got down into the gates at Nashville, you would see LED screens on the backdrops instead of a fixed sign. The main terminal ____ signage.

Q: How has your customer service changed since the implementation of common use?

A: I do not know that it really did other than the fact that you can use a particular gate for a SouthWest or an Air France. They have the ability to, once they do their agreement with Air Rink, they should go in and access their priority system through our equipment.

Q: This is not on the questionnaire but a question for you. Are you under the slot allotment for the air space?

A: No. Our other airport Regan National is, but Dulles is not.

Q: How has your capacity changed within your airport?

A: Purely from a common use standpoint, it totally... that is a good question. Most of it was because of the facility build out regardless of whether it was common use or not. It has basically doubled. With the common use gate ____ forces, we can pair different carriers up instead of having just you know United controlling a gate. Now we can put British Airways and Air France together if we need to.

Q: Wow. That is a lot. How has it given your airport a competitive advantage?

A: By being able to accommodate multiple carriers with fewer facilities than we would have if it were preferential use.

Q: You talked about you also operating Regan. Has Regan done anything toward common use? Is that in the plans?

A: No. No, it is all preferential leases down there.

Q: Do you have any plans to move that into common use?

A: Not right now. Regan is one of those airports that is kind of unique because it is flight controlled and because it is landlocked so to speak and because it is next to the nation's capital, it is one of those places where everybody wants to go and it pretty well stays fully leased at all times.

Q: Okay. For Dulles, how long did you say you prepared to move into this?

A: Overall, two to three years.

Q: What was the ultimate deciding factor to move into common use?

A: Flexibility.

Q: Were you at capacity when you made this decision?

A: Yes. Well, and this is another one. I do not know how you put this on a paper, but Dulles, when it was built back in the 1960s by the federal government had no concourses, so when you checked in at the ticket counter, you walked over and got on a big mobile lounge and took out to your airplane. This airport has evolved over the years from being the first airport built to accommodate jet traffic to one of the larger international gateways now. It has changed quite a bit.

Q: You are saying when it was first built, they would basically load by stairs?

A: These things look like a very large bus on huge tires and what these things did and we still have some of them, but what they did is you would check in at the ticket counter, which back in the 1960s you did not have the security we have now, you would go to the back of the building and doors would open into these big machines basically, vehicles that would mate up against the back of the building and they drove you out to the airplane and they have the ability to raise and lower and they would raise up to the aircraft door, basically like a loading bridge and then unload you into the airplane.

Q: Wow. I did not know that.

A: They are somewhat unique. Our website, www.mwa.com, probably has some pictures and there is some historical information on there about Dulles.

Q: What were some of the biggest costs associated with moving to this type of facility?

A: That is hard to break down into... I would say from a pure common use standpoint, probably the equipment. The difference with common use... there are a lot of differences with the common use gates versus preferential gates. With the common use gates, we provide the loading bridges, we provide the ground power units, the ____ units. We provide the podiums, the gate seating, and the check in equipment. It is kind a one price for everything. We do all the custodial maintenance type thing for the facility.

Q: How does baggage work for those common use gates? Is that also handled by the airport? The baggage systems?

A: The baggage systems are an airline responsibility. However, they have asked us over the years to take over the maintenance of the systems and especially now where we are going to in line screenings for TSA's purposes. We install and maintain and then we pass those costs back to the airlines.

Q: When you first moved into common use, what kind of resistance did you receive from you resident airlines?

A: The domestic carriers hate it. The international carriers love it. The domestic carriers like to play with their own... they have all developed their own proprietary systems and they have little whistles and bells that, especially in the early days, the common use providers at that time were primarily Air Rink and SETA and they could not play keep up with the times. I would say there is much less resistance than there used to be. There is still some. Carriers like United and U.S. Airways that have spent a lot of time developing their own systems that are customized for what they do, they still do not like to use the common use system but international carriers love the fact that they can come in and basically operate on the same system at Dulles that they do at other ____.

Q: The last question I have on here is why did you decide to move into, but we have already kind of talked about because you are at capacity and...

A: Yes. It is really having the flexibility to maximize utilization of our facilities.

Q: I think that does it for me. Do you have any questions or anything?

A: No. How did you get ahold of me?

Denver

Q: What aspects of a common use facility have you implemented at your airport?

A: We have implanted ticket counters for international airlines and all of our international gates. We have eight international gates with a common use system on them plus we have four domestic gates with common use.

Q: How long did it take you to implement all of this?

A: We have been working on it since about 1999, we have kind of incrementally added these terminals to our systems so about 15 years I suppose.

Q: Was that... Did you add the international terminal and that is when you decided to go with common use?

A: Yes. That was where we started out was with our international gates.

Q: Do you have any future plans to implement more common use within the facility?

A: Well, we are working on some self boarding gates. On two gates right now we are having a trial period, which will be testing these gates to see if it is something that we want to implement.

Q: When you say self loading gates, are those just staired gates or what are those?

A: These are gates where the passenger would do most of the work to get themselves onto the plane so they would scan their boarding pass and the system would allow them to enter. There will be still an airline person there to monitor things, but most of the work would be done by the passenger to get on the airplane.

Q: Do those gates have kiosks associated with them? Tell me about your kiosk situation.

A: They would have a boarding pass reader and then there is a gate that opens when it is okay for the passenger to pass through. I do not think there will be any self service kiosks associated with that other than just a boarding pass reader.

Q: Do you have any kiosks within the airport?

A: We do but they are not self service kiosks. Each airline has its own right now.

Q: Do you have any plans to implement self service kiosks?

A: We have talked about it over time but we do not have any plans to implement them now.

Q: How many total gates do you have?

A: We have 103 gates with jet bridges.

Q: You have 103? Is that what you said?

A: Yes.

Q: And you said about 12 of them, total gates, are common use gates?

A: Yes. We have eight international gates, which all have common use plus we have an additional four domestic gates with common use on them.

Q: And then two trial gates?

A: Yes. Two of the international gates will be used for the self boarding trial.

Q: For the equipment associated with the common use gates, who takes responsibility for that?

A: They are owned and maintained by the airport. We are using ____ here so we do have some people from ____ that are on site and they also work with maintaining the software for that system.

Q: So that is contracted out?

A: Yes.

Q: What type of signing do you have for those gates? Dynamic signing? Have you had to integrate airlines for that? How does that work?

A: We have gate displays on the back wall of each podium there at the international gates. It would bring up the airline's logo onto the screen when they come to use the gate.

Q: Does that work the same at the ticket counters?

A: At the ticket counters for the most part, they have their own static signs there. We do not really share ticket counters. We have a lot of ticket counters that are available so we do not have any shortage of ticket counters. We have not really implemented any signage like that.

Q: How has your customer service changed since the implementation of common use?

A: It has been gradual really. We have had a lot more use of our international gates in the last few years. We have gained four new international airlines in the last couple of years, so we have really increased the use of our international gates and the ____ has allowed us greater flexibility and has allowed us to have more airlines using those gates than we would have otherwise been able to.

Q: Along the same lines, your passenger capacity, how has that been affected?

A: I cannot say that it has really changed our passenger capacity. We have just been able to gain more use of our gates, so I guess it has been gradual and we have just been increasing as the years go and we have more international demand. Before now, we did not have as much demand on our international gates, so it has been really gradual.

Q: How has common use given your airport a competitive advantage?

A: We can quickly bring in a new airline if we choose to, particularly an international airline because we have the common use already on the gates and they would just need to get a circuit to go back to their headquarters to be able to get onto our system.

Q: Do you have a lot on inquiries for the common use gates?

A: Just whenever we have a new airline wanting to come in. We did have three new international airlines that contacted us last year and that we brought into our system.

Q: How long did you prepare? You said you had been gradually doing this over 15 years. How long did you plan and prepare to move into this when it was first brought up?

A: I think it took us a couple of years before we actually implemented any of the common use gates. We did talk about it for a while and planned. It has been quite a while but I think it did take us a couple of years.

Q: What was some of the major costs associated with going to this type of facility?

A: Okay. Well, it costs us now about \$10,000 per position for ticket counter and gate positions. I am not sure what the cost was to get on with _____. I do not really have anybody on this call from our technology's department but I might be able to answer that question. I could probably send you an email with that.

Q: I just know some of them have talked about the infrastructure itself has been a major cost that they have had to incur or they talk about regaining control of gates and how that was just not something that they expected to be a huge expense that ended up being something...

A: We really did not have to regain control of any gates because we had extra gates when we were doing this, so we already had control of those international gates. We considered them city gates. Our gates are also preferential. They are not exclusive. When we have an airline on a gate, they have preferential right so they can schedule their flights into the gates but the airport has the ability to put other airlines in the gate during unscheduled periods.

Q: What kind of resistance was experienced from the resident airlines when this was a decision to move into this?

A: We did not really have any resistance from our international airlines. They were on board with going into a common use system because they are used to that at other airports, but we did have some resistance from Frontier Airlines. They use our international gates quite a bit because they have quite a few international flights to Mexico and they also put some of their domestic flights on our international gates during times that we do not have international airlines on them. So for a period of time, we did get Frontier to be on our common use system. That was when we were with the SETA system. There were a lot of problems with responsiveness when there were problems with the equipment, so Frontier pushed back on the airport and they were able to get off of our common use system and we allowed them to put some of their own terminals into a few of our common use gates along with the common use equipment. They have a pretty big presence here at DIA.

Q: You said you originally used SETA as your system?

A: When we started out, we started out with SETA, the ___ system, and for the last three or four years, we have been on _____.

Q: What was the ultimate deciding factor to move to a common use type facility?

A: Just to be able to get more flexibility with the use of particularly our international gates and we do have one other airline that has come here, Spirit, which has domestic flights and they chose to go into the common use system so we set up a domestic gate for their use and a few extras for flexibility to be able to put Air Canada over onto a domestic gate if we did not have room on our internationals where most of their flights are being handled.

Q: Jog my memory. Spirit is international, right?

A: Pardon me.

Q: Spirit Airlines, are they domestic or international?

A: Air Canada?

Q: No. Spirit.

A: Oh, Spirit. I am sorry. Spirit is a domestic airline.

Q: And they do like the common use type system?

A: Yes.

Q: That completes all of my questions. Do you have anything for me?

A: No. That is all I have and I will try to get you the costs...

Chicago

Q: My first question is what aspects of common use has your facility implemented?

A: Let me tell you a little bit about O'Hare before we specifically address this. Until 2010, O'Hare was pretty much exclusively leased by the carriers. The city has had one common use gate when TWA, when American bought TWA out of bankruptcy, the city bought one gate from American to use as a _____ kind of gate. Then in 2010, the city bought _____ with Northwest and we bought out. When we _____ this airport is unique in the sense that the management of O'Hare, _____ a Chicago department. We are not a port authority. We are a department of the city. The common use facilities that you are seeing throughout at least Europe and maybe even through common use facilities in the U.S. is not how we have our common use facilities at O'Hare. The gates that we have in common use although they have specific rules and regulations to govern those gates, so if you do not use it, it is not exclusively yours. The city retains the right to put other carriers on those gates. However, the city did evolve to the carriers using those gates to provide their own signage and to maintain the equipment that is already there.

Q: You say your gates are exclusive. I have also heard some airports use the word preferential. Are you exclusive or are you preferential lease?

A: We have 189 gates at O'Hare. I believe 20 in the international terminal _____ are common use. In _____, which is the international terminal is different than our domestic _____ and so we at O'Hare have both, common use and exclusive use gates. The airport in Midway has preferential gates and that is also under _____ agreement.

Q: So, the actual gates at O'Hare are exclusive leases?

A: No. There are both. There are five common use gates in the domestic course and there are 20 common use gates, which is all the gates in the international are common use.

Q: Before you decided to move into common use, how long did you plan for that?

A: I do not believe there was a lot of planning and we have... in the last five years we have also looked at the opportunity to have common use facilities so that we could make O'Hare more competitive and bring in new carriers. That was something very difficult to do when you had exclusive use gates. So these gates became available in 2010. The city took the opportunity to buy back the gates from Delta and so now we operate those gates as common use facilities. However, it is not the sense of... it does not work the same way as it does in most common use facilities. You cannot just walk up to the gate, put in the airline name, and put your passengers on the plane. We have specific carriers assigned to each of the gates.

Q: Say you have a seasonal carrier, so you have them assigned to specific common use gates?

A: Well, the seasonal carrier, if the schedule works on the common use gates, then yes, we would put them on there. right now, we have a couple of gates that, depending on the seasonal carrier's schedule, that might be doable, yes. There are rules in place to guide who gets what spot

on those gates and there are some grandfathered flights, so the carriers are assigned to those gates as a schedule that was grandfathered, which the city ____.

Q: What other aspects of common use have you implemented? I know you said you have the specific gates, but do you have baggage systems or kiosks or ticket counters?

A: With the common use gates, there are domestic ____, there is a bag belt that goes with that particular gate and that carrier who is using that gate will use that bag belt. In terminal 5 in the international course, the gates and all of the bag belts, all of the facilities are common use and that is managed by a consortium for the _____. Those gates have been common use since they opened. However, in the rest of the facility, the gates are common use and the bag belts are common use but the ___ and the offices, lounges, are all exclusively leased.

