

2013 ACI-NA Airport Business Terms Survey



**ACI-NA Finance Committee
Airport/Airline Business Working Group Meeting
San Jose, CA
September 22, 2013**

- Survey Overview

- Survey Sample

- Sample Questions
 - Rates and Charges Methodology
 - Debt Service Coverage
 - Revenue Sharing
 - Signatory Incentives
 - Majority-in-interest

Survey Overview (1)

Problem Statement

When engaging airlines in negotiations regarding new or changed business terms, the airport operators' ability to articulate alternative methods and practices for consideration is often hampered by their ability to identify other airports where those methods and practices are actually in use.

The Goal

To build a comprehensive database of airports' methods and practices relating specifically to airport-airline negotiations around the subject of new or changed business terms.

Survey Overview (2)

What we did

ACI-NA conducted a member survey with the goal of cataloguing commonly-understood airport and aviation business practices and agreement terms from airport to airport.

What it produced

A searchable table of 65 airport responses. Users are now able to sort the information by airport size, form of agreement or specific business practice or agreement term.

Includes information related to:

- Airline Consortium Responsibilities
- Application of Security Deposits
- Preferential Gate Rights
- MII Provisions
- Rates and Charges Agreement Types
- Rates and Charges Methodologies
- Common Use Charges

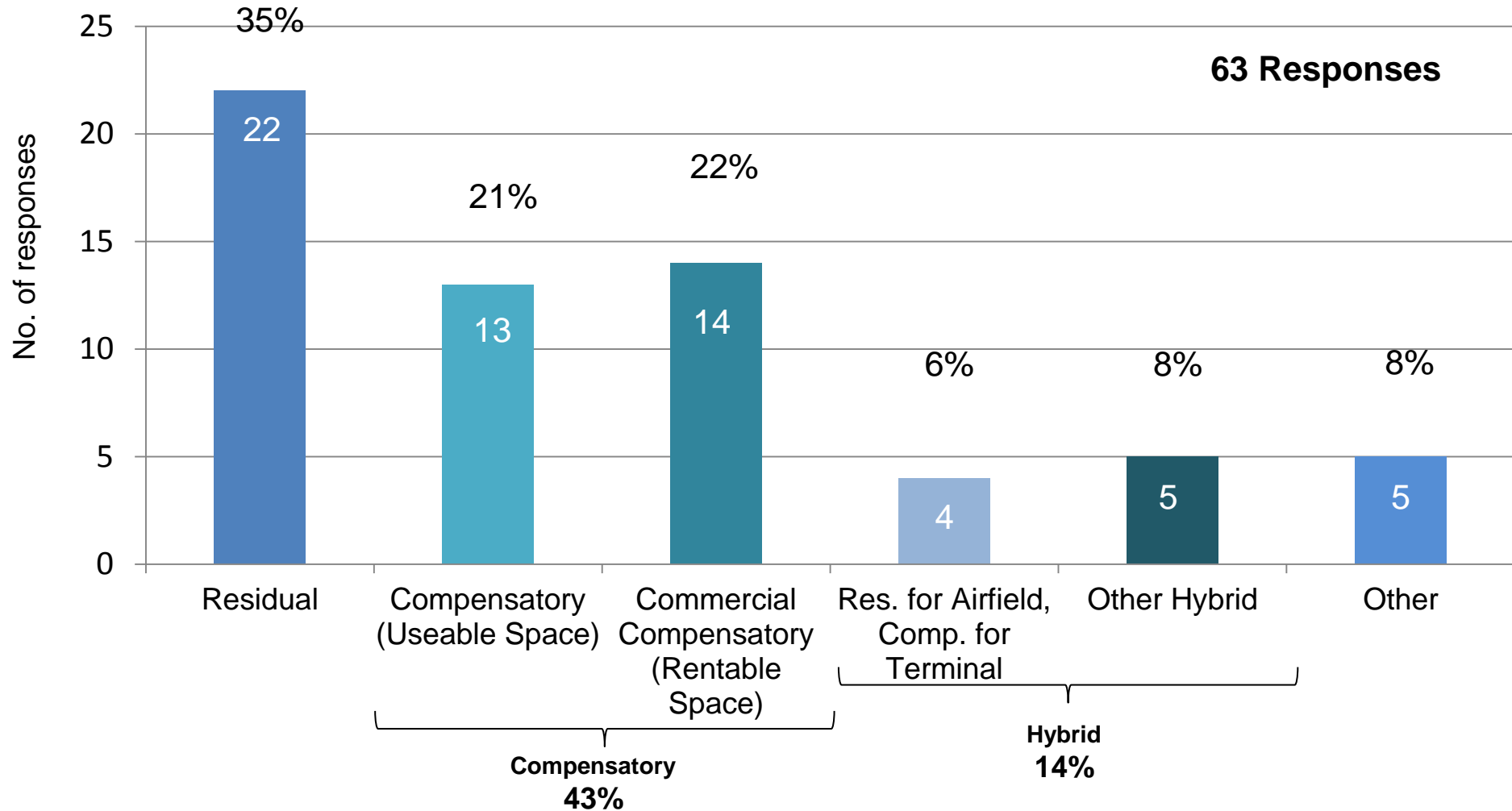
What Can the Survey Help You?

