



El Paso International Airport
Annual Report

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ABOUT THE AIRPORT

El Paso International Airport (EPIA) provides passenger and air cargo service to a two-state and two-nation region, including West Texas, Southern New Mexico, and Northern Mexico. Located in central El Paso, EPIA is committed to capitalizing on the geographic area and demographic advantages to provide the best possible air transportation facilities.

EPIA is self-supporting, using aircraft landing fees, terminal use fees, concessions, general aviation fees, non-aeronautical revenues, and other miscellaneous revenue sources to fund operating expenses. EPIA is not funded through the City of El Paso General Fund. Capital construction projects are funded through revenue bonds, federal grants, Passenger Facility Charges (PFCs), and EPIA revenues. Nonetheless, EPIA adopted the City's budgetary margins in FY2011 and reduced staffing by 2.3 full time equivalents from FY2010.

EXECUTIVE MESSAGE



El Paso International Airport plays a vital role in the regional transportation system, not only for aviation and airline passenger travel, but also for commercial, and air cargo activity. Located in central El Paso, EPIA is committed to capitalizing on the geographic area and demographic advantages to provide the best possible air transportation facilities. Nearly 3 million passengers traveled through the terminal in 2011. This Annual Report provides an overview of the Airport's operations and highlights for the year.

As a priority for 2011, EPIA presented the expanded incentive program for new non-stop national and international destinations for passenger travel and cargo. The Airport also entered into Vehicle Rental Concession Agreements and renewed the airline operating agreements. Coming in 2012, development projects include the completion of the Runway 8R/26L extension, update of the Southern Industrial Park Land Use Plan, Car Rental Facility Expansion, and Pavement Rehabilitation & Landscaping of Butterfield Trail Industrial Park.



Airport Executive Staff

- Antonio Marmolejo, C.M.**
Assistant Director of Aviation Development
- Terry Sharpe**
Airport Operations Manager
- Cesar Martinez**
Administrative Services Manager
- Jeff Schultes, A.A.E.,**
Assistant Director of Aviation Administration
- Jerry Bettendorf**
Assistant Director of Aviation Operations & Maintenance
- Monica Lombraña, A.A.E.**
Director of Aviation



John F. Cook
Mayor



Joyce Wilson
City Manager



Jane Shang
*Deputy City Manager
Mobility Services*

City Council

- Ann Morgan Lilly**
District 1
- Susie Byrd**
District 2
- Emma Acosta**
District 3
- Carl L. Robinson**
District 4
- Dr. Michiel Noe**
District 5
- Eddie Holguin Jr.**
District 6
- Steve Ortega**
District 7
- Cortney Carlisle Niland**
District 8

MISSION

Provide customers with a safe, efficient airport, operating in an environmentally concious and self-sustaining manner.

VISION

To promote El Paso International Airport as the premier international gateway for air transportation and distribution through partnerships, customer service and innovation.

El Paso International Airport IN PERSPECTIVE

GEOGRAPHY

EPIA IS 6 MILES EAST OF DOWNTOWN, JUST A
10 MINUTE DRIVE

EPIA IS NEXT DOOR TO FORT BLISS
42ND LARGEST US ARMY INSTALLATION

EPIA SITS ON
6,800 ACRES OR 10.9 SQ. MILES WHICH MAKES IT LARGER THAN THE 4TH SMALLEST COUNTRY IN THE WORLD—TUVALU IN POLYNESIA WHICH IS ONLY 9 SQ. MILES

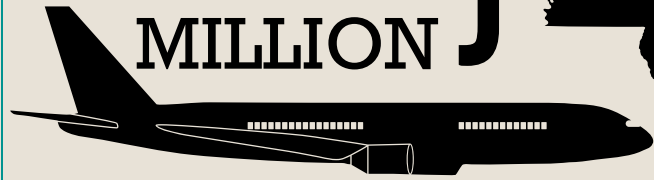


COMMERCIAL

WITH **15** GATES
6 AIRLINES
60 NONSTOP FLIGHTS PER DAY

2.9 MILLION

ABOUT THE POPULATION OF MISSISSIPPI



PASSENGERS ENPLANED & DEPLANED IN FY2011 WHICH AVERAGES TO ABOUT

8,000

PEOPLE TRAVELING IN & OUT OF EPIA EVERY DAY

AMENITIES

THERE ARE A COMBINED
1,348 ROOMS IN OUR **7** ON AIRPORT HOTELS

Here is a snapshot of what exactly happens throughout the year at EPIA. Every day, thousands of people fly in and out of our airport and there are thousands of people on staff to make sure that happens efficiently. In addition to commercial air travel, there are other factors that attribute to EPIA's success such as Cargo, Property Development and Retail.