Q: Do you have any additional plans to add more gates or do you have any future plans for the common use at your facility?

A: We would like to have more gates. We think that common use facilities provide more competition, which makes it better for the traveling public. However, our exclusive use gates are all leased through 2018, so unless a carrier were to leave or to somehow, or if they were ___ and even they left, ___ city to buy those gates, we would not know that until that happens. If you know U.S. Airways is going to possibly merge with American, U.S. Airways has some gates here. We will see what happens. The decision will be, we cannot just take these back. The carriers have to want to, basically resell them and they carry a high price tag, so we would have to see. What will happen after 2018 when our current agreements expire, the city has not decided what that agreement will look like. Are we happy towards common use or at least preferential use? Yes.

Q: I mean, this is just an opinionated question. It is not part of this. Do you think that when those exclusive leases run out, do you think that the city will just go in, equip it with common use and then just continue to let the airlines run as they do exclusively?

A: My personal opinion is that the city is going to need the airlines to pick up the cost of any infrastructure, so we will have to work very closely with the airlines to make that work. The airport is not... terminal 5 is the newest terminal that opened in 1993 and so the other terminals are really not equipped to, technology wise, to be equipped fully common use. There would be a substantial investment needed.

Q: Do you have kiosks at your facility and are they common use or are they airport owned or how does that work?

A: They are airport owned. The carriers in the domestic course, there are kiosks. They are all exclusive kiosks. You might find a few that will be by alliance, like the ___ may have all of their partners on there but that is their call. They are still exclusive. In terminal 5, there are, I believe three or four common use kiosks. The carriers are not mandated to be a part of that. There are only a couple who took advantage of it. The kiosks belong to the consortium.

Q: They manage that?

A: They manage that.

Q: You only have three or four common use kiosks within your terminal?

A: Correct.

Q: You said you have how many gates at your airport?

A: We have 189.

Q: And approximately how many of those are common use?

A: Over 20 in the international course are common use and I believe five additional domestic gates are common use.

Q: I know you said that you took over before it was the international part, you took over those gates. When you took all that over, who took responsibility for all of the equipment, such as the tugs, the jet bridges, and ticket counters that went along with all that?

A: The tugs belong to the carriers ____ ground handlers. The city does not buy that. The support equipment that you see ____ a lot to ground handlers and the carrier has their own tugs ____ system access for that. In terms of counters, anything that is spaced in the bridges, ____ bridges, or in this case was part of the package that the city bought. The bridges remained, it was an asset that the city purchased along with the gates. But technically, bridges ____ access of the carrier and so now going forward, the maintenance on the ones that belong to the city, the city looks for the user to maintain them.

Q: For the common use gates?

A: Yes. If an ABC airline on common gate E8 that ABC airline, if something breaks, they would fix it.

Q: Does that baggage systems that go along with the common use gates, is that the airline's responsibility also?

A: What?

Q: You said each common use gate has its own baggage system, correct?

A: Yes.

Q: Who is responsible for that?

A: The airline's just maintain it.

Q: How did signage work for your facility? Are there still solid signs or have you done dynamic signing? How does that work?

A: There is really, that signage can change a little bit but back wall signage, signage with the carriers' names, the carriers are responsible for that. It is subject to our approval so they would submit their claims and then we would, even for our exclusive use gates, we would then determine if it is something that we are okay with. If it is, then they can go forward but they are paying for it. We put up directional signs and that we would do for any carrier coming in.

Q: When a carrier comes in, let us say Air Canada came in in the morning and Air France or someone came in in the afternoon, how does the change of the signage work?

A: It probably would not be on the same gate and if they are or using the same counters, if someone uses it in the morning, then they would put a sign over the one that they have hanging. The counters are all exclusive here, so except, well, the counters, the way we have leased even the common use counters, there is one airline using those counters, so if we put a second one over, we would have to take a look at either how to split that at that time or how to juggle the signage so it would work. Right now, it is not an issue for us. We do not have two different carriers on our common use domestic counters. In terminal 5 where carriers sublease ____, they just kind of hang their sign over the one that is there.

Q: So you still do predominately static signage?

A: Oh, yes. ____ there is no electronic signage here.

Q: How has your customer service changed since the implementation of common use?

A: I guess, the competition, the common use in the domestic course created competition, so I think what it did is make some of the travel a little more competitive, it brought the prices down on our major carriers here. The carriers that came in, ____ carriers we have brought in that ____ Virgin America so basically it has opened competition up and made things cheaper for the traveling public.

Q: Did you have inquiries about your common use facility before you implemented that or was that an afterfact?

A: We have had inquires for carriers to come in. We have had inquiries from Jet Blue and Virgin and Spirit. Spirit we have had for a long time. They have operated even though they were a domestic carrier, they operated in terminal 5 because that was the only space we had for them and then they moved to subleasing from Delta and so now they can directly lease from the city. So, yes, we had inquiries and we hope that as more common use spaces grow that more carriers will come in.

Q: Let me ask you this, when you made the decision to go to common use, was your airport at capacity?

A: I do not know if we could ever say we were at capacity. We, in the past before common use, we would be, as seasonal carriers came in or new carriers wanted, we would work with them and our exclusive use carriers to make room for that, to work out a schedule that would work for the vacant, to use the gates, the difference being instead of subleasing from another carrier, carriers now can come to us and say we are looking to make ____ for this type of an operation.

Q: Do you feel that works better for your airport?

A: Better. It is different. Yes, I would say it is better. I think unless you ____ the city is ____ around you as opposed to our carriers subleasing, they are getting _____. Under our agreements, we do not get a percentage of that, so yes, it would be better.

Q: How has your passengers' capacity changed? We kind of touched on that a second.

A: I do not know if our capacity has really changed. It is not like we added use space. We changed it to common use and I think that is all that is happening because carriers today, there are always a lot of mergers, there are a lot of carriers that went into bankruptcy, so it just changes how the airline industry operates.

Q: How has common use given you a competitive advantage? I know we kind of talked about this a little bit.

A: I think that, I believe that common use, carriers like the ones we have ___ to our L concourse, which is common use, they look for opportunities to probably get ___ carriers in here. The low cost carriers, those carriers were not looking to sign an agreement for 20 years or 10 years. They cannot afford putting in the capital investment. That is with a common use gate even though you are maintaining equipment, it is far less than guaranteeing the city rent for 20 years on a gate.

Q: Before you moved into a common use facility, how long was that in the planning stages or did the idea bounce around?

A: I was going to say, I know ___ in the last five years. How much longer it is in the plans, I could not say.

Q: What were some of the largest costs associated with moving into a common use type facility? Was it regaining control of the gates, equipment, well I know you still do static signage....

A: When we purchased the gates, we purchased the equipment so it was more of a package deal so for us right off the bat there was the cost of ___ purchasing those gates. And with those gates come the bag belts, the counters, the back office, and I could not even speak to what that was because that was negotiated between the carrier and the city and the specific deal, I could not even speak to that.

Q: With your resident airlines, when you decided to move to this type of facility, what kind of resistance or feedback did you receive from the airlines?

A: As with anything else, I think when you are bringing competition to the carriers that are already here, you have to look at how their market strategy is going. You know, I think bringing in the new carriers was a good thing versus the action would have been that Delta and NorthWest merge and there would have been a concourse that pretty much would have set empty and that would not be good for anyone. The way the airport runs here is ___ charges are based on operations and the revenue that comes in so the more passengers, the more flights that come through, the lower the rates. Having everybody who would have had to chip in more money to pay for a concourse that is sitting empty. I think in that sense, it was a win/win for everybody.

Q: The big question is why did your airport decide to move to common use?

A: I do not know why the airport did it. I could not even tell you who made the decision. I think the airport moved to common use because they think it is more cost efficient in today's market. Carriers that do not operate the same way as they did years ago. They share a lot of the

same equipment. They can share ladders and the same spaces, so it makes sense that you would have a gate open and a carrier could make up a schedule that works in all common use facilities.

Q: That is end of my questions. Do you have anything for me?

A2: Yes. I would like for you to send us a copy so we can take a peek at what you have done, to take a look at it.

Q: At my final thesis?

A2: Once you get it published or done, we would like to see it.

Q: Sure.

A2: One thing, ____ make a statement. As far as the concourse that the city of Chicago purchased to make common use, if they had left that available for sale, it would be what it was before we got it, ___ looking for common use. once they became available, it made sense that you have a carrier ___ common use. ___ predetermined strategy if we want to do this become available and that was the most logical way to get it leased and back up.

A: Are you familiar with our website www.flychicago.com?

Q: Yes ma'am.

A: Okay. Because there is a lot of information on gates and things like that in there if you wanted to look at that.

Q: One other thing, a lot of the other airports that I have talked to have talked about, you know, they have a lot of resistance from their domestic carriers, but their international carriers were just really looking forward to the common use kind of thing? Do you see the same kind of trend?

A: You know, our domestic carriers and our international carriers operate under two different agreements with two different, totally different facilities, so the structure is not the same and you can be ____ to both agreements. Our two main hub carriers, American and United, are longterm signatories to both agreements and the structure of the whole document is different.

Q: Thank you very much.

Killeen

Q: What aspects of common use has your facility implemented?

A: We are talking about the GRK what the call the ____ Fort regional airport and just to explain to you if you look up that identifier, it is going to come up as Robert ____ Airfield and that technically is the correct name for the airfield. The city of Killeen has a joint use agreement with the army and the city does have a passenger terminal facility on army-leased land and air carrier operations for three air carriers operate through that facility and use the runway complex of the army for that.

Q: Part of it is military and part of the terminal is domestic use, correct?

A: The entire terminal facility is domestic, is all city _____. The army operates the airport but not the terminal. They have another deployment terminal on the other side of the runway. A lot of people get confused about what we are over here and all but as far as where you are going, I think the terminology used may be slightly different than what we are used to. We had a common use _____ system, common use CUPPS or common use, well, there have been two or three acronyms but basically, I think what you are talking about is where the computers at the tickets counters and departure gates would be owned and operated by the airport and utilized by the airlines. Is that the same thing we are talking about here?

A: Yes sir.

Q: Yes.

A: Okay. That is what I thought.

Q: You have implemented it at the gates?

A: In this facility, also I will tell you that this facility that we are talking about is eight and a half years old, that is it. The city of Killeen did not operate from this identifier of an airport until eight and a half years ago. It opened of August 2004. The city did operate another airport with air carrier but that was down four air carriers and all that activity was moved to GRK, just for background. With that _____, did we use and when did we implement, I think you have got another question there, we have had common use from day one at this airport. It opened in August 2004 and we had the common use. What we did was only the ticket, I mean, only the gates, departure areas, and the hold rooms has the common use. The ticket counters for the particular airlines at that time basically, it was two, it was initially Continental and American Eagle, they had their own equipment at their ticket counter. We have six gates set up with the common use equipment.

Q: The airport was designed with common use?

A: Exactly.

Q: How long was the airport in the planning stages and process of doing this?

A: From the time that the city maintenance determination to open this facility was probably, it was a five year process from, well at least five years, five years plus, planning start to the opening day.

Q: Do they anticipate growth at your airport and will those be common use terminals or how do you anticipate that?

A: Yes. We kind of did that already. In other words, we set up for six gates knowing we really were only going to use four gates on day one. In other words, we only had of the departure gates and our hold rooms, four of them are equipped with boarding bridges. One of them had stair access, and the other one you could not get there from here. In other words, it was kind of a fake gate but we went ahead and provided all the equipment there because we had anticipated growth to add additional bridges, which we did. We added them about three years ago. We have six full bridges now and six full gates operational. To kind of answer your first question is, we

went ahead and initially put the equipment in in order to handle that fifth and sixth gate even though we really were not using them initially.

Q: Do you have any inquiries about airlines coming to use those gates?

A: The three carriers that are here, and of course they change a little bit in name over time, but American still operates here, it was initially Continental operating here through their regional carrier for Continental and, of course, that is now United after the merger and then later in the process after we started about two years down the line, Delta started operating out of the airport. That was a factor in Delta coming here because Delta said and I will kind of modify when I first told you is that we did not have them at the ticket counters and we did not put them at the ticket counters initially because the two airlines did not want to get on board with it at that point. But when Delta came to us and wanted to start serving this airport, they were looking for a way to keep their capital costs down and knew that we had the common equipment at the gates and asked if we could extend that equipment to their counters so they did not have to get that equipment on their own. We did that at our additional expense at that time and then we charged them a usage fee to use it at the ticket counter.

Q: Do you have any type of kiosks within your facility, common use or not?

A: We do but they are not part of what the airport put in. Initially, no, there were no kiosks then about within a year or so, well at the time, Continental put in the kiosks. They put their own kiosks in just in front of their ticket counter, but it was linked to their own system, not to our system and then American put two in and linked them to their system. We do have, subsequently, Delta has put them in and so they are linked back through the common use system, but Delta put those in, so they are not in.

Q: So Delta maintains those even though they are on the common use system?

A: Softwarewise the link into our system, but the hardware is theirs.

