

# 'We have to act' mayor says of air cargo plan

BY DOUG SCHMIDT, THE WINDSOR STAR    SEPTEMBER 9, 2009



Thilo Schmid, executive vice-president and partner with Lufthansa Consulting, is joined by Federica Nazzani, general manager of Windsor Airport, right, as they present a report from Lufthansa Consulting on the proposed use of the Windsor airport as a cargo hub at a special meeting of city council in Windsor on Tuesday, September 8, 2009.

**Photograph by:** TYLER BROWNBRIDGE, The Windsor Star

WINDSOR, Ont. -- Small and practically unknown to the greater airline world, Windsor Airport has “a lot of sleeping potential” but is “ready to wake up” and become an air cargo hub, said a consultant hired by the city to investigate that business potential.

“Yes, I think it can be attractive,” said Thilo Schmid, executive vice-president and partner with Lufthansa Consulting. He told a special meeting of city council Tuesday night that the municipally owned facility is in an enviable location, has lots of space to grow new business and is perfectly suited to tap into a growing and high-value segment of the economy.

“I was surprised at the setup at the airport that already exists ... it’s a lot better than I expected,” Schmid told The Star after council voted unanimously to accept the report and then meet soon again to discuss pursuing a business plan to make it happen.

“We have to act,” said Mayor Eddie Francis, adding Windsor’s ailing economy needs new initiatives and that senior governments want to help. He said that interest and support — which the city was able to cash in on big-time in recently obtaining stimulus and infrastructure grants — “is going to dry up when the economy rebounds.”

While city taxpayers paid for the initial \$220,000 feasibility study, Francis said the province has already been approached by the local development commission to fund the next phase, which would look at the financial viability, study what facilities would be required and search for an operator.

Schmid estimated the next phase would cost about 200,000 Euros, or about \$310,000. Francis said if he hasn’t heard back favourably on the application to the province by next week, he’ll be approaching council before the end of September for Windsor itself to pay to take the idea to the next level.

Far from rosy projections, Schmid told council his feasibility study, which drew on proprietary “air transport intelligence” data used in the industry, was based on conservative assumptions and “very realistic” projections about “real market potential.”

He said the study points to the bulk of the initial cargo handling capacity at the airport being made up of so-called “flying trucks” in which freight is packaged for air but transported by trucks. That freight handling ability would draw more scheduled flights to the city.

The report concludes Windsor Airport could be handling up to 90,000 tonnes of commercial air freight within 25 years. Schmid said an air cargo handling component would also serve as a catalyst to attract new businesses and development. He said there is already "a lot of (air) freight bypassing Windsor," because its airport currently can't handle such commerce.

Valentinis liked the fact that just undertaking the current effort has served to further market Windsor Airport to potential users. Francis said some of the freight forwarders — those who are hired to handle cargo for customers — contacted during the study weren't even aware Windsor's airport is open for business. "It looks very encouraging," airport general manager Federica Nazzani said of some of those early prospects.

Schmid shrugged off concerns expressed by Coun. Alan Halberstadt of recent reports of the suffering airline sector and what might happen if oil prices rise further. He said he's lost count of the "many crises" that have hit the industry just in the past decade, including global economic slump, the 9/11 attacks, SARS and Iraq war, but that over the long-term, air cargo rates have been steadily rising.

"We've got to do something — I've never seen it so bad," Coun. Caroline Postma told The Star, describing the local economy.

That was the general sentiment around the council table. Even Halberstadt, after asking a few pointed questions, including raising the spectre of council's woeful Canderel building experience, warmed to the potential.

"Believe me, I'd love to see Windsor Airport developed," he said. The only really negative comment came from the public gallery, when resident Al Nelman described it as another potentially "very risky" commercial enterprise for the city to embark on.

Coun. Percy Hatfield was already taking it to the next step, by describing how success could be "a blessing and a curse." He said the latter would be more flights resulting in more noise, and he reminded council of the community backlash less than a decade ago when the giant Antonovs would fly in late-night heavy cargo loads and "the windows would shake and the babies would wake." He asked the consultant whether an air cargo facility could mean a return of the Antonovs.

"It's hard to answer ... but to answer honestly, yes, that could be," said Schmid. "There are going to be challenges," said Francis, adding that part of developing a plan for a Windsor air cargo facility would be to involve the community in helping shape its design and operations. Asked by Coun. Bill Marra what his biggest concern was, Schmid replied that, while the potential was certainly there, "you need to push that forward" to make it happen.

"I agree, if we do nothing, nothing is going to happen," said Halberstadt.

"This one is intriguing," said Coun. Jo-Anne Gignac.

Councillors Dave Brister, Drew Dilkens and Ken Lewenza Jr. were absent from the meeting.

dschmidt@thestar.canwest.com

© Copyright (c) The Windsor Star