

**NEWS AND VIEWS**

August 2007

**SPOTLIGHT ON CONFERENCE DIAMOND SPONSORS**

*(Continuing our series highlighting the business initiatives of FedEx Express and Boeing, Diamond Sponsors for IAWA's 19<sup>th</sup> Annual Conference, November 7-9 in Buenos Aires, Argentina, we are proud to include the following articles on the Aviation Market Outlook with a highlight on Latin America.)*

**Next Day? Second Day? Next Week? Across the Globe?  
Relax! There's a FedEx for that!**

**W**ith over 200 products and services active and alive within the FedEx family of companies including FedEx Express, FedEx Ground, FedEx Custom Critical, FedEx Freight, FedEx Trade Networks and FedEx Kinkos, further diversification of our portfolio may not seem to be



*Susan Garber, FedEx Express Managing Director, South America Sales, Miami, FL and moderator of the conference panel on "Challenges of Cargo Transport on a Global Basis"*

necessary. However, responding to customer's supply chain needs has always been at the forefront of this delivery company powerhouse.

**Spotlight On FedEx Express**

From the traditional services of International Priority® that provide reliable services within 24-48 hours to over 90% of the world's GDP, to expedited services such as International Economy Direct Distribution® that offers day-definite electronic break bulk options for companies wishing to import to various locations within a specific country, to domestic services in the United States, Canada and now China, FedEx is continually expanding its role in the global arena. Thus, as companies change their go-to-market strategies to place their products in the hands of consumers, so must transportation providers adapt in order to enable customers to meet their changing needs. As FedEx President and CEO, Fred Smith, has said, "A primary underlying element of the FedEx culture has been a focus on change."

One of the ways that the FedEx Latin America and Caribbean Division (LAC) is responding to customer's changing needs is by offering a wide variety of delivery options for international shipments. Transportation Solutions, a suite of deferred service options, was inaugurated in 2006 from a handful of countries in LAC direct to the United States. By maximizing customer's transit times of 3-6 business days via both air linehaul and intra-country trucking, FedEx is ensuring customers receive the service they need at the price they want. This service—available now from Argentina, Brazil, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, and Peru—has quickly become the fastest growing service in the LAC portfolio as a

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**"The Aviation Tango: Same Moves or New Strategic Steps?"**

**IAWA's 19th Annual Conference**

**November 7-9, 2007**

**Buenos Aires, Argentina**

**For Information or to register: [www.iawa.org](http://www.iawa.org)**

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variety of industries value the reliability they have come to trust from the traditional FedEx Priority services.

For FedEx, keeping ahead of the changing global economy is not a luxury, it's a necessity.

For more information about FedEx LAC and the continual development of new products and services, please visit our website at <http://www.fedex.com/us/about/overview/worldwide/lac.html>.

## Commercial Aviation: Growing at the Speed of Flight

Commercial aviation already plays a vital role in connecting the world's people, cultures and economies. Looking out over the next 20 years, it's clear that air travel will only increase in global importance, enjoying long-term, healthy growth.

"World economic growth is a primary engine of air travel growth," said Dr. Fariba Alamdari, vice president of Market and Value Analysis for Boeing Commercial Airplanes. "Between now and the year 2026, we're projecting that the world GDP growth rate will be 3.1 percent. Our research tells us that this will help fuel an air traffic increase of 5 percent."

### Spotlight On Boeing

Air travel liberalization is another key factor in air travel growth. As governments ease regulations that previously have restricted market access, markets around the world are opening up and expanding. New Open Skies agreements between the European Union and the United States and Canada soon will be in effect. Liberalization also is imminent in Asia, North Africa and other markets, further expanding air travel worldwide.

Liberalization of air travel brings substantial global benefits. It directly benefits economies by increasing GDP, employment, travel and tourism, and exports. And it leads to benefits for passengers, as well.