Q: For your two existing airlines that you had, how do you rent to them? Are they exclusive? Are they preferential?

A: Say that again, please.

Q: For your housed airlines that you had when you moved into common use, how are they rented?

A: Oh, okay, how do they pay for the use of them? We have a standard rate for, we call it our hold room rental. And we rent the hold room and the hold room includes the use of the common use terminals and also, by the way, the boarding bridge, and we do not have a separate charge for boarding bridge. In other words, we came up with a rate for the whole thing as a flat rate per in plane passenger.

Q: Do you consider those exclusively leased? Are they preferentially leased?

A: No. They are not exclusive at all and that was the whole idea I think you may have a portion about later here about that. There are no exclusive use gates at the terminal. We have six gates between those three airlines, they rotate around to some degree. Now, there is some

preferred usage. They all kind of stake their claim and say I want to use this one and I want to use this one and generally, that is pretty much allowed as it works, but because we have the ability to do the common use, I mean we have the common use and the ability to rotate them around, that helps us with being able to handle maintenance issues or boarding bridges and other things because there are times that you have a boarding bridge or two that is inoperative and you are able to quickly adjust and use something else. And that is the big reason we wanted to do it because when we first designed the place, I told you we put in four bridges. Actually, we only had initial funding for three boarding bridges, and we thought we had three airlines, so we knew that we were going to have to have some rotation if you had any maintenance issue, the only way to handle that is to rotate and share the usage of one bridge between flights. We were able to, in the end before the building was finished, able to fund four bridges, but still, we saw the need to rotate through those bridges based on the different requirement of the air carrier. American is our, the _____, they have the majority of the flights. The other two airlines, one only has two a day and the other one has four a day, but American has nine a day, so they frequently end up using two or three gates at the same time because of maintenance issues or delays or those other kind of things. I am getting a little off your question list here.

Q: You are just fine. When you talk about that it is easy to move them around, do you feel like that is a benefit of this type of system?

A: Say that again please. Between my hearing and the voice is not coming in too strong here. Let me turn my volume up a little bit here.

Q: You talked about the ability to move airlines around easily. Do you feel like that is a benefit that has come with the common use system?

A: Absolutely. That is the main thing. I mean, if we have to move them around, they have to be common because otherwise, if the airline if they have to own the equipment up there, well they are only putting their equipment at certain gates, that is the only gates they can use and handle their flights.

Q: When the airport was designed and you decided it was going to be common use, who took over responsibility for all of the equipment, such as the tugs and the jet bridges and that kind of thing?

A: The airport did.

Q: Are they responsible for maintaining that also?

A: Right. We maintain all the common use equipment, we maintain it.

Q: Is it outsourced or it is done by the airport?

A: Well, it is done by the city, let me put it that way. We have got, the airport has key information technology personnel from our city IT department that are attached or assigned to the airport to do most of that work. Between internal and then contracted our worrywart from the company's that install it and by the way, let me kind of back up from what you told me earlier how you knew we had this is recent _____. This stuff was all replaced less than one year ago, so that is probably where we showed up as far as installing. The initial equipment that basically

wore out or timed out on support and we technically we have not even completed that contract yet. We still have some punch list items to complete for a totally new system for the common use.

Q: Did you change carriers of who did your IT things?

A: Say that again, change in carriers?

Q: Yes. I know we have Air IT that provides that.

A: Oh, yeah. Air IT is the company that has the contract and I think so. I cannot remember who had the initial company but actually we did, besides CUPPS common use, we also did a FIDS merged into the same contract and the companies did both work at the same time. But yes, Air IT is the one that has it now. I cannot remember in the past.

Q: SETA?

A: I think so. I think it was but I am not sure.

Q: How does signage work within your facility? Do you have dynamic signage or static or have you ____ that?

A: There is no airline signage in the hold room area. When the ____ that gate is signed and then the screen, the back screen there, comes up with their logo and their flight number and that kind of stuff. When they sign off, it just goes to generic airport stuff.

Q: It is like electronic signs now?

A: Yes. Basically, behind the ____ computer at each ticket, I mean at each departure gate is a monitor, I cannot remember the size of it, but basically a pretty good sized monitor and like I say when they sign in to use that gate, log in, then with that login comes up that particular company's logo and the particular flight that they are getting ready to launch off that and when they sign off then there is kind of a generic airport logo that goes back up on that monitor.

Q: How has your customer service changed since the implementation?

A: Like I say, since we started from this, there has not really been any change that I could say on that. That is kind of not applicable in our case. I really do not kind of want to get into the change when the other airport we came from was so much different and so much behind the times that it is... I do not think we really want to get into that because it was just a different situation.

Q: Since you have come into this common use type facility, how has your passenger capacity changed?

A: I do not think there is any difference in that. I do not believe there is a capacity change. What you may be getting to is I guess if you have had exclusive use at certain gates from certain carriers then you go this way, I can see where that could help that capability but, in our case, I cannot really indicate how that is applicable in this case.

Q: How do you feel this has given you a competitive advantage?

A: Competitive in what way? With other airports?

Q: Yes.

A: It is invisible to the public. I do not think that they have any idea what the difference is. I mean, they do not know who owns it. It just works for them. They board an airplane. That is all they know.

Q: Has it made you more marketable to other airlines?

A: As I mentioned with Delta, yes. Delta was interested in it. when they came out here, that was a little bit of a negative factor and they had to invest money in putting this equipment in themselves and maintaining it and all that business, so that did help us a little bit in that respect, but would it have made a difference for them? I do not know if it would or not. We had for a time period, we had a ___ airline services for about a year and a half and we were dealing with them. Now, they did not want to use this stuff. They had kind of their own system, so for them, no it was not a big deal. Where it also comes into play is dealing with irregular operations, such as charter operations. There is some functions of this system that a charter operator that may just have an occasional operation out of here can plug into and it helps them. That is about as much as I can tell you because I do not know the details of what it does for them, but as long as it is loaded with other airlines information that they can sign into, then it is my understanding that it allows that to happen. Now it does give us, if you would, a competitive advantage if we are trying to recruit an airline that is kind of like Allegiant's system where they are not wanted to put any more capital into the startup than they absolutely have to. They can just come in and use what is already here and it makes it much simpler for that to happen.

Q: For those charter airlines you talked about that did not want to use your type of system, do they bring in their own stuff or how does that work?

A: We thought that they would ___ like at their ticket counter thing like we did for Delta. We thought that they would probably want to do that. No. they operated on a real low cost operation and I think they basically were operating from regular PCs that really were not linked to the same system that most of the rest of these are. I think it used to be the old ___ system and the followup to that all this stuff is somehow linked to and they did not want to link into that. They did not need to. They are on their own system as I understood it. At that time, anyway. This was now three years ago, so I do not know where they are today.

Q: What was the biggest cost associated with going to this type of facility?

A: I could not tell you what the initial cost was just for that but I could tell you if you are asking about cost what the replacement cost on this Air IT equipment was \$761,000 to install that for the six gates. There is a little bit more because we had those replaced at Delta equipment that was in a different funding source but the amount that was spent when we paid for that out of our passenger facility charge project was \$761,000 and I could not tell you if you really start from scratch, I do not think that would be the cost. I believe there was some infrastructure so wiring and at least conduit lines if nothing else that were reused that if you went in from scratch you would probably have additional expenses in putting one in.

Q: Do you think that the infrastructure was probably your biggest cost? I know you do not really have a lot of airport so you do not have a lot of signage problems or you do not have that many kiosks but, you know, even the equipment as far as like your tugs and your jet bridges and your baggage systems, do you think all of that collectively was more like your infrastructure cost was your biggest cost associated?

A: I do not know that I could answer that. I do not know, I mean, the entire building was built on a lump sum contract and all that stuff was in there. There was not too much of it was itemized out, so as far as really on initial cost, to really say how much a particular item costs, and I say the changeout the amount I gave you was for the change out to the newer equipment, the modernized equipment a few months ago. That ____ cost against. The rest of it was embedded somewhere in a \$32 million contract for the entire building.

Q: We talked a little bit about your resident airlines and they just kind of wanted to do their own thing. Did you get any kind of negative feedback from them besides they just wanted.....?

A: Well, yeah, we did. Basically, they did not want to do it at the gates either, but we were insistent on that, as a new facility, we had to have the flexibility to change gates and by putting this equipment in there, it would allow that to happen. We worked very closely with their IT people to ensure that the system that went in initially was going to be compatible with their ability to sign in on it and the thing is that is the way it works is basically once an agent signs in on that computer it links it to their own company's software system. At that point forward, basically it is just like it is their hardware. Once we convinced their people that it was going to work fine and then they were satisfied with that. Of course, there was still some concern about, you know, if you know that something is yours and you know who your mechanic is or your maintenance person to take care of. You have a contract with someone you are comfortable with and you know you have a degree of comfort with that. When you know that you are going to be expecting somebody else to maintain it, you are not sure how reliable it is going to be. You are not sure if that person is really going to be available at 2 o'clock on Sunday afternoon when the system breaks or not. You have some uncomfot with that. That was probably the hardest part is how are we going to convince them that we can take care of this and keep it working for them. You can never do that 100%. I mean, you cannot absolutely guarantee that and there are problems come up and there are times that it is not going to work. It is just that you have to do your best to minimize that.

Q: Now that they have been kind of doing it, do they have less resistance to this?

A: Yes. There is not any problem at all with the hold room there. When we did update the equipment, we tried then to say now is when we are in the process of updating this. Are you ready to come on board with us at the ticket counters. Still, no. Part of that also had to do with the fact that we were dealing with what American was going through and still are in bankruptcy and as soon as they file bankruptcy, they are not interested in new ideas at that time. and really, both them and United were going through the same thing because United and Continental were merging and the carrier was actually ____ and ____ was being removed by United so I mean there were some transitions going on down there that made trying to negotiate those kind of deals was such little consequence to them, which to them they did not want to get into it and we needed to move forward with our project, so we were unable to get them to come on board. I think if it might have been stable airlines at the time, you know, and not bankruptcy situations, we may

have been successful in getting them to come on board with it at the counters. Now, there was another problem though with going to the counters with it and that was a funding problem because using the passenger facility charge program to fund it, the FAA would not allow the passenger facility charge program to be used for the ticket counters.

Q: I know we talked about the old airport, it was just outdated and you really needed something new, so ultimately, why did they decide to move into a common use facility instead of keep it the way it was.

A: First, I mean you start getting mixed in here in. The other airport, and I am not talking terminal, I am talking airport, okay, we only have 5,000 feet of runway at this old airport and we were faced with losing air carrier service to the community if we did not do something different. The solution was a negotiated agreement with the army to build a terminal facility on a 10,000 foot runway and open the air carrier facility here. That whole thing was okay. We are going to another airport. Then as we started getting into a design then what we were hearing even at that time was a common or non-dedicated gates and using common use equipment is kind of what we were hearing is that is the trend, it is the thing to do. We were trying to be on the cutting edge of you know technology and have the best terminal building built at that time and so that is where we went with it so this was our recommendations from our consultants and we thought that was a great idea and that is what we went with.

Q: At the other airport, were you just at capacity? Was that part of the move, the lateral move for that?

A: Yes. We had exceeded capacity in several ways. The runway length was not long enough. There was no way to _____ well. You can do anything with enough money but we had major highways at either end of the runways so any extension was going to require major bridging work and all that. The runway did not meet FAA safety in the runway safety standards. We only had like 300 feet off one end and 250 feet off the other instead of having a 4,000 foot clear area, so that came into play. That was right during the time that there had been some accidents with the lower runs and the FAA was real big on, you know, you have got to fix this problem. Our fix to that problem was go to another runway at another airport. Then at the same time, we were running out of parking space. We did not have enough land to actually even add parking lots. The terminal building we had was a little tiny 27,000 square foot terminal building. We really only had space for two airlines. We had three but two were really sharing space and did not have near enough space to operate out of. We were out of ramp space and we were just kind of out of solutions, you know. When this thing came open, it was really the right answer for many, many problems. With the 10,000 foot runway we have access to, we can have a charter or anything in here now. We were just limited to basically terminal _____ aircraft _____.

Q: I think that completes my questions. Do you have any questions for me?

A: When are you going to come out and see us?

Q: I really wish that I had the time and means that I could do this. I had heard a lot of things about Killeen being half domestic and half military and I thought that was very odd and interesting, so I like that we talked about that a little bit.

A: _____ Airports around the country, some of which are, that we modeled off of, but we certainly looked at _____ place was signed and completed and all that. There are a lot more of those that they are looking at now. It does make good sense to utilize government facilities instead of spending a lot of money on infrastructure that may not be necessary.

Q: Did you have to get clearances? Do you have to get certain types of clearances because it is military to fly commercially?

A: That has been a little bit of an issue as far as technically as far as the FAA is concerned if it is joint used, you know, they want to just open where any airplanes can fly in. The army was concerned about that. Their concern was not so much with corporate aircraft, business jets and all that, that is fine. Their concern is that when we open up over here, we will have every _____ to training flights tying up our training pattern and we are trying to move cease fires in and out of here and ...

Orlando

Q: What aspects of common use has your facility implemented?

