



FAA Forecast Conference 2009

Confronting New Realities: Energy, Economics & Efficiency

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- **The Great Recession or a Depression with a “d”?**
- **The Present Situation after 5 Months**
- **Key Issues for Centennial Airport**
- **Challenges & Opportunities**
- **How long?**
- **My Crystal Ball...**

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- **A Great Recession or a Depression with a “d”?**
- **Current unemployment may reach 10% in 2009**
- **Unemployment in 1929-1930 was 25 %**
- **Unemployment did not go below 10% until 1941**
- **Current “downturn” may take 2 years to bottom out**
- **Recovery to pre-September 2008 days may take years**

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- **The Present Situation after 5 Months**
- **Jet fuel sales are down $\pm 30\%$ over last year**
- **AvGas sales are down $\pm 17\%$ over last year**
- **Operations are down 18% over last year**
- **3 of 4 FBOs have cut back on employment**
- **Market share is shifting**

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- **Key Issues for Centennial Airport**
 - **Performance based budget**
 - **Diversified economy**
 - **Small efficient staff - outsourcing**
 - **Discretionary projects serve as cash depositories**
 - **Only spend as it comes in & leave reserves...**

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■ Challenges & Opportunities

- Biggest Challenge: riding out the storm
- Biggest Opportunity: last man standing?
- Letting diversification pick up Av revenue slack
- Pursuing unique projects
- Taking advantage of “Stimulus”: 5 “ready” projects
- Being conservative during “fat” years

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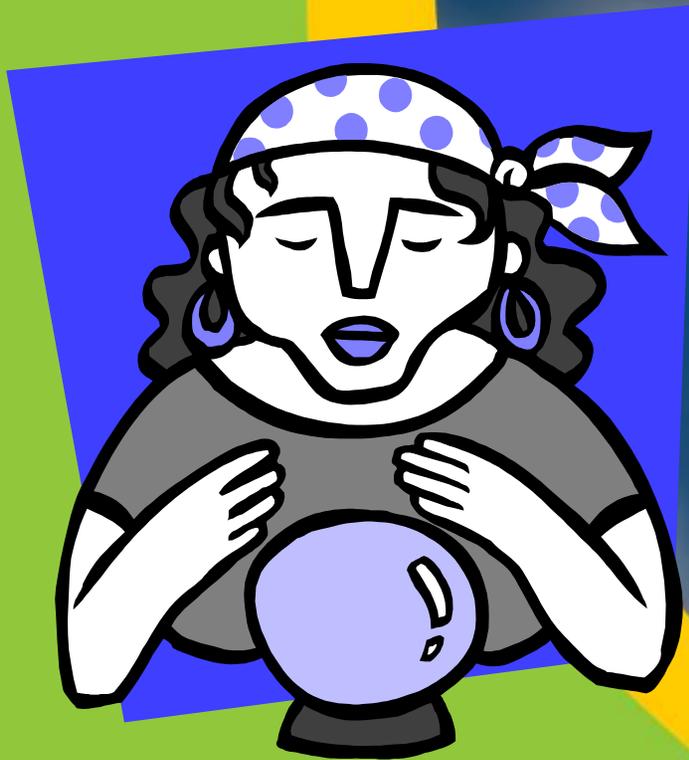
- How long?
- My guess is as good as any??? 2-3 years?
- Airport can handle sustained downturn for 3 years without having to go to drastic measures
- Recovery will be slow and incremental
- Reinvestment will be slow and cautious
- Credit market must return to rational levels

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■ My crystal ball...



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We will recover, be smarter and less greedy! [hopefully]



Thank You!