"As markets liberalize and air travel increases, there are significant gains in the quality and quantity of direct service around the world," said Alamdari. "This is the point-to-point service that passengers strongly prefer."

For manufacturers like Boeing, long-term increases in air travel mean corresponding increases in airplane requirements. Over the next 20 years, Boeing foresees that 28,600 new airplanes will be delivered. These new airplanes will make up 80 percent of the 36,400 airplanes in service in 2026.

The benefits go well beyond manufacturers. The predominately new airplane fleet will mean much better fleet-wide environmental performance for a healthier world. Airlines will benefit from significantly improved economics and airplane performance. And passengers will enjoy more comfortable flights, an improved cabin environment, and more affordable air travel.

The high proportion of deliveries (84 percent) accounted for by single-aisle and twin-aisle airplanes means that more people will be able to go direct to their intended destination.

The most rapidly developing economies of the world are expected to experience higher than average air traffic growth rates. Latin America, the site of this year's IAWA annual conference (Buenos Aires), is a case in point.

Projected traffic growth rates for Latin American carriers are among the highest in the world. Driven by strong economic growth and a return to economic stability in several of the region's countries, South America will see 6.5 percent traffic growth over the next 20 years. Central America will experience 5.7 percent growth. Only China and Southwest Asia are expected to grow more rapidly.

This is hardly surprising, according to Sheila Remes, the managing director of Marketing, Americas and Leasing, for Boeing Commercial Airplanes.

"The Latin America aviation market has been very strong over the last several years," Remes observed. "Airlines in the region have increased access to capital, and this is having a profound impact. The ability to fund new aircraft purchases allows airlines to revitalize fleets and pursue growth strategies."

In addition, the efficiency and economy of recently ordered airplanes will help airlines manage costs and earn profit while boosting capacity. Added capacity is giving the region's carriers an operating scale they have never enjoyed before. Such scale will enable them to more effectively compete with the many U.S. and European carriers who serve the region. Increased scale also improves cost efficiencies and the ability to further stimulate traffic growth with lower fares, service to new destinations and more frequent flights.

Another interesting development in this region is the emergence of new low-cost carriers (LCCs).

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“These airlines are driving down fares and making it easier to book flights,” said Remes. “GOL, BRA and Webjet account for more than 40 percent of Brazil’s domestic market—and they’re all low-cost carriers.”

LCCs have now set their sights on Latin America’s second largest market, Mexico. In the past two years, six LCCs have initiated service in Mexico’s extremely price-sensitive market.

These new startup carriers have a large pool of potential new passengers. Today, only 5 percent of the Mexican population travels by air. With a growing middle class, Mexico seems ripe for a transition from bus-dominated transport toward low-cost air travel. The large Latin American population of the United States also presents great potential for new cross-border service.

“There are great growth opportunities for air travel in Latin America and around the world,” said Alamdari. “The future of commercial aviation is encouraging—and the next 20 years promise to be both interesting and exciting as our industry continues to evolve.”

## Blakey Named First Woman to Lead Nation’s Top Aerospace Association; IAWA Honors Her Service

**M**arion Blakey, a longtime IAWA supporter and member who served U.S. presidents in five high-ranking Presidential appointed positions, is stepping down as Administrator of the Federal Aviation Administration (FAA) to become the first woman President and Chief Executive Officer of the Aerospace Industries Association (AIA), the trade association that represents the nation’s largest manufacturers of aerospace equipment. Administrator Blakey’s term at FAA, which began in September 2002, ends in September. She will take over the helm of AIA on November 12, 2007.

Administrator Blakey is the FAA’s 15<sup>th</sup> Administrator, and during her tenure at the FAA, U.S. commercial air transportation experienced its safest period for air travel. In addition to being an unflinching advocate of safety, Administrator Blakey also led the effort at the FAA for the Next Generation Air Transportation System, the development of a satellite-based Air Traffic Control system whose major contract was awarded in August.