A: When you say aspects of common use, you are talking everything from CUPPS and _____ and all of those different things, common use terminal equipment, and common use passenger processing?

Q: Yes.

A: We have not done a lot of that. We are still in the process of implementing that, baby steps so to speak. I want to say since 2008, we kind of started to kick that technology end of that into gear here.

Q: That is when you started implementing all of this?

A: I would say 2008, it could be earlier than that too. Like I said, the director over that department, he can probably give you a more concrete date on that. I have only been here since 2008 though.

Q: Tell what all you have? Do you have the baggage systems, the kiosks, gates, what parts do you have?

A: I run landside operations and a lot of the airline lease and use agreement stuff and with the gates and the bag system, that is run by our airline division. My division, landside, I handle terminal operations, emergencies, passenger processing in terms of TSA security checkpoints and also the curbs and the roadways. Because of the fact that our model is a hybrid of, you know you talk about how the airport is put together there, the use and lease agreements were kind of a hybrid between the residual and the compensatory. Everything that is inside of the building for the most part is compensatory and then everything that is outside, be it the airfield and other AOA facilities is residual. Because of that, you know, I can tell you a little bit of stuff. It is not going to be as accurate as what you are looking for until I can get the information back to you.

Q: Do you have future plans for implementation of this?

A: Oh, yeah. We do. We do have future plans, yeah. We are always talking about and looking at a lot of improvements as it relates to implementing common use facilities and we are actually current going through a new use and lease agreement because this current agreement expires in October and so we are trying to either extend this one or come up with a new one. The other thing that we are dealing with is we are trying to expand the airport as terminal facilities and also bring an intermodal facility, as well, that is going to have some rail and other aspects, so we are kind of juggling a lot of things right now.

Q: What do you have there as far as lease agreements? Are they preferential use or exclusive? What are they?

A: We do not have any exclusive use items. Everything is preferential and then we have some facilities, of course, that we operate and that we will lease to the carriers on as needed basis for the most part.

Q: Right, which is the common use side of that.

A: Right. We have 96 gates and out of the 96 gates we manage 37 of those.

Q: Okay. Do those have primary airlines on them, like they are used by a certain airline every day or are they just as needed still?

A: It is as needed. There is a little bit of preferential action that works into that. In particular, our international carriers and we have a schedule and so we will accommodate them based on aircraft characteristics and size and time of day whether or not they are on schedule and so forth. We have a gate control system that we use in order to ensure that the carriers that are asking for the common use gates and equipment and joint use gates and equipment can accommodate what they are requesting.

Q: You said these leases end in October. Are you at capacity or how is your capacity?

A: If you talk about capacity in terms of what the terminal can handle, the terminal can handle 45 million passengers per year and right now we are about 35 million, so we are close to capacity but we are not at capacity.

Q: When you decided to move into common use, were you at capacity or what that just a strategic move?

A: What you are going to find as you are doing this study or as research is the majority of the airports, particularly the larger ones that do not have a fortress hub like an Atlanta or at Denver where you have this main carrier that is pretty much calling the shots, what you are going to find is the majority of airports are looking towards going toward the compensatory model where we are taking the risk and responsibility for the facilities that we lease out to the carriers. A couple of reasons are because the airlines are not financially stable as they used to be. The airlines only want to pay for stuff that they use as opposed to what they were doing before where when you started talking about competition and the airlines could afford to kind of take up more space and more issues. They are kind of backing away from that. That kind of gives us more flexibility to lease our facilities to other carriers that want to operate here.

Q: Do you have inquiries for those?

A: We have inquiries, yes, on a daily basis from international carriers and other carriers, yes.

Q: That want to come in and use your common use system?

A: Oh, yeah.

Q: Do you have any kiosks within the facility?

A: Yes. We have 27 self-serve kiosks that will show multiple airlines that have volunteered to participate in the process and then of course the _____ carriers that are here, they have their own system.

Q: A lot of people that I have talked to have said that the international carriers are predominantly the ones that are on the common use system. Is that true for you too?

A: Yes. The international carriers are the ones that are on a common use. However, we do have some international carriers that are signatory but they also use the common use system.

Q: For the gates that you have labeled as common use, who takes responsibility for the equipment such as the baggage, the jet bridges, the tugs, and that kind of thing?

A: We have because of the fact that is run in-house, we have a contractor that oversees the maintenance of the jet bridges because we have taken back ownership of all of that with this new airline use and lease agreement that we took over in 2008.

Q: What type of signage do you have for those gates? Do you have dynamic or static?

A: We have dynamic signage and all the carriers would be able to log in and when they log in that kind of gives us the ability to track the time of use that the carrier is on for, of course, financial and record keeping purposes. It helps. We are constantly improving on the technology for that too.

Q: Does that do the same at the ticket counters?

A: Yes. It is the same for the ticket counters.

Q: How has your customer service changed since the implementation of common use?

A: It depends on the passenger or the type of passenger. Business passengers, of course, would appreciate the kiosks and you the common use far more than the leisure traveler with the large family that may require some assistance. Because of our gates, because of the fact that we are for the most part a leisure based airport, I would say it is probably 50/50.

Q: We talked about your capacity a little bit. How has that changed? Has it increased? Has it decreased? Mostly the passenger flow within your terminal, how has that changed with common use?

A: When we went to our airline and use agreement, remember in 2008 that is when we had the economy take a dive, and because of our market niche, we suffered a bit as a result of that.

Since the recovery, we have been steady. I want to say we have been doing better on the international side where we have a pretty significant growth period in regards to that. Domestically, we have probably been steady to slightly under what we were forecast to do. Like I said, all this kind of comes into what our niche is, so we are not necessarily disappointed as a result of that but the international traffic has definitely helped and overall, we have seen an increase whether it be slight, there is still an increase as a result of the international traffic.

Q: How has common use given your airport a competitive advantage?

A: It is an industry trend that is inevitable in order to remain current in the industry. I think you have to stay on top of the emerging technologies that are out there and hopefully try to get ahead of what other airports are doing as we apply it. Me as an airport operator and being involved with airports for while and being very active in the American Association of Airport Executives, with the way that the airline industry has changed, I think airports have to be more responsible for the facilities. You cannot really rely on the airlines to actually help your operations stay in the black financially. Providing common use facilities and allowing different carriers to use them kind of more like how facilities are doing over in Europe, I think that process alone kind of give us a competitive advantage over some of the airports that are still kind of locked into these long term agreements with these legacy carriers.

Q: You said you handle the leasing side? Is that correct?

A: Landside. I handle landside operations.

Q: How long, I know you said you have only been there since 2008, but how long was this in the works and did they prepare for this transition?

A: How long was the switch to this compensatory or I guess this new airline agreement? Is that the question?

Q: How long did they plan for that ahead of time?

A: It takes years to plan for it. I am sure they were probably working on that plan at a minimum of three to five years prior to it going into effect. You have to remember most of the residual airline agreements kind of came into place when airline regulation happened in 1978. This airport, kind of I want to say, came into existence as an actual airport authority and the operation as we know it today at that time so a lot of those agreements have been in place as long as 30 years ago. Once you get to that expiration, of course, what other airports do is you go back into negotiations and you negotiate those long term contracts again for 20 or 30 years. The industry, because of the health of the airlines, the airlines cannot commit for that long because they do not even know if they are going to merge or if they are even going to be operating in 20 years so it is a situation that helps everybody so what I would say and because of the fact that I was not here then, I was barely even alive, but what I would say is this has been in the works for a long time since the industry has started to shift.

Q: What was the biggest cost associated with going to this? Was it the infrastructure, regaining control of the gates, or for you, what was the biggest cost with this?

A: As you switch from that ____ methodology, I would say the biggest cost or the hardest sacrifice you have to go into is building reserves, so you kind of have to stack some more money in your piggy bank for the rainy days because of the fact that you are leasing these facilities, you are taking the financial risk just in case you have an airline that pulls out and your facilities are not being used and so you are losing that steady flow of financing or revenue. With that being said, you have to build up your reserves and building up your reserves, of course, is significant. You have to forego other improvements and some of the O&M that you would rather have done on a regular day in and day out basis. You have to forego a lot of that because of the fact that you need to build up your reserves just in case you have another economic downturn or you have a significant security related ____ like 9/11 or something like that, so you do not lay off all your employees.

Q: Something you had said.... Refresh my memory again, how many gates do you have that are common use?

A: We manage 37 of those gates.

Q: How did you obtain those gates? Did you build a new terminal or a new wing or were those gates where someone had left or how did you come about those gates?

A: Right now, we have four what we call airside terminals and there are kind of concourses where all the gates are and they are in the sterile area, so they are beyond the security checkpoint and you have to, you know, you are processed in the main terminal and then you head out and each of our wings, we have common use gates. Some airlines use those preferentially but there are still common use gates and we can technically kick the airlines off of those if we needed them for a significant event, 99 times out of 100 we do not. On the areas where we have our federal inspections ____ our international gates, we have added some and taken away some. It just depends on the nature of the operation and need at the time. In 1991, we had our airside 4 was built and then probably as last as two years ago, we modified airside 1 to accommodate some of those international gates. We have a split FIS type system set up and those 37 gates kind of fall within those areas.

Q: When you decided to move into this type of facility, what kind of resistance did you experience from your resident airlines?

A: I would not say resistance. Most airlines are going to give you a little bit of heartburn if they have to contribute financially. I think the way that we have done things is we kind of work some of that stuff into the rates and charges and then here there is, our cost per in plane passenger is pretty low and once again is because of all the other auxiliary services that are here and concessions and so forth that allow us to keep our costs low, so it is relatively cheap for the airlines to operate here, so we do not get a lot of kickback and complaints into them needing some financial relief so to speak.

Q: That is good. Why did your airport decide to move to a common use type facility?

A: Because it is the state of the industry right now. If some other airports could, they would because right now with the state of the airline industry, you do not really know from day to day how the health of a particular airline is going to affect your facility. You look at somebody like Pittsburg who was a fortress hub for so many years and then as U.S. Airways began to merge

with America West they pulled out of Pittsburg, there you are and you have made this financial contribution toward your air mall, your concessions, and so forth and you have SouthWest Air but it does not even make up a fraction of what it was that they lost. They would have benefited greatly from having a common use kind of compensatory setup. It is kind of hard to forecast that and the best thing to do is kind of go about how a lot of the airports are operating in other countries and kind of operate it more like a business than something that is just trying to stay in the black.

Q: That is all the questions I have for you. Do you have anything for me?

A: I wish I could have been more direct on some of the questions, but like I said, I am going to have our airline division manager kind of fill out some of these questions and then I will email that to you and hopefully that will kind of bring some more clarity to some of your questions.

Q: I think you did a good job. You are kind of giving me the same type of answers I have received from everyone else.

A: My stuff was general and like it said it is just stuff that I have to talk about with some of my colleagues at other airports and so forth. I can kind of get you in the ballpark, but as for the exact stuff....

Cincinnati

A: Did you put me on speaker phone?

Q: Yes. Can you hear me okay?

A: Yes. I can hear you okay.

Q: What aspects of common use has your airport implemented?

A: Let us talk about common use. We have, prior to May 2012, we had really no common use anything in the airport. We had common areas but no common use facilities. In May 2012, we moved the barest terminals into concourse A, which was previously ____ by Delta and it is the closest thing to common use that we have. However, by the legal definition, we have what is preferential use meaning they are not exclusive. We have the capability of common use so if we are not using it, we can put another carrier on there but the leasing it has preferential capability.

Q: How many gates do you have that are common use or preferential use, as you say?

A: Preferential? Yeah. We have 16 gates that are in that category. Just to let you know, there are 22 gates capable on the old facility but we only refurbished 16 so there could be as many as 22 under the same classification. We just have not activated.

Q: When you talked about that you moved into preferential use, is that where, for common use I am talking about you took over the controls of the computers and the tagging systems and that kind of stuff.

A: Right. The computer systems is built _____. We do not have what they call CUPPS or CUTE or other system. We do have a common infrastructure that the airline can hook their

computer to that we provide. It is an IT infrastructure and that was instituted when we put in the facility in May 2012. We have a common ____, which is part of that infrastructure, which is mutual information, flight information that was not there before so that is now ____.

Q: How long did it take you to implement that? You said you implemented it in May?

A: Yes. We did it in May 2012. Negotiations with Delta to essentially get the space from them took about one year. And then it took about one year – so probably about two and a half years to go from negotiation to the actual implementation.

Q: May 2012 is basically when it opened as preferential use?

A: It is when it opened up as a non-exclusive – our closest thing to being common use.

Q: Do you have future plans to implement more common use?

A: At the present time, the only plan would be to, based on demand, to change those 16 gates and make them 22, but there is not a demand for that right now. Delta is flying out of concourse B. It has 28 gates total and exclusive, so they exclusively lease that facility. A lot of our productivity is met by their flight activity, so there is not any real demand right now.

Q: Are all your other leases exclusive?

A: Those are the only leases that we have are Delta, which is exclusive, and that agreement runs until 2020. The agreement they had on concourse A, which was exclusive for them until 2015, we renegotiated and made it available, which is nice for the rest of the airlines, in 2012.