- **Valuable resource for airport operators** in their discussions with airlines over contracts, rate and charges and other agreements.
- Finance directors will be able to quickly identify airports currently employing different business practices or agreement terms under consideration and contact those airports to explore their specific and relevant considerations (as we all know, there is a story behind everything!)
- Quote from Borgan Anderson of SEA-TAC:
“This is the best survey ever on the status and diversity of rates and charges methodologies. This should be a big help for airports that are approaching negotiating a new deal.”

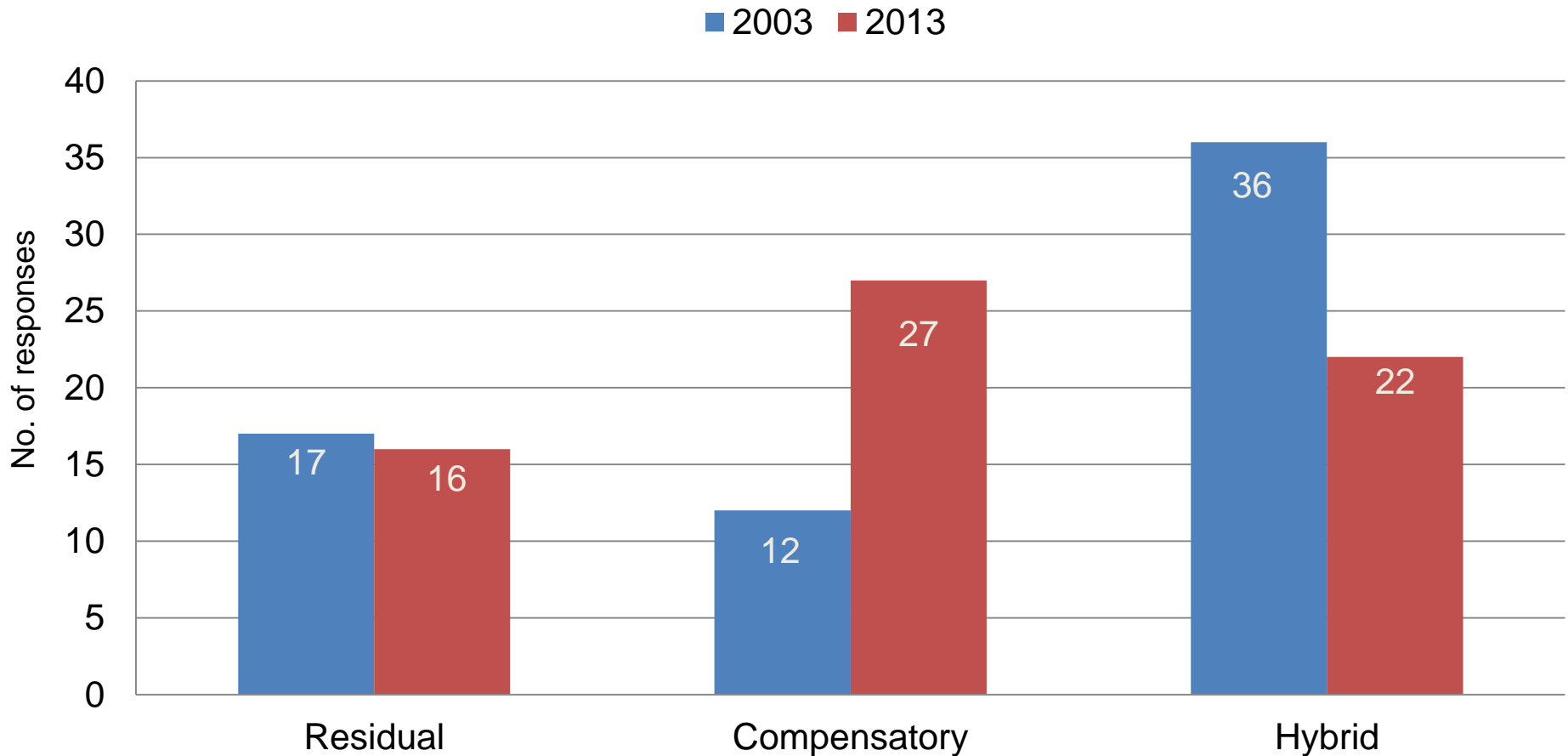
Survey Sample

Hub Category	Number of Responses	Number of Airports by Hub Size	% of Airports by Hub Size	% of Enplanements by Hub Size
Large	22	29	76%	75%
Medium	18	33	55%	59%
Small	26	76	34%	40%
Non-hub	3	239	1.3%	3.1%
Total	69			

Rates and Charges Methodology

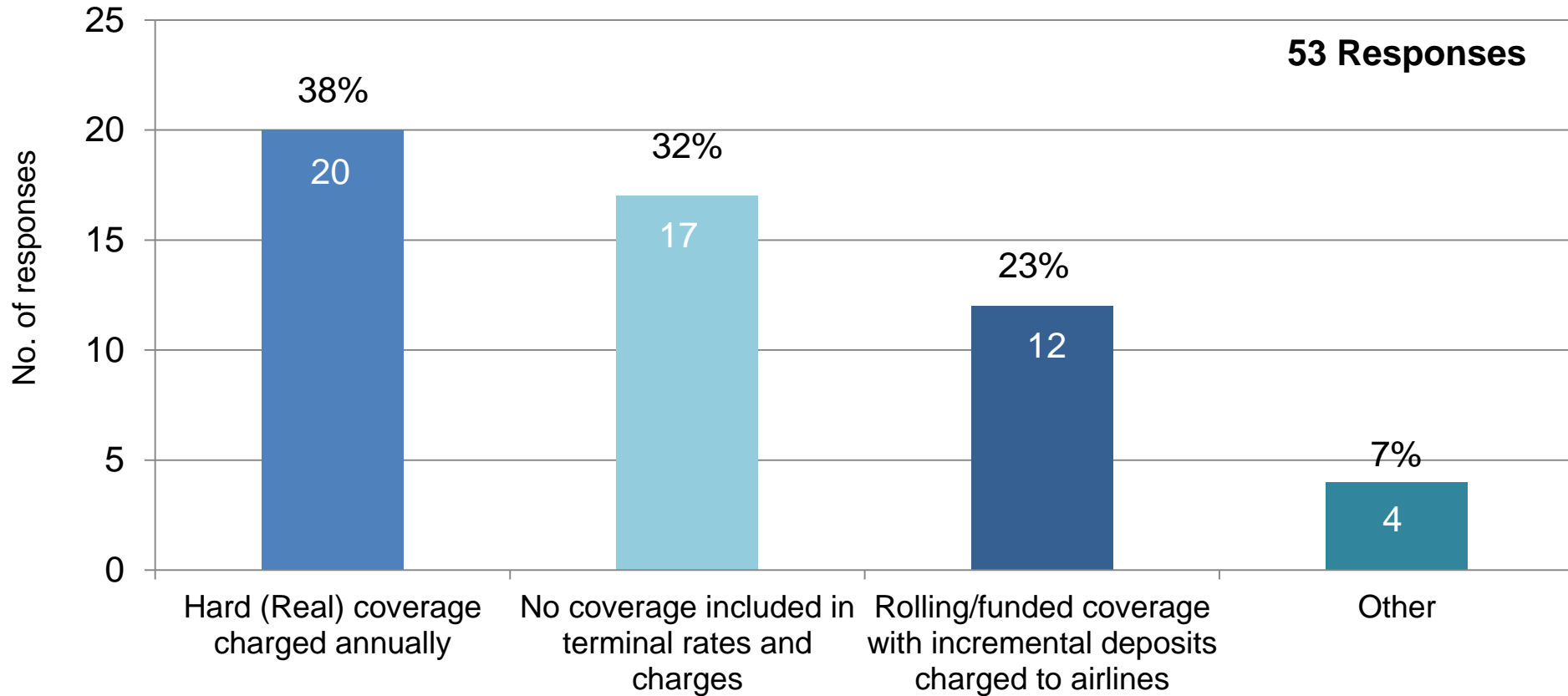


Rates and Charges Methodology (2003 vs. 2013)