The IAWA Board honored Administrator Blakey at its Board Dinner on July 12, 2007, in Washington, D.C. for her vast achievements in promoting aviation safety, women in the aviation profession, and her dedication to serving the public. Her public service stems back decades as she has tirelessly given of herself in serving the public and promoting transportation in the United States. Before her appointment as Administrator of FAA, she was Chairman of the National Transportation Safety Board, and before that Administrator of the National Highway Traffic Safety Administration, the nation’s automobile safety regulatory agency. She also has held key positions at the Department of Commerce, the Department of Education, the National Endowment for the Humanities, the White House and the Department of Transportation. When not serving in government posts, Administrator Blakey ran her own Washington-based public affairs consulting firm, Blakey & Associates, now Blakey & Agnew, which focused on transportation issues and traffic safety.



*Administrator Blakey with IAWA President Julie Ellis*



At the IAWA Board Dinner honoring Administrator Blakey, IAWA President Julie Ellis and Board member Suzon Franzke led a presentation in which each IAWA Board member paid tribute to Administrator Blakey for her contributions to aviation. It was a very special night for all present at this Dinner, as it gave IAWA a chance to reflect on all of the

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*Enjoying the festivities, in the photo left are, l-r, Abby Bried Ellyn Slow, Katherine Staton and Zoe Layden.*



*At the right, posing with the Administrator are, l-r, Eileen Cashman-Jermak, Julie Ellis, Joanne Young, Debra Fowler, Katherine Posner and Patty Moores*

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contributions Administrator Blakey has made to not only the aviation community, but also to IAWA. Additionally, in attendance at this Dinner was Administrator Blakey’s sister, Leslie Blakey, who is a principal at Blakey & Agnew, Administrator Blakey’s former public affairs and communications firm. Leslie Blakey is an accomplished transportation professional in her own right, and we were honored to have the Blakey sisters with us at this Board Dinner. It was clear to all that the Blakey sisters have a special relationship, and it is exceptional that we have two dynamic women in the transportation field with the last name of “Blakey.”

IAWA has been privileged over the years to have Administrator Blakey participate in a number of its Annual Conferences over the years, which have included the 2002 Phoenix Conference, the 2005 Shanghai Conference, and the 2006 New York City Conference. IAWA values its relationship with Administrator Blakey, we celebrate all that Administrator Blakey has done for transportation, and look forward to her new leadership role with AIA.

**New IAWA Member Named FAA Deputy Assistant Administrator for International Aviation**

One of IAWA’s strongest supporters is FAA Administrator Marion Blakey. Now another high-ranking executive in the FAA, a senior member of the FAA’s Office of International Aviation, Dorothy (Di) Reimold, has joined IAWA. Named FAA’s Deputy Assistant Administrator for International Aviation in December 2006, Deputy Reimold heads an office responsible for coordinating all of the FAA’s international activities and advancing U.S. leadership in aviation around the world, with a particular focus on standardization of safety regulation and certification.

Deputy Reimold has a strong technical and leadership background in both the private and public sector. She started her career in 1980 at Honeywell, Inc., and then moved on to Martin-Marietta as a project manager in the Air Traffic Control Division before joining the FAA in 1990 as a Technical Communications Management Specialist. Over the next decade, she moved into increasingly responsible leadership positions for major technical programs. These included Deputy of FAA’s Integrated Product Team (IPT) for Aircraft, Avionics, and Navigation and then as Deputy of FAA’s Communications IPT. She also served as acting head of the IPT for Communications.



*Dorothy (Di) Reimold*

In 2000 Deputy Reimold left the agency to return to the private sector. She served first as a senior manager at MCI WorldCom, and then moved to the MITRE Civil Advanced Aviation System Development organization as a Senior Manager for both the Air Traffic Management (ATM) Infrastructure and International ATM Systems Engineering groups. She returned to the FAA in late 2003 as a Special Assistant to the Assistant Administrator for International Aviation before the

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position of Deputy Assistant Administrator was established.