Q: Do you have any kiosks in your facility?

A: Our kiosks are provided by the carrier. No self-service kiosks...do you ask the question of self-service? We have self-service kiosks, but they are provided by the carrier. We do not have common use kiosks at this time. We do anticipate putting those in probably in the next five years or less.

Q: When you moved into the preferential type system, did the airport itself regain control and maintain the equipment associated with that?

A: It is interesting. In concourse A, yes. So I will give you some background. Concourse A and B and terminal 3 were projects that Delta developed around us ____ property was theirs, although the grounds ____ of the airport. In bankruptcy, a lot of those facilities came back to the airport ownership but Delta still had exclusive rights and control. ____ now is part of the airport's control, when we that negotiation, when we acquired that asset their rights to ____ we got control of the terminal building, all of concourse A and part of the bankruptcy ____ we had access to all of the shared systems, so the bag systems was ____ the ____, all of that stuff was provided by Delta and was there exclusive stuff. Now that is shared and that is probably the closest thing to common use. The interesting thing is Delta is maintaining and operating it, not the airport. Basically, while there is a city gate on the other air carriers to use it, Delta is responsible for operating and maintaining it at the airport. We have a little bit of a hybrid situation here.

Q: Is that all the gates that are preferential use, common use, are Delta's gates?

A: With Delta, they are all exclusive. There are 28 ____ site gates. On concourse A, there are 22 gates total, 16 are activated and they are non-exclusive.

Q: What type of signage do you have for those gates? Is it still static or is it dynamic and how have you integrated the airlines?

A: Since the project was built last year, part of our usage system, we put in additional static signs but we also put in electronic signs. So all of the backdrops at the ticket counter and the gates that we took control over are all flat screen. So that we can change logos. We can change different flight schedules. Instead of ____ common use, ____.

Q: How has your customer service changed since the implementation of this?

A: One thing is not so much in the area of common use. The terminal that the carriers that are now using A, the other airlines besides Delta, they operate out of terminal 2, which was built in the 1970s and has not changed so their customer service is dramatically different because it is two refurbished ____ versus something that ____ back when I was _____. That is due to newer space but the project when we redid it, we tried to make, for example, now ____ now the customers can see all of the flight activity including Delta on one screen and all the concourse and ticket counters they have that ____ they have ____ in that as well, so we can show people the maps and different things, so that is helping _____. Then we have added the Fifth National kiosk to help that to help _____. The ____ that we made in concourse A and part of terminal 3 was about \$37 million and so we really upgraded the facility the look and feel and also customer management, such as Wi-Fi. We have a ____ Wi-Fi so ____ and then we also added work space for the kiosks ____ plug in and then every seat in concourse A ____ has a power ____ USB ____ so we have gone a long way in this project and the facility, the customer's experience and their amenities.

Q: How has your capacity changes within your terminal and also your airlines?

A: ____ before this changed in our ____ issue with concourse A, all our carriers operated in terminal 2. Concourse A was vacant ____ control, so we did not have a right to use that. Terminal 2 where the carriers that are now A or prior to last May, there were no additional gates at all and the hold rooms were insufficient, so there was really no way for us to get a new airline. We had no place to put them unless they used a gate that was already there by someone or be handled by Delta. Since May 2012, we now have gone from initiating the 16 so we have access to all 16, so capacity has gone up. We have essentially gone from zero to where we are today with ____ flexibility _____. We have eight gates that are not under any kind of lease. For example, Frontier, which has announced that they are starting service out of Cincinnati, they are a low cost carrier, really our first low cost carrier in many, many years and they are going to be using one of the unoccupied gates. The point being is if that one year ago, they could not come here because we did not have the space to put them. Now will Delta ____, we can ____ more expanded service of _____.

Q: Were you at capacity as far as passengers?

A: No. We were, from a gate space and a control perspective, but in terms of facility it was ____ when you include the Delta property, the airport saw 22 million ____ in a year and now we are down to four. There is way more capacity than we are ever going to utilize. It was built as a hub. ____ flights and all that activity ____.

Q: How has this given you a competitive advantage?

A: The new facilities with amenities that allows other than Delta carriers that are currently here to grow without additional cost ____ add flights to their _____. When you add gates or use gates on a ____ instead of leasing a whole gate, that helps us and then on a per turn charge, we can also do that ____ like Frontier who is going to come in and instead of leasing a new gate, they can just pay a per turn charge, which is going to be substantially less than they would if they had to lease the gate for one flight a day. So now space is available to make a decision to stop flying from Peneger and pick up their operation and move it to _____. So that has helped us be competitive not only amongst the carriers themselves but with our competitor airports you see Cincinnati is surrounded by five airports where we have a fair amount of leakage where low cost carrier surround us and people drive to those airports, and this we believe, this additional capacity and access to these gates will give us the ability to beat those airports and get low cost carriers in here ____ so that we can regain some of ____ we are losing.

Q: How long did you prepare for this transition?

A: I would say, I started in the airport three years ago, I worked for the airline that just a control of the space backdrop, so I would say probably about three years between planning, negotiations, and implementation.

Q: You basically moved into the airport while they were trying to negotiate with you?

A: No. There were real active negotiations going on when I transitioned to the airport. When I got to the airport, there was new leadership, and so it was how do we improve our ____ for the future. The answer is a lot of them use space but it is controlled by someone else, so we either needed to build something or get control of it so that we have control over our own destiny and so I worked people at the airport who had already been there to come up with strategy to go make that happen. Really our CFO (chief financial officer) negotiated the deal that made all of this possible and the benefit was really cool and ____ reflect it is that while Delta had control of that and the obligation for that space in concourse A and they were obligated to pay until 2015, they are still on the hook for it financially unless we lease it to someone else. So, we got the best of both worlds. We have the ability to grow but the burden of all of that cost is not on our books so we take it back from Delta at the end of the lease or lease it to another tenant prior to that _____. Our CFO did a great job at kind of making it a win/win for Delta, as well as the airport.

Q: What was the biggest cost associated with going to this type of facility?

A: Construction. There was about \$37 million, some amount was buying what minimal assets Delta had that were still valuable that they could otherwise say move out like some loading bridges and some things like that but the majority of the cost was construction. It was just upgrading it and taking the facility from a single-carrier facility to a multi-carrier facility.

Q: So you would say the infrastructure itself was probably the biggest?

A: Yes. The IT infrastructure. For example, all of the hold room seats in the facility had Delta's logo on them. We could not ask United Airlines customers to sit in a Delta branded seat. We spent \$1 million on new hold room seats.

Q: Wow.

A: All the podiums and all the furniture, if you will, besides the seats were also Delta logoed property, so we spent \$1 million on millwork to replace what was there. Also stuff _____ system _____ was Delta's exclusive property and so we needed to go create an IT infrastructure and a system to allow to have a usage system and that IT system was several million dollars. It all added up pretty quickly, but it was all the infrastructure _____ and it was taking it from a single-carrier branded to an airport facility that multi carriers could use.

Q: What type of resistance did the airport see from the resident airlines?

A: Just concern over their cost increase because they were moving from relatively small and old space that was very affordable although it was not desirable. Their concern was what were they going to be asked to pay for if these facilities we were moving into were much larger and the expenses to operate and their concern was are you going to make me pay for more than I can afford and make my operation unprofitable, and therefore, either pull out or shrink, and of course that was a big concern so part of that got appeased by Delta still being on the hook for the unleased space so the airline did not have to absorb that into their rates. That was the _____, so their costs went up but their costs did not go up to the extent that they could have under a similar situation.

Q: Why did the airport decide to move into common use?

A: To improve our control, which would allow us to improve the opportunity for competition, to control costs. Airlines, especially new entrants do not want to spend a lot of money investing in opening a new facility, so we wanted to have the infrastructure _____ so that was less of an obstacle for them to decide to fly our market or add service. It was really about creating a more competitive landscape and one where we were not completely at the whims of any one particular carrier and that is pretty much it.

Q: You did say you were on the hook with Delta. You know, that is what you had.

A: Say that again.

Q: You did say that you were predominantly one carrier and you had no room for expansion.

A: And well, Delta _____ the lease for years but with their merger with NorthWest and the consolidation _____ in general Cincinnati was no longer a strategic hub for them to the same level it had been in the past, so we saw their flight activity shift away from here to Detroit, Atlanta, and other places so the airport, while it had its customers served pretty well, needed to adjust to that and this was _____. Keep in mind the current lease agreement ends in 2015 and we were _____ essentially all of the space to back up our negotiation with them and I think we envisioned running something similar, the _____ may be different, but in terms of the _____, I do not think we are going to go full common use and the reason being, true common use codes is an airport where there is more demand than facilities are available and we have more facilities than

demand, so for us to go common use, it is going to put too much of a burden on the cost infrastructure and be counter to what we want to have accomplished.

Q: That completes my questions. Do you have anything for me?

A: No. Just curious if you will share your report. I would like to see it when ...

Sacramento

A: Yeah. You know, just kind of why you are interested in doing it. I am just kind of curious what you are after. It will just help me in what I am doing.

Q: I actually started this two years ago when I started my master's program. Everybody preached, you know, you need to figure out something that you like that you could do your thesis on, so I did a competition for the FAA. It was a design competition and I stumbled across this, the common use facilities. I am not sure if you are familiar with the Transport Research Board, they have actually two publications about it. One is on the implementation and then the other one is just an overall view. I basically took that and I narrowed it down to the ones within the United States. It was kind of outdated. It was in 2008, so then the FAA published some information about more current airports that were going to this. I just compiled all the ones in the United States and did the legwork on trying to get some numbers and stuff and then kind of narrowed it down to who I had contacts with, and so, here we are. I am interviewing people throughout the United States that have this type of facility and looking at the advantages and disadvantages of this type of system.

A: Great. Well, let us see here.

Q: My first question is what aspects of common use have you implemented at your facility?

A: I guess that kind of depends on what you define as common use. I will tell you what we are doing. We have basically a common use IT platform and ticketing. What that does is essentially, people can go to any kiosk in the airport and get a ticket for pretty much any airline and there are exceptions to that. There are certain areas due to queuing and things like that where we limit the number of airlines that are on a particular kiosk, but there are certain kiosks that they have access to each ticket as long as it is not international.

Q: Do you have international airlines that are on this same system?

A: They operate on a common use system at the gates and they are on our platform, but they cannot issue their tickets because their agents need to verify passports.

Q: Right. Okay.

A: So, that is kind of a limiting factor in that.

Q: You do have common use gates also?

A: Yes. We have common use ticket counters, common use self-service kiosks, and common use gates. So one airline image will basically cover all those aspects.

Q: How long did it take your airport to implement this type of system?

A: I cannot really answer that because what we did is we went through a terminal – we built an entire new terminal. It was a \$1 billion project and through that process, they did everything as common use. It was part of an overall development, which was 10 years, so that specific aspect of it is hard to define just because it was a complete change. If we took our existing facilities and switched it over to common use, that would be different, and then since we were one of the first ones to kind of do it, there is probably economy to scale built into it now that would benefit other airports in their implementation. The biggest lead items were getting the airlines to develop an image that would function on our system.

Q: When you decided to go to this type of system, you just built a whole new concourse basically?

A: Yes. We built a new terminal and concourse and then we upgraded the other terminal to common use so that the day we opened up everything would be on the same system.

Q: Is your entire airport on common use platform?

A: Yes.

Q: Do you have future plans for more implementation of common use like more kiosks or anything like that?

A: As we expand, yes, but we are pretty much. My answer to that would be no because, there may be a self-service device here or there that we add, but other than that we built this massive building so we are pretty much that for now.

Q: How long did it take for you to decide, the planning process and that kind of think, how was that process to decide to go to common use?

A: That is what I am going to have to figure out. I was not part of that process. I came in kind of after the fact, so we will have to email that one out and I will get you that answer.

Q: I mean you basically said you built this new terminal and everything with that in mind.

A: Yes. There was a decision made in the planning process that we could utilize this system and save building some hold rooms.

Q: Could you say that however long they took to plan out this building, that is how long it was in effect?

A: It was in the planning process that it became an option. I just cannot tell you the specific timeline just because I was not part of it.

Q: That is fine. I know you said you have kiosks within your airport. How many of those do you have?

A: We have 44 total. We have 15 in terminal A and we have two in our concourse B and then we have 44 in our terminal B, so terminal B and concourse B are connected and what we ended up doing is we put a couple in concourse B after you jump on the tram and you get into

the TSA line, well, if it turns out that you forgot your ticket, we are able to plug into discreet ticket kiosks so that the TSA can point and say well you can get your ticket right there.

Q: Are any of your kiosks off site?

A: No.

Q: Well, you just said the concourse, it is like an additional part of your airport.

A: Yes. That is where all the aircraft operate.

Q: Do you have any kind of gates that are preferential or exclusive or anything like that?

A: Yes. We do have preferential but we do not have exclusive. The distinction is we maintain the control over the operation of the gate.

Q: Did you say how many gates you have?

A: Thirty-one.

Q: When you built this facility, did the airport take responsibility over maintenance and operation and upkeep of the jet bridges and tugs and baggage systems and all of that?