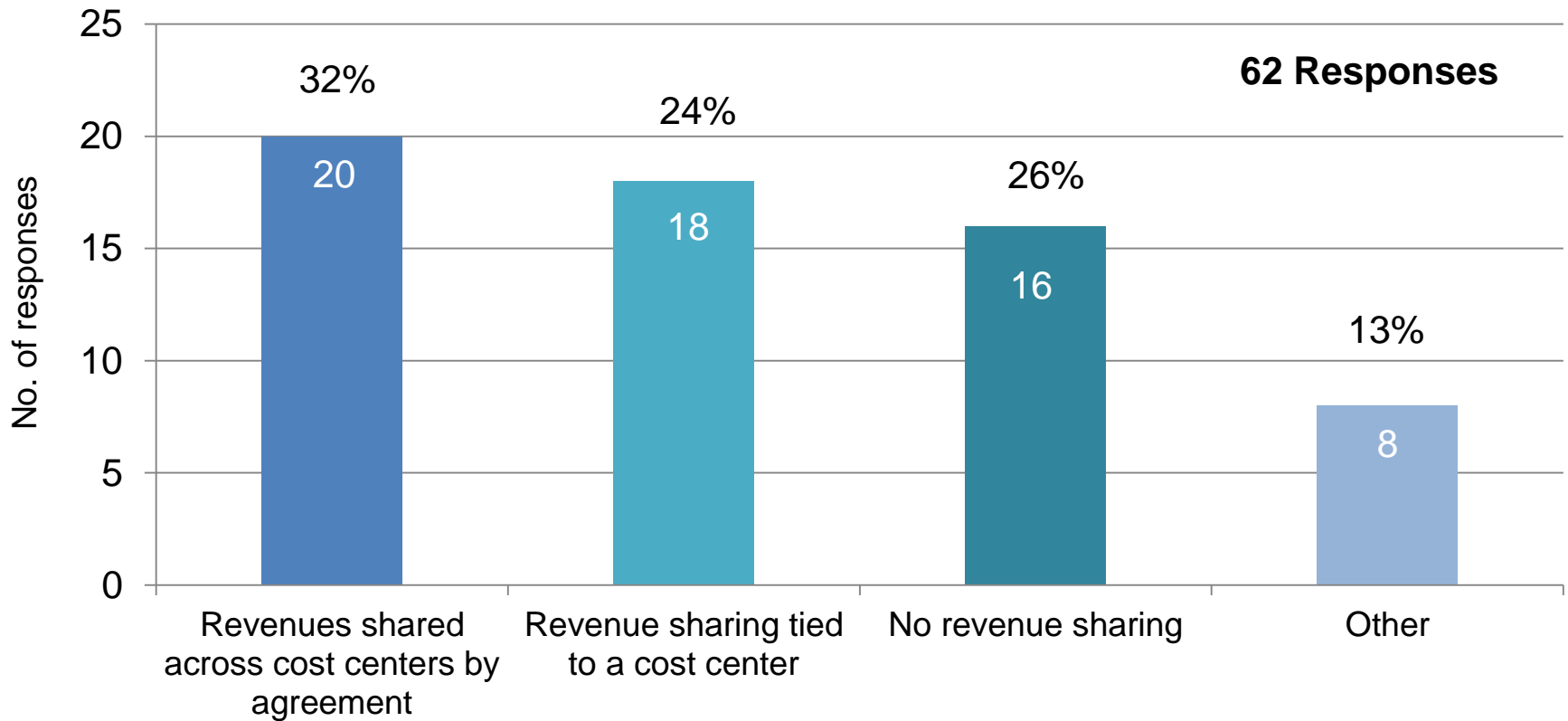


Note: 2003 responses based on 2003 ACI-NA General Information Survey
 2013 responses based on 2013 Airport Business Term survey and ACI-NA Annual Financial Benchmarking Survey (2012) & Lease Agreement and MII Survey (2012)