AMENITIES

9 MAJOR NATIONAL CAR RENTAL COMPANIES
CAPABLE OF RENTING OUT UP TO **1,387** CARS IN A DAY



CARGO

AIR FREIGHT THAT MOVED IN & OUT OF EPIA FOR 2011

181,715,000 lbs.

450 BLUE WHALES



FOREIGN TRADE ZONE NO. 68

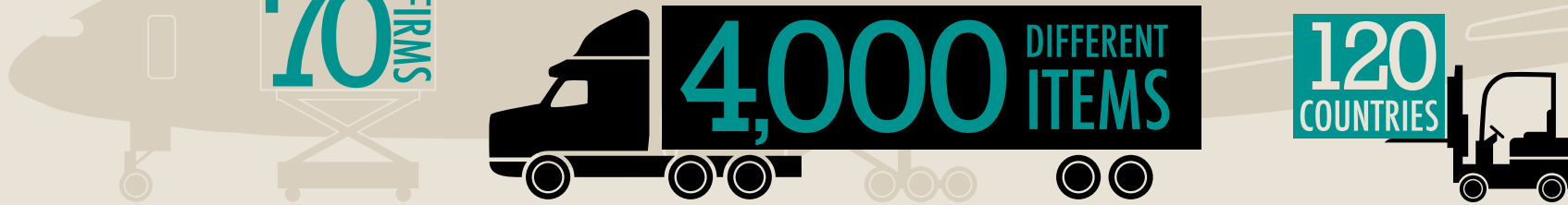
ON AVERAGE IN A YEAR THE FTZ NO. 68 SERVICES

70 FIRMS

The International Trade Processing Center (ITPC) is located at EPIA's Air Cargo Complex. The zone consists of 21 sites containing 3,443 acres spread out through the County of El Paso.

4,000 DIFFERENT ITEMS

120 COUNTRIES



SUSTAINABILITY

EPIA HAS REDUCED IT'S CARBON FOOTPRINT THROUGH THE INTRODUCTION OF SOLAR LIGHTS, ENERGY EFFICIENT LIGHTS, HYBRID AND ELECTRIC VEHICLES. IN THE YEAR 2011

WE'VE REDUCED



CO2 EMISSIONS BY **153.3** TONS



ENERGY USAGE BY **332,962** KWH



DIESEL FUEL USAGE BY **1,433** GALLONS

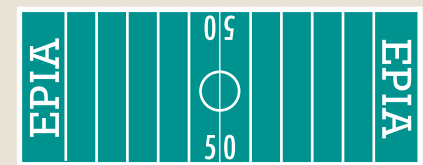


ENERGY COSTS BY **\$53,043**



UNLEADED FUEL USAGE BY **1,221** GALLONS

4 CARRIERS
\$60 MILLION FACILITY
288,000 SQ.FT. WAREHOUSE



OR ABOUT 5 FOOTBALL FIELDS

ACHIEVEMENTS OF 2011



Ribbon cutting ceremony at the American Airlines Terminal. Pictured from left to right, Monica Lombraña, Director of Aviation, El Paso International Airport; Jerry Krus, American Eagle Regional Manager, Business Development Sales; Richard Dayoub, President and CEO, Greater El Paso Chamber of Commerce; The Honorable John F. Cook, Mayor, City of El Paso; Bill Blaziek, General Manager, El Paso Convention and Visitor's Bureau; and Juanamaria Cook, General Manager, American Airlines

NEW NON STOP FLIGHTS

American Airlines added two new, non-stop flights from EPIA to Los Angeles International Airport (LAX) in April 2011. The service operates with 44-seat American Eagle Embraer jets and is timed for convenient connections to and from the west coast, including connections to Shanghai.

NEW CONSOLIDATED RENTAL CAR FACILITY

EPIA renegotiated a new Vehicle Rental Concession Agreement, which includes authorization for the collection of a Customer Facility Charge.