A: There are kind of three different aspects. The baggage, tugs, and all that, that is up to the airlines. We maintain the jet bridges and all items associated with them and we maintain and own all the common use IT equipment so that includes all the computers and everything like that. We also maintain the baggage system, which is integrated to our common use system.

Q: For you, is it the city or the airport itself responsible for the upkeep or is that outsourced?

A: The airport, we are a department of the county, so I mean, it is our responsibility to upkeep it for the upkeep and maintenance.

Q: Is that on site or do you outsource that?

A: The baggage system is outsourced and the IT system for the common use equipment is being maintained by ____, it kind of depends on what is wrong with it to determine whether or not our IT group does it or if they do it, but that is Air IT. All the jet bridge maintenance and everything, that is all us.

Q: What type of integrated signage do you have for your facility?

A: Kind of a hybrid of the two. We still have some stationary signage. We are practical but we try to maintain flexibility with that so that we can slide it in and out. The roadway signage is fixed but we can make adjustments to it if needed. In the terminal what we have is basically monitors and the airline comes in and logs in and it will put their image right above their ticket counter, so you could Hawaiian operate a flight and have the Hawaiian brand and then you could have, you know, Volaris come in and operate their flight with their brand on it, so that the ticket counter and gate signage is integrated into the common use system.

Q: How has your customer service changed since the implementation of this?

A: For our airlines or from like a customer/ticket holder perspective?

Q: From a passenger standpoint.

A: I mean, they have more options. They can go up to any kiosk they want and grab a ticket rather than having to find the specific ticket ___ unit for each airline. Rather than having a bank of these ticketing positions, we can put all of our airlines on one, so it kind of, in that respect it helps service them.

Q: I know we talked about that this was brand new building when you opened and everything. Was your other building, were you at capacity as far as airlines and passengers, or what was that?

A: Yes, we were in many respects. We had a facility that was built in the 1960s and they have to upgrade. It was pretty much at the end of its useful life and functionally obsolete, so they decided to complete a new concourse and terminal, and we were pretty much at capacity.

Q: That is kind of my question. Now, how has your passenger capacity changed?

A: Since we opened, I think we might even be down a percent. I do need to confirm number on that. It has not really changed and part of that is due to the fact, which anyone will tell you this, the economy. We opened October 2011.

Q: So your facility is only about one and a half years old?

A: Yes, the new terminal, yes.

Q: How has this given your airport a competitive advantage?

A: It certainly makes it easier for airlines to come in and start. They do not need to bring with them all their facility items and they do not need to bring in a construction team to put in a jet bridge and make modifications in our hold rooms and bring in computer equipment and make sure all that is wired up. They do not need to do any of that. All they need to do is bring in an image that we can plug into our common use system and they can start operating. From that perspective, it makes the start up a lot easier. Moving forward, it allows us the flexibility to move airlines around as they grow so that we can suit their needs. There may be certain gates that they are currently operating at, but as they grow, it may make sense to move them around the facility so that they can grow their operation. We can do that very, very quickly. Overnight.

Q: That is definitely one of the advantages to this type of system.

A: The main advantage is the flexibility.

Q: What were some of the largest costs associated with this? I know we talked about that it is brand new and that kind of thing, but was it the infrastructure itself, taking responsibility over everything, or signage?

A: I am getting you specific numbers so that you can work with that. It is so hard to define that because we built an entirely new facility.

Q: I mean, just from my perspective, it would be seems like if you were to upgrade your old facility, I think that would probably be your biggest cost, just infrastructure itself having to go in and pull all the wires and the computers and that kind of thing.

A: Right. I mean, we had to buy the computer equipment and establish a contract to maintain it.

Q: Do you still have the original contractor for your IT, the Air IT?

A: Yes. They are brought on as a management group. It is their platform that the IT system operates on.

Q: For your resident airlines, what kind of resistance did you experience when you moved into this kind of system?

A: They were concerned about there not being a standard in common use, so them having to bring on additional IT staff to maintain that system individually, you know, is kind of really the main rub in that. If another airport decided to have another common use system and the two are different, then they need to develop a completely different software system in order to operate on that system. Does that make sense?

Q: Yes, definitely. That is a good point, since you point that out.

A: I think that if there was some sort of a standard there would be less resistance from that. You get the economy this scale just like anything.

Q: Do any of the airlines operate their own system? Were they like we want to use this?

A: They do at other airports. In order to operate here, they have to have a system that functions with ours.

Q: Ultimately, what was the deciding factor to move to a common use type system?

A: Better use of real estate. We can reduce the overall size of the facility that we require because you can operate three different airlines on one gate in one day. That is kind of the theory behind it so that you have that kind of flexibility. If you are already at capacity on certain gates, it is not really going to do you any good, but if you have a number of smaller airlines who have infrequent flights, you know, that is where you start to make up ground because you can utilize that gate and that real estate asset over and over and over rather than dedicating one to each one of those airlines and they still get to have their branding.

Q: Yep. Have you had a lot of inquiries about new airlines coming in for this system?

A: We have had a couple but we have actually started one new international carrier.

Q: For the airline standpoint, what do you see the difference in international and domestics on wanting to come to this type of system?

A: For this kind of system?

Q: Yes. For the common use system.

A: Well, domestic, you can definitely utilize this system better as a domestic carrier because your customers have access to all the ticketing kiosks, the self-service devices. If you are an international carrier, you still have to go through the passport check, so it does not benefit you as much but they still have the flexibility with the gates and the ticket counters and stuff like that. You definitely get more of a benefit as a domestic carrier in my mind. They might tell you something different.

Q: That completes my questions. Do you have anything for me?

A: I would love to hear about what sort of results you guys have and then I would be interested to see where this goes.

Hawaii

Q: The airport that I identified is Honolulu and you said you kind of have a mixed bag, so kind of tell me what you do have at your airport.

A: As far as common use areas, we have currently two ticket lobbies.

Q: How many gates do you have?

A: How many common use aircraft gates?

Q: How many total and how many are common use?

A: ____ 11 common use. They are all common use.

Q: All of your gates are common use?

A: Yes.

Q: How long was the planning process before you moved into common use?

A: The gates have been that way since the construction of this airport terminal.

Q: It was built in with the construction?

A: About 50 years.

Q: Do you have any future plans for addition of some more common use like kiosks or more gates or anything like that?

A: We are currently working on having a common use ticket lobby.

Q: Are you kind of in the transition phase of all of this?

A: Yes.

Q: Do you have any self-serve kiosks or do you have any kiosks at all?

A: Yes. We have many of them. Every airline has self-serve kiosks. The last time I counted was 50 and many more ____.

Q: Are those operated by each individual airline or by the airport?

A: Individual air carrier.

Q: Do you have any gates that are exclusively leased or preferentially leased?

A: We have a few preferential gates.

Q: How many gates does your facility have total?

A: Total gates is right now 12. Eleven of them... Are you saying for the entire airport? Just preferential?

Q: How many total gates at your airport and then also how many of those are common use or preferential?

A: We have 29 ____ and 11 on our island. They are all common use and 12 are preferential.

Q: They are all common use gates?

A: Yes. They are all preferential.

Q: Who takes ownership of those gates, I mean the equipment that goes along with it like the jet bridges and tugs and ticket counters and all the equipment associated with that? Who is responsible for that?

A: The loading bridges and all of that.... The gates and the loading bridges are airport and the tugs, that is the air carrier.

Q: Do you do your own maintenance and upkeep on those or is that outsourced?

A: Outsourced. We have contracts for maintenance.

Q: For signage at both the gates and the ticket counters, do you still have predominantly static signage or dynamic signage? How have you integrated that?

A: Static airline signage.

Q: How does that work for gates that are common use where more than one airline uses that?

A: It is dynamic for the _____.

Q: How has your customer service change since you have implemented common use?

A: No change.

Q: Has your passenger capacity changed? I know the economy has had an effect on that definitely.

A: We are on a rebound. We are going up.

Q: So you feel that there is more passenger capacity as far as within your terminal?

A: Yes.

Q: How has this type of system given your airport a competitive advantage?

A: We probably entertain newcomers that come in with one or two flights more easily.

Q: How long did you prepare to move to this type of facility? How long was it in the planning stages?

A: As far as common use gates, we have been common use gates since we built it. On the gates now....

Q: What was the biggest cost for your airport? You just moved into common use at that facility, so do you have anything to really compare that to?

A: Right now, we are constructing common use ticket lobbies and that is _____ converted to a common use ticket lobby.

Q: Would you say that that has been your biggest cost burden?

A: Converting to common use?

Q: Yes.

A: Yes.

Q: Did you experience any kind of resistance from your airlines that take residence there?

A: Not really. No.

Q: Why did your airport decide to move to common use?

A: It gives us the flexibility to support more airlines within a given period of time. We can share ticket counters spreading the flights out. _____ addition of the ticket lobbies.

Q: Do you have airlines frequently inquiring about coming there?

A: Yes, we do.

Q: Has that given them a better advantage?

A: Yes. You have to understand Hawaii is a tourist destination and we deal with peaks and valleys being separated by four hours of ocean east and west so a lot of our operations deal with peaks and valleys. Now, when we are busy, we are busy. Every gate is full. On the down side, half of them would probably be empty. Having a common use facility is the _____ thing there is around.

Q: When you made the decision to come into common use, were you at capacity as far as for the airlines and for the passengers?

A: Both airlines and passengers.

Q: Obviously this has given you more flexibility. Has that increased your capacity for both?

A: Yes.

Q: I think that kind of concludes my questions. Do you have any for me?

A: No. Will we get to see the final product?

Q: I definitely can send that to you. I have Ms. Pearl's email and I can email that to her when I get done.

A: Okay. That is fine.

Q: Thank you very much for your participation.

Pittsburgh

Q: What aspects of common use has your facility implemented?

A: I am sorry. Repeat that question.

Q: What aspects of common use has your facility implemented?

A: We have pretty much anything that you need to fly in and out of Pittsburgh. There are common use gates. There are ticket counters.... Well, when you say common use, that terminology, are you looking for that to include computers and systems?

Q: Yes. That is part of it, the computer systems, the gates, allotments, sometimes it includes baggage systems. This question is to find out what you have there at your airport.

A: I was trying to find out your definition. We have common use gates and baggage claims and ticket counters and baggage systems. We do not have a common use computer system set up at the gates or ticket counters.

Q: How do you lease space? Do you have preferential use or exclusive? How does that work?

A: What we have speaking toward airlines that hold the exclusive and preferential use gates, but we have _____ gates beyond those used by signatory to serve as common use. I do not know if you are familiar with Pittsburgh. U. S. Air had a hub here even longer and no longer has a hub, so we have plenty of facility.

Q: How long did it take for the implementation of the common use facility?

A: Our common use facilities are overseen by the operations department and _____ time is nominal. It could be same day.

Q: Do you have any future plans as an airport to implement more gates or kiosks or anything like that?

A: No more gates. We have 75 jet gates and I think 49 are signatory and are being used at this time. We have 26 gates that are marketable.

Q: Will those exclusive leases run out soon?

A: Right now, they run out in May 2018.

Q: At that time, has there been any kind of thought process about moving those gates into common use?

A: We have not actually done that yet. We are not sure what exactly, we have been in a 30 year agreement so it expires in May 2018, so we will probably start, well we are starting to talk about it now but it will take, it will take ____ to evolve a new program, a new lease here. I would say it would be something we would be looking at at five year periods. Some airports probably go month to month. We have not reached that point yet because we were built to be a hub and we have been adapting to being more _____. Unfortunately, we have a lot of texture of facility here, as far as gates and ticket counters.

Q: Do you have any kiosks whether they be owned by the airline or common use?

A: We have common use kiosks, yes.

Q: Are any of those airline specific?

A: No they are all common use for all airlines who want to participate.

Q: When you went into this common use type system, who took ownership of the equipment, such as the jet bridges, tugs, and

A: The airport authority owns all of that.

Q: Does the authority maintain those, or is it outsourced?

A: We do now. For the first 15 years, we did not. We had the airlines maintain that. We now maintain the jet ways and the baggage systems in terminals.

Q: What type of integrative signage does your airport have?

A: No _____ static right now other than for the _____. The _____ are more dynamic. They are static _____ just a label. They are not electronic. _____ electronics. We are actually just going to a new system at the airport.

Q: How has your customer service changed with the change into common use?

A: We have been common use _____ we had from day one. Pittsburgh was a new facility in October 1992, so we are getting new terminals, parking lots, everything. We had to set up with common use facilities from the beginning.

Q: My next question talks about passenger capacity, but you do not really see a large change in that since you were originally a common use type facility.

A: We are probably at various percent utilization right now.

Q: How has this type of facility given your airport a competitive advantage.

A: We were the first airport to create the ____ concept and the air mall. Until probably about two years ago, we were the highest, we generated the most turns per plane passenger from concessions than any airport in the world and we did that from 1992 through probably 2010. Our system for concessions has been the model for most of the new or rebuilt airports.

Q: How long was the planning process for this airport?

A: The planning process?

Q: My question talks about how long did it take you to prepare into common use? That was what you went to originally.