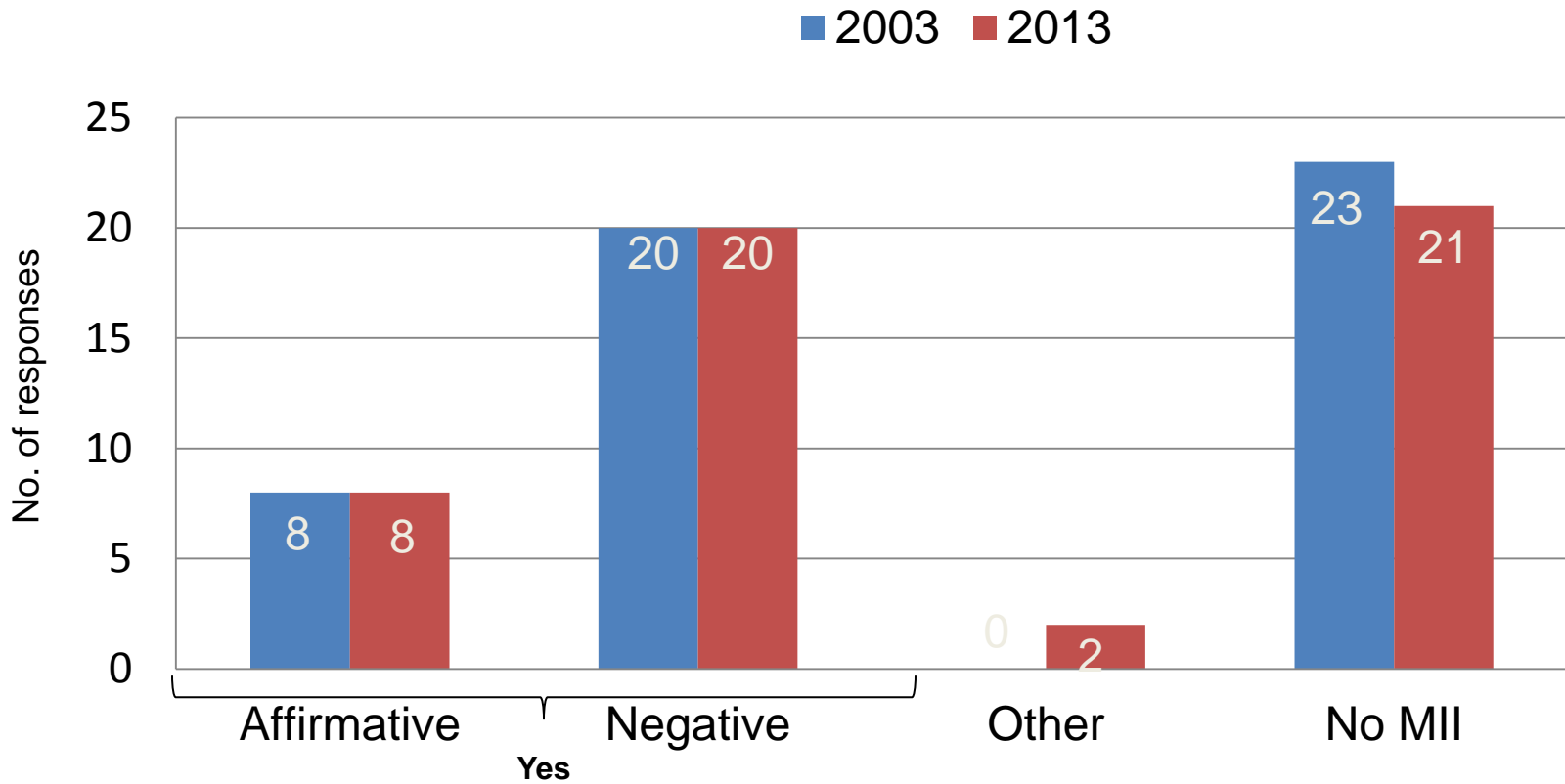
Debt Service Coverage



Revenue Sharing



MII – Majority-in-Interest (2003 vs. 2013)



Next Steps

- Look for volunteers to help improve the survey questionnaire
- Roll out the survey again in 2014 for updated information
- Get more participation from small airports