

State of the Airport 2010

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Denver International Airport

Thank you, Mayor Hickenlooper, for that lovely introduction. I have enjoyed two wonderful years of working with Mayor Hickenlooper, and can't thank him enough for his support of our vision for DIA.

So it's been 15 years.

Fifteen years ago, Mayor Hickenlooper was a mere beer baron. Well, maybe a beer baron with a political gleam in his eyes. 15 years ago the Broncos played at Mile High, the Nuggets played at McNichols, planes came and went from Stapleton, and the Rockies had not made it to the playoffs. But much has since changed.

Mayor Federico Peña had asked Denver to imagine a great city and a great airport, and he and the other visionaries and business leaders of that time put their money behind their dream and they created the largest economic engine of this region, Denver International Airport.

This amazing regional group of revolutionary dreamers and innovators, actually implemented their dream and we who are here today are grateful for their resolve and tenacity.

I know for many of you, it is hard to believe that it was indeed 15 years ago, on a snowy February 28th in 1995, when the first flight departed from the nation's newest, most advanced and most efficient airport, Denver International.

But it was 15 years and we can no longer call ourselves "the new airport". Since DIA turned on its runway lights, several other international airports around the globe have opened, including Incheon and Beijing, yet we continue to set the bar in many aspects of our business.

We've put on some miles, and more than half a billion, yes, almost 600 MILLION people have flown through DIA since 1995. That's more than 100 times the population of Colorado.

In the last 15 years we have initiated new international service, faced bankruptcies, terrorism and bailouts. And through it all, we have remained a powerful hub: committed to providing competitive air service to our community, while providing an efficient and cost effective facility to our airline partners.

Considering the turbulence of this past year, DIA has done quite well. While most major airports saw double digit passenger declines, we experienced a minor 2.1 percent decline in passengers. Even with that, we served over 50 million passengers for the second consecutive year, and this January 2010 was our biggest January EVER exceeding January 2009 by 2.9%. And we continue to expand our expectations.

We have fared well largely due our strong and diverse regional economy. We now have nonstop service to 167 cities, the most cities served in the history of Denver aviation. In 2009, carriers added 9 new markets at Denver and 7 new markets will gain service in 2010. Clearly, there is a direct correlation between our strong economic foundation and the tremendous air service network at Denver International Airport. And flying to our new markets is even more affordable at DIA. Since the airport opened, the domestic airfare out of our market has fallen more than 20 percent.

And we continue to achieve high rankings for customer service. In fact, JD Power recently named us third for customer service in the U.S. large hub category. And the Airports Council International's Air Service Quality Survey named us third in the world in the over 40 Million passenger category.

And what are the future expectations? Thanks to the regional dreamers and the committed local residents who embraced the original vision, Denver International was and is considered "the future of aviation" in the United States. Even after 15 years of delivering on a promise, we are an airport with its potential still unfulfilled. Charles Dickens would say we still have great expectations.

I believe 15 years from now DIA will be recognized as one of the unparalleled *global* hub airports, and here's why. First, we are well

positioned geographically—almost in the center of the United States east to west and in the middle north-south between Canada and Mexico. And, we are almost equidistant in air miles between Frankfurt and Tokyo. From anywhere in the US you can meet in Denver with your North American partners and be home for dinner.

Second, because we sit on 53 square miles, we have the ability to expand incrementally and affordably to meet future demand. NO OTHER AIRPORT IN THE US CAN DO THAT— NONE. Most of them cannot expand affordably, and some of them simply cannot expand.

And I'm convinced the demand for air service at DIA will continue to grow because airlines are crucial to global commerce, because our local economy is diverse and positioned for growth, and because Colorado will continue to grow as a tourist destination.

DIA can cost effectively build more runways, and that means we can add capacity. As airport capacity shrinks over time in North America due to many major airports reaching their expansion limits, Denver International—built to be the optimal hub airport—can continue to offer airlines around the world an efficient, low-cost, center of the country port of entry, that provides passengers smooth connections to other U.S. and international cities.

Third, continuing adoption of trade agreements, including “open skies” support the growth of airline alliances and global hubs.

The United States currently has open skies agreements with 95 countries. Our partners include the UK, France, Germany, India, and Canada. In December, the State Department announced that the United States and Japan reached an Open Skies agreement, which we hope will be finalized in October.

The U.S.-Japan Open Skies agreement is especially good news for Denver because it furthers our efforts with ANA to provide nonstop flights between Denver and Tokyo in what we call hub to hub service.

ANA can benefit from United feeding its customers into United's domestic network at their second largest hub here in Denver. There will be a certain

percentage of traffic that will travel only between Denver and Tokyo, but a profitable flight will depend on some passengers traveling beyond Tokyo into Asia and beyond Denver in to the US.

Many people have asked me—why Tokyo?—why not Beijing or Singapore? The answer right now is simple: Beijing only brings Beijing, but with the Star Alliance hub network out of Tokyo—Tokyo gives us all of Asia. It is our gateway to Asia and we want to become their gateway to North America.