A: Well, your focus seems to be more on the common use than on the airport itself. Like I said, the airport, it was 20 years in the making to build a whole new entire airport. The common use gates and that probably very nominal at one time and we were under, we had ____ plans in here to show that we had the ability to that. We had some gates that were preferential and some exclusive under the airline operating agreement, which meant if we needed to we could go and place non-signatory flights on the preferential use gates. That is how that works.

Q: For your airport, what was the biggest cost burden for the common use type facility for your airport? Infrastructure, maintaining ownership of gates and equipment, or I do not know what your biggest cost burden was.

A: I do know. I have not sat down and _____. We do not have the software system in at the gates and the ticket counters. We have looked at that. Certainly, maintaining facilities and certain new facilities you have ____ and we spent \$700 million building this new terminal. We never carved it out that way. It was not very nominal profit initially. We are not actually carrying the burden of the debt service. The signatory airlines are responsible for that because this is a residual agreement so when you are saying what is our cost, are you speaking to the airport authority or the airlines that operate here?

Q: The airport authority. I have here signage. I guess you were just talking about, you have not done the IT platform yet. Is that because that is such a big cost burden or is it just not feasible yet?

A: _____. You spend your money in so many places because as I said we are a residual airport. That means that the airlines are paying for all the costs here, so _____ responsibility to operate this in the most effective manner and there are some things that they have ____ approval or disapproval.

Q: When you went into this type of system, you said you were built as a hub, did you receive any kind of resistance from the airlines? Your housed airlines?

A: Maybe ten years' worth.

Q: Were they just completely opposed to it and everything?

A: _____ accumulate the land and we have 9,000 acres, so we are one of the largest airports in the United States land mass wise. When we were accumulating land, that took some time and then my understanding is that the studies that we did to show that a midfield terminal would save

at that time U.S. Air was doing 80%, we would save \$10 million a year in fuel. That is the final thing that convinced them to sign up. We have 12 major airlines in here. Eleven of them would be about 20% of our business.

Q: What was the decision to go to common use instead of an exclusive or predominantly preferential?

A: We have not done that.

Q: But you said you do not have exclusive leases anymore, right?

A: No. I said we do have that through May 2018.

Q: You have done some aspects of common use. What was the reasoning behind that?

A: Behind having common use?

Q: Yes.

A: Common use is, since it is not computerized, it is just gates that are available because under federal regulations, you cannot exclusively lease all your gates. ____ so you have to have gates available for charter or occasional use. That was not so much a plan. That was just meeting regulation just to make sure we have a certain number of gates available and we had a certain number of ticket counters available just to meet requirements. It is not a common use airport, at least at this time in that we have not extended ____ or pursued _____. We are looking at it. We have looked at a lot of _____ but we have not instituted this yet.

Q: I think that completes my interview. Do you have any questions for me?

A: No. I just wish you good luck. Do you plan going into this business?

Charlotte

A: When did you send that to me? A couple of days ago or last week? Oh, here it is. I got it.

Q: We were emailing back and forth yesterday.

A: Here it is. I found it. So the first survey question, so remaining all of this confidential, what aspects of a common use facility has your airport implemented? I think you are saying that shared gates? This is your main thing is the gates?

Q: Yes.

A: We have some that are shared that the airport retained and we have some that are leased exclusive.

Q: When you talk about shared, do you consider those preferential use? What type of lease do you have with those?

A: There are none. It just remains what we call city gates. They are our airport gates and then based on the flight schedule of the various airlines that use them.

- Q: How many gates do you have and how many are the city gates?
- A: We have 96 gates and we have probably 50 of them are city owned.
- Q: How long did it take you to implement the city type gates that you are talking about?
- A: We just, once the E concourse was built, they remained city gates.
- Q: So it was built with that in mind?
- A: Yes.
- Q: How long was that in the planning stages before you opened?
- A: It was probably in planning and construction took two years or two and a half years.
- Q: Do you have any kiosks at your facility?
- A: No. Do we have off site? No. Do we allow ____ exclusive gates? Yes. We have some for U.S. Airways. They have probably 40 and we have American with one and Delta with two.
- Q: Those are exclusive leases, correct?
- A: Yes. Those are exclusive leases.
- Q: When does that run out?
- A: 2016.
- Q: Do you have any plans to move those into a city type gate or are you going to keep that?
- A: Those will probably remain exclusive.
- Q: Do you have any future plans to implement any more common use at gates or ticket counters?
- A: Yes.
- Q: What do you have in plan?
- A: On the planning board is a new international concourse.
- Q: So you are going to build it completely common use or city gates?
- A: Correct.
- Q: What type of signage do you have for those gates? Is it dynamic or static or how does that work?
- A: That would designate whether it is city or not? Just number or static?
- Q: No. When you have to pop up the airline's logo, how does that work?

A: Digital.

Q: How has your customer service changed since the implementation of these?

A: None. We treat everybody the same.

Q: Has your capacity changed?

A: Our volume has increased each year. We are the sixth busiest airport in the nation. We had 41 million people come through last year, so we are quite large.

Q: Did you say when you opened the concourse with the city gates?

A: That was probably seven years ago. The airport, but you are keeping it confidential, so it will not matter, the airport was started in 1937. It is one of the oldest airports in the nation.

Q: How has making your airport common use or moving to those city type gates, how has that given you a competitive advantage?

A: It keeps it competitive because we control it and we are able to give it to the airline that needs it on basis of need so it is very competitive.

Q: Do you have a lot on inquiries for those type of gates?

A: No. Right now, we know who is operating here and it is sort of on a rotation based on their schedules.

Q: Are you at capacity, as far as airlines?

A: No, we are not.

Q: We talked about how long it took you to prepare. What was the biggest cost associated with going to this type of facility? Was it the, well you did not retake any gates and take responsibility for that, but what would you say is the biggest cost burden for your airport for that type of gate?

A: There is no difference in cost for running a gate that we continue to own and operate as opposed to those that are exclusive. They all have a cost. They are all the same.

Q: I think I skipped this question, but who owns the equipment at that gate?

A: It depends. On our gates, we own it. On U.S. Airways, they primarily own theirs. However, we own some of the equipment on their gates, the jet bridges, etcetera.

Q: Do you take responsibility for that maintenance or is that outsourced?

A: We take responsibility for the maintenance. If we cannot do it, then we have to get a vendor to do it, but we can usually do most of it.

Q: How do the baggage systems work for the city gates? Are they yours? Do you have separate baggage systems?

A: All the baggage is ours. All the baggage claim machines is all airport owned and they are all shared. They are located where one might be used for U.S. Airways it is just more convenient to U.S. Airways.

Q: When you decided to move to a city gate program, what kind of resistance did you experience from your airlines that were already there?

A: None. We have a great aviation director who made it clear that we would control.

Q: Why did you decide to move to a common use type system?

A: To control them so that the airlines could not tell us that we could not use those gates when other airlines needed to use them and limit our ability to have flights come in and take off.

Q: Was that a problem?

A: No. We cannot have somebody exclusively leasing every gate so it would be very problematic.

Q: Right. That is all of my questions. Do you have anything for me?

A: No. Good luck with your thesis...

Minneapolis

Q: Middle Tennessee State University. It is in Murfreesboro, Tennessee.

A: Middle Tennessee State. Okay. This is for a master's or for a doctorate?

Q: For a master's.

A: For a master's in what?

Q: Aviation Administration.

A: Master's in Aviation Administration at Middle Tennessee State University. I did not even realize they had an aviation program.

Q: Actually we are second to Emery Riddle. And then I do not think Emery has a master's program. Well, they do have a master's program and a doctoral program, but we also have a master's program. So, what aspects of common use does your facility have?

A: We have two common use facilities. We have one terminal, terminal 2 is a ten gate entirely common use facility. All the gates are operated on a common use basis and then we also have an international arrival facility at terminal 1, which is also ten gates that operates on a common use basis.

Q: They have ticket counters associated with those?

A: There are two common use areas associated with the terminal 2 gates but not with the terminal 1 facility.

Q: How long did it take you to implement the common use that you currently have?

A: The terminal 1 common use, well they have both been in effect essentially since 1999 or so. Prior to then, we did not have any common use facilities at MST. It was all operated on a lease basis with the airlines. So we have been in effect since 1999. How long did it take ahead of that? I was not really here and involved with it, but I would say maybe a couple few years of discussion and negotiation with the airlines ahead of that.

Q: Do you have any future plans to implement more common use at your facility?

A: Not at the moment. Not unless it would be associated with expansion of terminal 2. If we add five gates at terminal 2, that would just grow common use facilities there. but no plans to convert any existing facilities at terminal 1 over to common use.

Q: Are you currently thinking about expanding, you said five gates?

A: We are thinking about it, but I would not want to comment on the number of gates. Any potential expansion over there would also operate common use.

Q: Do you only have two terminals there?

A: Correct.

Q: How many gates do you have total?

A: Through the whole airport?

Q: Yes.

A: There are 124.

Q: And 20 of those are common use, correct?

A: Correct. Yes. So a little under 20%.

Q: Do you have any kiosks in your facility?

A: There are kiosks. The only ones that are common use are ones associated with terminal 2.

Q: For the other gates that you have, are those preferential use? Do you still have exclusive leases?

A: Preferential.

Q: For your gates that are common use, who owns and maintains that equipment, such as jet bridges, if you baggage, or....?

A: The airport does. We do.

Q: Do you outsource that or is that a function of the city for maintenance?

A: A little bit is outsourced. Jet bridge maintenance is outsourced. Baggage system is outsourced. Much of the maintenance of systems is outsourced, yes.

Q: How does the common use signage work? Do you have dynamic, static, how has that been integrated?

A: There is dynamic electronic signage for the terminal two gates, the ticket counters, and the gates all have dynamic electronic signage.

Q: How has your customer service changes since the implementation of common use?

A: I would say it has improved. I mean, I do not know if you are familiar with our – have you ever been to Minneapolis/St. Paul?

Q: No, I have not.

A: Prior to terminal 2 opening, it replaced just a small, cramped four gate facility and with a brand new ten gate facility that opened in 2001, so the customer service aspects of the new terminal compared to the old are night and day. Granted, it is only ten gates out of 124, so it did it on a small scale, but I do not think anybody could say it did anything but improve customer service.

Q: How has your passenger capacity changed?

A: Since 2001, it has kind of been up and down. We peaked in 2005 at 36.7 million passengers, and now for 2011, we finished at 33.1. We went through a little ebb and flow after 9/11 _____ in 2005 and then dropped through the bankruptcy of NorthWest. We went through the economic collapse in 2008, so now we are kind of slowly coming back. I do not think you could say any of those changes are related to the introduction or lack thereof of common use facility. It is more related to greater _____ effects of the world.

Q: Definitely. Would you say had those things not happened, you feel like it has expanded we could say?

A: Sure.

Q: How has common use given your facility a competitive advantage?

A: It definitely makes it easier for us to introduce new low cost _____ airlines. We have done that with airlines like SouthWest, AirTrans, Spirit, and MSP in the last four or five years.

Q: What was the biggest cost associated with going to a common use type system?

A: That is kind of hard to say since the whole facility was constructed as common use from day one. That is kind of hard to pinpoint in that it is not like the facility was – the easier answer if it was a leased facility for five years and then we converted to common use. There really was not any conversion. Naturally the costs associated with terminals are going to be greater than they were before because it replace a much smaller obsolete building with a new modern facility, so I do not know that I have a good answer for that.

Q: Were you at capacity when you made the decision to move to common use?

A: Say that again.

Q: Were you at capacity when you made the decision to move to common use?

A: Yes. That old terminal was at capacity so you know even if we would have converted that to common use, it really would not have made a difference in the capacity. We gained capacity by adding gates that would have been there regardless of how they operated. I understand part of the argument for common use is that it increases capacity because it allows more flexible use of facilities and other airlines can you know, it is not locked down by use by one airline. I would say those points are all valid in how we operate the building today. We do have a more flexible facility through the use of common use than we would if it were leased.

Q: What kind of resistance did you experience from your resident airlines when you made the switch?

A: None at all. The switch was done in conjunction with construction of a new terminal so it was actually preferred and requested because of the way some of our airlines operate, particularly _____ airlines, they operate such that in the winter months right now, they need more gates than they need in the summer. They have the flexibility to use and pay for them in the winter but then if they do not need a gate in the summer, they do not have to pay for it, so there was really no resentment. Now, if we were trying to convert terminal 1 to common use, then I would be able to answer that better, but like I said, since this facility opened day one as a common use facility, there was not really any struggle getting the airlines to convert to that and use that building.

Q: The gates that you had, you said you had five gates or so, there was no particular airline on those when you expanded that to ten?

A: There was Sun Country airlines and Champion airlines and smaller charter airlines were on those. All the other airlines that used that building back then are gone except for Sun Country. They have all gone out of business.

Q: The nature of the beast. What was the ultimate decision to move to a common use type facility?

A: Just all the points _____ for a common use facility. It provides more flexible use of a facility than resources provides for an easier entry for new entrants. They do not need to come in and purchase, or make a big capital acquisition by purchasing a jet bridge or purchasing a computer system, so a combination of more flexible use of the facility combined with, it allows for easier entry of new competitive air service are leading factors for going to common use.