Deputy Reimold has an undergraduate degree (B.S.) in Business Management, and a Masters (M.S.) in Management and Leadership Sciences, both from National-Louis University. She is fluent in German and is conversational in Spanish.

## From Our Members

*IAWA Member Alina Nassar, who practices with the Central American firm of Nassar Abogados, has provided this update on a recent court decision in Costa Rica concerning the country's Civil Aviation Act. She thought it would be of interest to IAWA members.*

### **Costa Rican Court Annuls Limits on Airline Foreign Ownership**

A decision of the Constitutional Court of Costa Rica dated 01 August 2007 ruled out Article 156 paragraph 3 and Article 179 of the Civil Aviation Act, as well as Article 5 of its Regulations concerning requirements and procedures to grant operating licenses. Those provisions prohibited foreigners to own more than 49% of the capital stock of Costa Rican companies engaged in the provision of air transport services. They also banned foreign citizens to integrate the administrative bodies of those companies.

The ruling was made after the Taca International Airlines S.A. filed a constitutional remedy objecting the statutory prohibitions that prevented it to inject capital into its local corporation Taca Costa Rica S.A. Taca International already owned 49% of the capital stock of Taca Costa Rica and therefore, under the existing laws, it was not allowed to increase its share in the Costa Rican company. Taca alleged that the prohibitions were discriminatory and unreasonable and violated equal treatment and free enterprise.

The complete ruling has not been published but an abstract of the decision indicated that the court annulled said provisions. With this decision, foreign companies and individuals are free to invest in local corporations engaged in the provision of local or international air transport services. The ruling creates a lot of expectations on companies serving domestic routes. For them, this is the possibility to receive the necessary investment to improve their services, particularly at times when tourism has boosted domestic aviation in Costa Rica.

## YOUR ANNOUNCEMENTS:

**Please send information about your promotions, elections or other changes in your professional life to IAWA ([karengriggs@iawa.com](mailto:karengriggs@iawa.com)) for inclusion in future newsletters.**

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*This issue of News and Views introduces seven new members of IAWA, Kim Berry, Caroline Cunningham, Victoria Goodenough, Mary Liddy, Kiran Naidu, Terry Paine, and Dorothy Reimold (See story on Page 4).*

**KIM BERRY** is Noise Program Manager for General Mitchell International Airport in Milwaukee, Wisconsin, where she also has served as the airport's Properties Specialist. She has been an Airport Planner, and an Airport and FBO Manager at Beloit Airport, in Beloit, Wisconsin. Kim earned a Bachelor of Science in Aviation Management and Professional Flight Operations from the University of Dubuque, and a Master of Business Administration – International Aviation – from the John Molson School of Business, Concordia University, Montreal, Quebec. She was an Honors Graduate at Dubuque, and a Women in Aviation International Scholar at Concordia.

## New Members

Her memberships and Awards include: Accredited Member of American Association of Airport Executives, Women in Aviation International – Concordia University John Molson Scholar; Certified Member of American Association of Airport Executives, Wisconsin Airport Management Association, and City of Rockford, Illinois – Employee of the Year in 1989.

**CAROLANNE CUNNINGHAM** is in-house counsel and Vice-President at GE Commercial Aviation Services Limited in Shannon, Ireland (GECAS). Prior to joining GECAS she was an asset finance and project finance partner for a number of years at a US law firm in the City of London, U.K. and is dual qualified to practice in England and Wales as well as in Ireland.

She is a recommended expert in transportation finance as well as in trade finance and sat on the International Banking Law Technique Committee in the UK which was responsible for drafting UCP 600 (replacing UCP 500). She was a

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founding member of the British Chinese Law Association in 1999 and its Treasurer Association between 1999 until 2005. Carolanne is a long distance sailor and also enjoys skiing, reading, theatre, music and movies.