That brings me to my fourth reason the new Boeing 787 “Dreamliner”. This aircraft will open the world to us. It is 20-percent more fuel efficient than current wide-body aircraft and its range and seat capacity are ideal for the Denver market. It is the plane that will make a Tokyo flight profitable. And who is the first customer for the Boeing 787? ANA. And we are looking to a time with the Airbus A380 flying here—believe it or not, Lufthansa has mentioned it to us. And no doubt, we will have service with the new Airbus A350 as well, considering United just put in an order for 25. And my fifth and final reason that we will become a great global hub is that passenger safety and security, and a positive travel experience will always be our priorities. The travel experience can be burdensome and irritating, or it can be pleasurable and stimulating. We can provide what passengers want and need, or we can be complacent and uninspired. By offering the best customer service and by building loyalty among passengers I believe we can stand out among our competitors.

Not only does serving the customer help make DIA the airport of choice but if we are clever, we can simultaneously provide revenue and lower the cost to airlines operating at Denver International. For example, in the next few weeks we will launch our new website which will improve customer service, while pre-marketing our airport’s concessions and services.

And we will continue to expand expectations with our South Terminal Redevelopment Program which is currently in the conceptual phase. When it is complete, air travelers will be able to experience two major upgrades in service: an at-terminal hotel and the FasTrack’s commuter rail link to Downtown Denver.

We have wanted and needed an airport hotel for some years now, and by 2015, passengers will have 500 rooms available in a four-star Westin hotel, located immediately south of Jeppesen Terminal. The Westin will have rooms for business meetings, conferences, and banquets plus many other traveler benefits.

In five years, DIA will also be able to offer travelers a rapid rail link between downtown and the airport, with the east corridor line that is part of RTD's FasTracks project.

There is a remarkable parallel between today's leaders who are working on FasTracks and the leaders in the 19th century who worked to move the rail link from Cheyenne to Denver. How interesting it is that even back then, the Denver Chamber and business leaders came together to build a rail spur from Denver to the transcontinental line in Cheyenne. In doing so, they changed history. That same type of leadership brought about a successful election in Adams County which allowed DIA to be built. And now that same type of leadership will again make history with FasTracks.

RTD will be laying tracks for the commuter train that will run between a new rail station immediately south of Jeppesen Terminal and a revamped Downtown Union Station.

This connection will change the transportation dynamic at DIA. Overseas visitors, who are accustomed to taking trains to and from airports, will be pleased that they can board the DIA line and get into Denver within half an hour. The train, which will run every 15 minutes, will also serve the over 30,000 airport employees, which will take some of the traffic off of metro highways and streets, while offering the reliability of all-weather transportation.

Not only have we hired Parsons Transportation to oversee the complex and physically integrated elements to be built south of the Jeppesen Terminal, Parsons has brought on Santiago Calatrava who will be our architect and engineer for our FasTracks station and signature bridge over Pena.

Calatrava is without a doubt the most notable designer of stations and bridges in the international architecture circle. He just finished a fantastic

new station in Liege, Belgium, for the TGV railroad. It is a stunning public space with sweeping curves and repetitive lines, where structural elements are turned into finish surfaces, making it beautiful, efficient and cost effective. Calatrava has promised us a station design that respects and complements our iconic Jeppesen Terminal, as he recognizes the importance of the tent roof to the airport's, and quite frankly the community's image.

I said earlier that DIA is Denver's future. Of course, I'm talking about Denver's economic future—and not only Denver's, but also the region's future. In 2008, the Colorado Department of Transportation studied the economic impact of the state's airports, and determined that DIA alone contributes \$22.3 billion to the state's livelihood every year. That's more than the gross domestic products of 100 countries.

When the visionaries designed this airport they didn't see 53 square miles of prairie, they saw 53 square miles of economic benefits, 53 square miles of new opportunities.

And Denver International will become even more valuable as the decades unfold before us. It will continue to bring tourists and connect families scattered around this ever shrinking globe; it will continue to create jobs along the front range, and throughout the state; it will continue to move precious cargo, including commodities needed by our next generation of Colorado entrepreneurs, and it continues to be a source of pride, the realized vision of a community of optimists that believe in their future, and the future of this region. It will continue to expand our great expectations.

As I stated earlier, I am confident that DIA's future is that of a global hub. Based on DIA's location, our ability to grow and add runways, to attract new carriers and longer non-stop flights, to improve our customer service with our downtown train connection and upcoming hotel, Denver International will indeed become a true gateway to the world, realizing the visions and dreams conceived 15 years ago.

Against the odds, Denver International Airport has delivered. We delivered 50 million passengers years earlier than expected. We lived up to the promise of a world class airport. We delivered jobs and economic opportunity.

Together this region, our elected officials, our business leaders and our communities built this airport, together we have already made it a powerful global hub, and together we will soar into the future of aviation and continue to expand our great expectations.

Thank you.