Q: That is all of my questions. Do you have anything?

A: I do not think so. I think you have got the gist of it.

Atlanta

A: What was your last name?

Q: Barbeau.

A: Okay.

Q: What aspects of common use does your facility have?

A: Let me explain how our common use is set up. We have got several different types of common use here. I will start inside the building. We have ticketing, all of our international terminal is common use in the terminal. And what I can do is at the end of this of this, if you give me your email address, I will send you our quarterly update that I produce that details all the common use facilities and equipment at this airport. We have got an international terminal and the ticketing lobby, all of the ticket counters are common use. On the domestic side, there are only a couple of our check in positions that are common use. The rest are all direct leases to the airlines. We have two gates on concourse D that are common use and then we have 40 gates associated with the international terminal complex so all of concourse E and all of concourse F are common use. We have heart stands, which are common use. And then, what is kind of different about Atlanta is outside of the gate area, what we call our central passenger terminal complex, our cargo ramps are all common use. Just the ramps.

Q: What did you say you have – before we were talking about cargo, you said you have heart stands. What are those?

A: Heart stands are just, it is rent space that we use for aircraft that are not connected to a facility that you know a small charter company – are you familiar with the Central Air Service?

Q: Yes.

A: Okay. We have an EAS carrier in here, Silver Airways and Georgia Skies. Both of them operate them, they are small pads that you do not require a gate, but we run a bus to shuttle passengers back and forth.

Q: So it is basically a staired type gate?

A: There are no stairs because these aircraft are so low to the ground, they just kind of walk off of them. It is basically a remote parking. It is equivalent to, I mean, like if you have seen an _____ ramp where they just open the door, put the stairs down for the aircraft, and then they walk down. These airplanes are, one of them is a caravan, and the other one is a Saab 340.

Q: How long did it take you to implement common use at your facility?

A: It has been a rolling process. We started way back in 2006. I will have to pull up the exact date, but we started in the north terminal with baggage claim and ticketing. While we are talking, I will see if I can find the enabling legislation.

Q: Are your baggage systems also common use?

A: Our north baggage claim units and all of our international baggage claim is common use. And then the rest of all the, yeah, that is the easiest way to explain it.

Q: Do you have any future plans for more common use at your facility? Do you have kiosks?

A: Yes. We talk about it. We do not have any firm plans. For instance, with Continental and United merger, Continental operates on concourse D and United operates on concourse _____. Obviously, they are all United now. We have a feeling that they are going to consolidate into one location, so whatever gates they give up, those will ultimately become common use.

Q: Say an airline pulls out or something like that, is that when you make your gates common use? Is that when you convert them?

A: That is, it all depends on the situation. Sometimes, we will make them common use. Other times we will negotiate it to give it to a carrier who has a solid operation that they can fill a gate for a whole day. It may not be common use. It is kind of a, I do not want to say case-by-case basis, but it all depends where the gates are, what the need is at the time, and what is going to be the best way to manage it. Ideally, they do go common use, but we do not have a formal airport policy that says every new gate that turns over will be common use.

Q: Do you have the infrastructure, as in the IT and that kind of stuff set in place for the common use gates?

A: Yes. We run the SETA platform on all of our common use gates and that allows, I do not know if you are familiar with the CUTE technology, but we run CUTE technology on everything. All of our common use ticket counters, the gate houses, and then even all of that ties into the baggage system and how you assign carousels and things like that.

Q: Did you say you do have kiosks? Are they common use?

A: Let me ask you a clarifying question. When you say common use, there are a couple types of common use kiosks. There are the CUSK kiosk, the one that you can walk up to and you can check in for any airline or there is the common use that the carrier logs in with their code that ties to their server. When they log out, another carrier logs in. Right now, we do not have the ones where you can walk up and the passenger can check into to any kiosk. Our IT staff is looking into that and going that direction. I think that is where we are ultimately going to end up, but as far as at the ticket counters right now, it is the CUTE technology where British Air walks up, they log in, they process their flight, they log out, and right behind them is _____.

Q: So they are a type of common use kiosk?

A: Correct.

Q: Do you have any that are solely maintained by a specific airline?

A: Well, we have a certain number that are assigned to Delta that just because obviously they are 86% of our international operations, so they have the ticket counters assigned and they have their own agreement with CETA, who is our common use provider. At any point, if I needed extra ticket counters, I could take back Delta's ticket counters, the ones that were assigned and turn them to common use.

Q: Do you have a rough estimate of how many kiosks you have?

A: Yeah. If you give me your email address, I will send you this presentation, because it has got it all broken down, the number of kiosks, locations, what is assigned, what is not, and maybe

that will help, including parking positions, so maybe that will help you frame what you are trying to do and then it may generate some other questions for you. If you give me your email address, I can send it to you right now.

Q: Are you ready?

A: Yes.

Q: adb5d@mtmail.mtsu.edu

A: I will, I am waiting for our server at the airport. It does not seem to be working today. As soon as this thing comes up, I will send you this presentation and it talks about all of our common use facilities, where they are, the number of gates, parking positions, ticket counters, you name it, it has got all the information.

Q: I still have a couple more questions.

A: Absolutely.

Q: The gates that are not common use, how are those rented? Are they exclusive, preferential, how does that work?

A: A little bit of both. Based on our lease agreement, the majority of gates here are under direct lease to the airlines. Within our common use gates, we have something which are called priority scheduling. Basically, what that allows airlines to do is, like for instance Delta, they operate on our common use gates, but they have such a huge operation that we basically give that scheduling priority on certain gates, so they can always, it is an efficiency. They will always have their equipment at that gate. They can turn their flights at that gate. They can count on scheduling at that gate as long as they are using it and it is not sitting empty. But, if there is an opening in their schedule on that gate, I can stick an airplane in there if I need to.

Q: How many gates total do you have?

A: We do not break them out. Delta right now, they have concourse E falls under that priority scheduling, so that is 28 gates and then six on concourse F.

Q: I mean total gates, like 110 gates, or how many total gates do you have at your airport?

A: Oh, across the airport including heart stands?

Q: Yes.

A: I believe 212, but I will verify that and send that to you by email.

Q: That is crazy. That is a lot.

A: We are the world's busiest airport. It is nuts. It is absolutely amazing to sit and watch this place run.

Q: For the gates that are common use, who owns and maintains the equipment like the jet bridges and the baggage systems, and tugs, and things like that?

A: The airlines provide their own ground service equipment or a ground service provider, so they may have a third party contractor. There is a company that is around most airports, ASIG, and they are an air ground service provider, so they work like the Air Canada flight and a couple of other ones. TSE equipment is airline specific. The jet bridges, the air, the terminal, the kiosks, all that are maintained through a contract under me. I manage all the common use facilities for the airport. We have a third party contractor that acts as our, I do not want to say management consultant, but they are a third party operator. They are the ones who have all the contracts, so Delta and TSE maintains our jet bridges. We have a company that is responsible for sweeping the _____. We have an electrical company on. We have a water company that deals with the _____ water cabinets. An electrician who deals with, we have electric charging stations out in our concourse. They are common use, so we have somebody who usually maintains those.

Q: What type of signage do you have at your airport, dynamic, static, and how have you integrated that?

A: We have both. As far as dynamic signage, we operate through a company called Infax and the Infax is tied to our _____ systems, which continually update which gates, the flight operations, what baggage carousels, so that is integrated into all of our common use facilities. We also have dynamic signage at all the gates so that when airline goes up to the gate podium and logs into the CUTE system, the back wall shows their logo. And then we have other signage throughout. Most of the informational signage is static signs but as far as at the gate even in the jet bridge, we have dynamic monitors that point people to either customs or to the domestic side of the terminal.

Q: How has your customer service changed since the implementation of common use?

A: Which customer?

Q: The customers and the passenger.

A: As far as the customer, are we talking about the airline?

Q: Yes.

A: This is the fun question we always get and it is depending on what you are trying to figure out. Our customer is primarily the airline right now using our common use. That is who we are catering to. Ultimately, the flying is our customer also but the CUTE stuff, it is the airline. What we have seen is from a common use perspective, it helps the airlines out because it is, you know, you pay for what you use. You are not paying to lease a gate for 24 hours a day and you only have one flight a day. From that standpoint, it offers some cost efficiencies to your carriers. It also, from a passenger perspective, is one of the things it allows us to do is to offer new air service. People have the opportunity to come in. I have gate capacity if an airline wants to start service or increase service into Atlanta, I have the ability to accommodate those requests on common use facilities versus if you exclusively leased all your gates to somebody else, you are locked in. You cannot bring anybody else on board.

Q: You built the international terminal with common use in mind, is that correct?

A: Yes.

Q: When did you finish that?

A: We opened the terminal May 16, 2012. It is brand new.

Q: Were you at capacity when you decided to make this move?

A: I would not really say capacity. We were close but with what was going on where we knew in the future what was going to happen, we definitely needed to increase our international capability. Dealing with customs and border protection, those type of facilities were starting to get stressed, so we needed to increase that, and obviously, we built the additional 12 gates associated with this terminal.

Q: How long did you plan for that?

A: A long time. I think this was about a 15 year, from concept through opening day, I think it was about 12 or 15 years. I mean that is a typical airport project of this magnitude. By the time you get through all your environmental approvals and out here you have to remember we had to extend the train. We had to build a whole new roadway network. So you look at everything that went into opening this terminal, it was a whole lot.

Q: How has your passenger capacity changed since you have been able to offer more services?

A: Last year, we just came out with our number last week, we moved 95.4 million passengers through here last year through the whole airport and with opening this new international terminal what that has done is it has now given us two entry points into the airport. I do not know if you have ever flown out of Atlanta or ever been here, but prior to us opening this terminal, you could only enter and exit the airport on the north and south terminal is what we called it. On the other side of the airport is where we built this international terminal so now you have an east and a west entrance into the airport. You have an east and a west checkpoint, so from a passenger capacity standpoint, we now have the ability to move people through a little bit quicker. We also have the ability to alleviate some of the congestion on some of the other concourses because we have gate capacity. For instance, take concourse T. It was designed for narrow body if not the 7-5 size aircraft, 7-5 or 7-6, they are operating 777s on there right now. It is pretty congested. Since opening this terminal, we have now moved the terminal 7 operations out to this concourse that were designed for that size so passenger capacity and customer service level, everybody has more space and people are happy.

Q: What was the biggest cost associated with going to a common use facility?

A: Construction costs or just operational costs?

Q: I have as part of my question signage, kiosks, or when you regain control of gate equipment, and I have even had people say just the all over infrastructure where they had to pull the wires and that kind of thing was their biggest cost.

A: With designing this terminal, we had that in mind, so that was all part of the project cost. If anything from the owner side, I would say one of our bigger costs is labor because with it being a common use facility, you are providing the customer service, some of the functions that

typically an airline would provide and so that I would say might be one of the bigger costs in terms of operating having to employ the customer service on the airports half for everybody.

Q: When you decided to move to a common use type system, what kind of resistance did you experience from your resident airlines?

A: Not much just because the bigger, our main carriers at the time, AirTran and Delta, this would not have affected them because they have exclusive leases on all the gates that they operate on so our common use gates typically are more for your what we call smoke carriers, United, Spirit, Frontier, ones that run once or twice a day. Moving to the international operations, the concourse E, it was just the funding structure so that people paid for just what they used. Now, one of the things that we did, which kind of requires you to be a common use facility, is you have to look at the funding for our international terminal. Because we used passenger facility charges that the airport collects, as well as some federal grants toward the terminal complex, because of that you have grant assurances. The grant assurances require that you cannot provide exclusive rights so by using that funding structure, which the airlines would rather you use those funding structures because they do not have to back your bonds or any of that, it is less exposure for them. It has to be a common use facility. With Delta, they were on board with us going common use with the understanding that they got certain scheduling priority rights on those gates so that they always had a presence so that they could schedule their flights as needed and it is still a common use gate, but they just get the scheduling priority.

Q: When do your exclusive rights leases run out?

A: September 2017.

Q: Do you have any plans for common use then or have you thought about that?

A: We have not really started those discussions. I think those discussions are going to start after November 2013. We have the mayor being reelected in November, and I think based on that we will then start to look at what direction we want to go in terms of the management strategy for the airport.

Q: Ultimately, why did you decide to go to a common use type facility?

A: I think it comes down to control. You know, being able to control your facility and manage your capacity. With exclusive lease gates, some airports in the past have seen, I do not know what other airports you have spoken with, but you run into a situation where if an airline controls a gate and they are not using it, they are not going to make it available to another carrier. Obviously, they do not want the competition. However, in an airport like Atlanta where we move so many people and there is such a desire to operate into this market, it is easier for us to manage capacity if we are managing the gates and have the ability to schedule the gates and assign gates and make sure that new entrants have the ability to come onto the airfield.

Q: Do you have a lot on inquiries for your common use gates?

A: Yes. We have a lot of people who will ask us what kind of capacity we have and is there room for carriers to come in. We do get a lot of inquiries on availability of space.

Q: I think that completes my questions. Do you have anything for me?

A: No.