**VICTORIA GOODENOUGH** is the Capital Markets Manager for easyJet Airline Company Limited. She is responsible for aircraft financing execution, including project management, marketing, negotiation, financial and commercial evaluation of proposals, and review and negotiation of full documentation. She is an experienced negotiator with 105 aircraft financings that include Plain Vanilla Debt (fixed rate borrowing with no additional features such as convertibility rights or warrants), JOLCO, EIB funding, operating lease and revolver (“Standby”) transactions. Prior to joining easyJet, she worked with Ernst & Young, Mergers and Acquisitions in London, and before that with the London firm of Baker Tilly, Mergers & Acquisitions. Outside of work, her interests include traveling, horse riding and swimming.

**MARY LIDDY** is a Senior Associate Attorney in the San Francisco office of Sedgwick Detert Moran & Arnold LLP where she is a member of the Mass Tort group. In that position, she has been involved in several major litigation matters, including litigation arising out of the Alaska Airlines 261 accident; product liability litigation; a major asbestos coverage action; lawsuits by cargo airlines; and a 2001 aircraft accident in the Bahamas which resulted in the death of nine people, including R&B singer Aaliyah.

Recently she completed a two-month secondment to a local District Attorney’s office, where she tried seven criminal jury trials. She is a member of the Aviation Insurance Association and co-chairs the fundraising committee of the Public Interest Clearinghouse, a not-for-profit which focuses on providing legal services to the indigent and underserved of California. Born and educated in Ireland, she graduated from the National University of Ireland, Galway, with a B.A. (with honors), in Sociological and Political Science and Legal Science, and an LL.B., with honors.



*Mary Liddy*

**KIRAN NAIDU** is Regional Head – East India and Bangladesh – for Kingfisher Airlines, Ltd, a position she has held since March of this year. Previously she had been with Shakti Tours, a company that organized village walks, high altitude tours and luxury camps in the Himalayas. She recruited and trained a team to host the walks and stays at the camp/treks. Locals in these remote places in India speak only Indian languages and have rarely interacted with westerners. In her current position she is responsible for increasing market share with trade and corporate markets in her region, look for potential new stations and direct a corporate team of marketers.

Kiran has extensive experience in the travel industry, having worked for BTI-Sita, a division of Kuoni Travel India, and Thomas Cook (India) Ltd. She has served as Chairperson and Secretary for the Travel Agents Association of India and Chairperson for the Travel Agents Association of India in Kolkata. Kiran received a diploma in fine arts from the Government College of Arts and Crafts, and attended St. Xaviers College in Bombay.

**TERRY PAINE**’s interest began when she earned her private pilot’s license at the age of 20. It continued with aerospace engineering/business studies that lead to an aviation technologist diploma. While working as a junior engineer for a homebuilt manufacturer she decided the business and economics area of the industry would be the focus for her future career. She worked as a technical draftsman at Pratt & Whitney Canada in Toronto and then moved to Montreal to work for Bombardier Inc. at the time when Bombardier purchased Canadair from the Canadian Government (1986). Six years later, Bombardier purchased Dehavilland Aircraft from The Boeing Company and Terry was one of fifty recruits sent in to Toronto from Montreal to help continue the launch of the Bombardier Regional Jet which catapulted Canada into the international jet airline marketplace. While finishing her business degree in the evenings, Terry negotiated all the customer support supplier contracts on the original RJ50-seat program and went on to join the sales activity in Contracts and finally Structured Finance.

Terry is currently employed with Scotiabank as a Client Relationship Manager in Toronto and has already identified over C\$200 million in new client credit opportunities resulting in over C\$63 million in structured financings booked to date. Terry enjoys many hobbies, including flying of course (license about to get current again!), collecting books on women aviators, traveling, boating, scuba diving (studied to dive master level), cooking and wine appreciation, refinishing furniture, fitness (including golf and skiing) and continuing education.