This fee, which will only be charged to patrons who rent vehicles at EPIA, will be used to finance the construction and operation of a consolidated rental car facility. The new facility will provide first-class accommodations to customers of the car rental concessionaires and, through a redesign and reconfiguration of the roadway system, relieve congestion in front of the terminal.

NEW AIR CARGO PERISHABLES CENTER

Completed in FY2011, the Air Cargo Perishables Center opened a new era for air cargo and international trade at EPIA. The perishables center will utilize the international trade benefits of the Foreign-Trade Zone No. 68 (FTZ), a U.S. Customs inspection station and the infrastructure to help this region prepare for future economic development opportunities.



Ribbon cutting ceremony at the launch of the new Air Cargo Perishables Center. Pictured from left to right, Ana Hinojosa, Director of Field Operations U.S. Customs & Border Protection; The Honorable John F. Cook, Mayor, City of El Paso; Ambassador Roberto Rodriguez, Consulate General of Mexico-El Paso; Monica Lombraña, Director of Aviation, El Paso International Airport; Joe Quiñonez, FTZ No. 68 Manager.

TERMINAL EXPANSION PROJECT COMPLETED

The Terminal Expansion Project was completed in FY2011 and Concourse B brought the addition of a new sit down, full service restaurant. The 12th Fairway, which opened in the summer of 2011, is themed with photos of the EPIA-owned Butterfield Trail Golf Club. The completion of the Terminal Expansion Project supports EPIA's goal of continuously providing a higher level of customer service to the traveling public. Other major capital improvement projects include the extension of Runway 8R/26L and re-landscaping of Global Reach and Cottonwoods Drives.

BONDS FUND IMPROVEMENTS

Fitch Ratings and Standard & Poor's Ratings Services both assigned an underlying 'A+' rating to approximately \$16.1 million of airport revenue bonds, series 2011. In addition, Fitch has affirmed its underlying 'A+' rating on \$7.1 million in outstanding airport revenue refunding bonds, series 2003. The proceeds of the series 2011 bonds will be used to finance pavement rehabilitation and landscaping in the EPIA-owned Butterfield Trail Industrial Park.



The 12th Fairway launched in the summer of 2011 is located in Concourse B and fetures a full service restaurant menu.

IN THE NEWS



El Paso International Airport's Foreign Trade Zone No. 68 ranked #1 in the nation, in terms of the value of foreign goods admitted into the U.S., according to the recently released 2009 Annual Report to the U.S. Congress by the U.S. Foreign-Trade Zone Board. The FTZ admitted \$10.96 billion in foreign goods to the U.S. in FY2009. The FTZ was also listed on the State of Texas' Office of the Governor's web site which featured the top U.S. FTZs in Texas, ranked by value of foreign goods admitted.



In 2011, the July/August Business issue of Facilities Magazine included an article titled "Incentives Grow Huge Deals in Texas" by Jenny Vickers, which featured EPIA as one of the nation's leading airports in pioneering non-aeronautical land development.

In the fiscal year 2011, Butterfield Trail Golf Club was recognized by the following publications:

Best Municipal Courses
– *Links Magazine*

#3-Best Municipal Courses
– *Golfweek Magazine*

Best Courses You Can Play: Texas
– *Golfweek Magazine*

Top 50 Courses You Can Play: Texas
– *Dallas Morning News*



GOALS FOR 2012

- Continue air service development efforts to gain new, non-stop national and international destinations for passenger and air cargo service
- Optimize non-aviation revenues by developing a strategy to maintain the tenant base in existing industrial parks by working with the Economic Development Department and by actively promoting and securing tenants for the Global Reach Science & Technology Park as well as a hotel developer for the Butterfield Trail Golf Club hotel site
- Control costs by performing management studies and cost benefit analyses to determine whether activities should be carried out in house or outsourced, and continuously analyze overtime costs
- Conduct a strategic study of the FTZ to analyze opportunities and new markets
- Collaborate with local and regional economic development partners to promote a development strategy to grow cargo operations that are market driven
- Improve the airport's aesthetics throughout the terminal and adjacent property
- Upgrade technology to improve all aspects of airport security
- Evaluate alternatives for energy use and practices

