Airport Privatizations – Programs to Coordinate Security Efforts

Submitted by: Aeropuertos del Perú
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Airport Privatizations
Programs to Coordinate Security Efforts

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Industry Key Characteristics

Global and dynamic
- Changing rapidly and radically

Significant contributor to countries’ national prosperity:
- thriving national airlines and/or
- international airports

Industry Value Chain

THE AIR TRANSPORT VALUE CHAIN

RETURN ON CAPITAL INVESTED
- Aircraft Manufacturers: 16%
- Aircraft Leasing Companies: 15%
- Airlines: 6%
- Airport Handling Services: 14%
- Catering: 13%
- Airports: 10%
- Global Distribution Systems: >30%
Industry External Influences

Manufacturers:
- Airframes
- Systems
- Electronics
- Chemicals

Air Transport:
- Major airlines
- Regional airlines
- Air Cargo
- General Aviation

Passengers:
- Trains/Car hire
- Parking
- Hotels
- Retail

Airport Services:
- Maintenance
- Air Traffic Control
- Training Centres
- In-flight services

Freight:
- Transport
- Warehousing
- Mail
- Freight forwarding

Aviation Services:
- Insurance
- Leasing & sales
- Air Maintenance
- Fuel and Oils

Governments:
- Legislative bodies
- Regulatory bodies
- Aviation authorities
- Customs

The Air Transport Industry security is a direct result of global international agreements, which means that it is dependent on the efforts of a large number of countries and organizations and it requires international coordination.
Security vs. Capacity Concerns

**Security** applies to all subsystems

**Capacity** is defined by the most constrained subsystem

- increase the risk of products depreciation
- increase storage costs
- affect just-in-time deliveries

Security vs. Supply Chain Concerns

- slow down the supply chain
- increase the risk of products depreciation
- increase storage costs
- affect just-in-time deliveries
Airport Security

Fundamental Concepts

**FACILITY**
relates to adequate facilities in order to allow arrivals and departures without delay

**SAFETY**
relates to the prevention of aircraft, equipment and staff accidents and incidents

**SECURITY**
relates to the prevention of intentional acts intending to affect planes, infrastructures or people
ICAO Main Regulation

- 1948
  - SAFETY – ANNEX 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 e 15
- 1954
- 1971
  - ENVIRONMENT – ANNEX 16
- 1974
  - SECURITY – ANNEX 17
- 1983
  - SECURITY & SAFETY – ANNEX 18
- 1989
  - SECURITY – 33th REV. ANNEX 14 - AIRPORT SECURITY PLAN
- 2001
  - 11 SEPTEMBER -WORLD TRADE CENTER
- 2002
  - SECURITY – 7th REV. ANNEX 17 ; (CE 2320; FAA/TAS)

Airport Security Models

The **centralized** model means that the responsibility for security activities mainly rests with each state.

The **decentralized** model means that security activities are mainly performed by airports under the supervision of the relevant authority.
According to ICAO Annex 17 (Security), each contracting state should arrange the security controls and procedures in order to cause a minimum of interference or delay with the activities of civil aviation (facility), provided the effectiveness of these controls and procedures is not compromised.
Airport Privatizations

Airport Privatization Evolution

- From a Public Utility
- To a User Pay Service
- To a Commercial Enterprise
- To a Fully Privatized Airport Company
Airport Private Actors

**Airport Operators**
- BAA
- Copenhagen Airport
- Frankfurt Airport
- Schiphol
- ABIA
- TBI
- Airesports de Paris
- Aéroports di Roma
- YVR (Vancouver)
- Geneva Airport
- Vienna Airport
- Air France
- Aeropuertos de Argentina 2000
- Aeroport de Nice

**Investors**
- Macquarie Bank
- Allero Partners
- Rapide
- ABN AMRO Ventures IV
- SECO
- Barboy
- Caisse des Dépots
- Deutsche Asset Management
- AMP
- Hostings
- Notified Ventures
- GE Capital
- ABN Amro
- Abbey National
- Ontario Teachers Fund
- AXA

**Multinationals**
- Hanmi
- Vinci Group GIF
- Grupo ACS
- Land Leasing
- Egis
- Bechtel
- IVG Holding
- Omnicom
- Beaverg
- National Express
- Benetton
- ABB
- Siemens

Regulation Trends

The State control tend to be minimized and submitted to Regional and International guidelines on Licensing, Security and Safety

- Market Liberalization
- Licensing
- Security
- Safety
- Open Access
- Mergers
- Alliances
- Airlines
- Traffic Rights
- Multilateral agreements
- Bilateral agreements
- Airlines concentration
- Airlines
- Alliances
Programs to Coordinate Security Efforts

- **Current Situation**
  - different approaches
  - different rules
  - different technologies

- **Regional Harmonization**
  - Master Plan guidelines
  - Design & Construction rules
  - Operational rules
  - Security, Safety & Facility integration

- **Medium Term**
- **Long Term**
- **Global Integration**

Airport Operators Concerns

John Lennon Airport forced to pay for security costs

Aug 11 2003 Rob Merrick,

LIVERPOOL John Lennon Airport faces a shock multi-million-pound bill for its growing security costs, under government plans to ease the burden on Merseyside Police.

Legislation being drawn up will transfer responsibility for "threat and risk analysis" at regional airports - and for paying the bill - from the local police force to the airport owner.

The cost of policing JLA is kept under wraps for security reasons, but is likely to run into millions, and is on the rise because of the heightened terror threat.

Edinburgh Airport recently set up a police unit, boasting 44 officers, at an annual cost of £2.5m. Security at the tiny City of London airport costs £7m a year.

Last year's failed bomb attack at Glasgow Airport woke security experts to the reality that regional airports - as well as Heathrow and Gatwick - are now potential terror targets.
Aviation is a highly competitive industry, driven by intense pressure to lower costs. So, “No investment” in security or safety could be a big temptation to private airport operators.

Airport Community Concerns

Airport Regulators Concerns
Airport Security Procedures & Technologies

Procedures need to be harmonised

Technologies need to be generalised

Authorities Big Challenge

INTEGRATED REGULAMENTATION & RATIONAL APPLICATION
Airport Privatizations
Programs to Coordinate Security Efforts

Thank You..... any questions?

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