

## DFW Airport names Virgin Australia executive as new CEO

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Sean Donohue may be a Virgin executive, but his 25-year career in the airline business got him the job as the next chief executive of Dallas/Fort Worth Airport.

On Thursday, the airport board announced that it had selected Donohue, Virgin Australia's chief operating officer, to succeed retiring CEO Jeff Fegan.

Donohue has worked at Virgin since 2010 and is responsible for the day-to-day operations of the carrier. He previously held several executive positions at United Airlines, overseeing its United Express operations and customer experience.

"We want to expand this airport's international [reach] and work together as a team, Dallas and Fort Worth, to get that connecting-the-world piece growing more and more, and certainly Sean has that experience in the international field and I really think that his breadth and knowledge will push us a long way towards achieving that goal," said Fort Worth Mayor Betsy Price, who is on the airport board.

Donohue will assume the position in October. Fegan has agreed to stay on until then, instead of retiring Sept. 1, to ensure a smooth transition, board Chairman Robert Hsueh said.

"I look forward to joining the D/FW team and working with our stakeholders to assure the highest levels of customer satisfaction, operational excellence, cost competitiveness and employee engagement, which will enable the airport to deliver on its mission for many years to come," Donohue said in a statement. He was not present at the board meeting.

The board voted unanimously for Donohue. His compensation and employment contract have not been finalized, but he will likely take a pay cut with his new position.

According to Virgin Australia's 2012 annual report, Donohue's executive compensation was about \$1.4 million in U.S. dollars, including \$509,000 in salary. Fegan earns \$415,000 annually.

Donohue launched United's low-cost carrier, Ted, in 2004. Ted was based at United's Denver hub, and its no-frills approach was supposed to help the legacy airline compete with low-cost airlines like Southwest and Frontier.

But as jet fuel costs skyrocketed in 2008, United shut the subsidiary down.

His focus at Virgin Australia has been on expanding its terminal in Sydney and improving on-time performance, which was hurt by air traffic control delays. "By the end of the year, we're going to go from nine to 14 gates," Donohue told *The Australian* in a May 2012 article. "So that will give me a hell of a lot more flexibility to manage the air-traffic control delays."

Hsueh said that 14 candidates applied and that four finalists were interviewed by the full board in June. He did not name the finalists.

Two of them, however, were internal candidates: the airport's chief financial officer, Chris Poinsett, and its executive vice president of revenue management, Ken Buchanan.

During the board meeting, several members of local minority business groups asked the board to seriously consider hiring Buchanan, who is African-American, instead of an external candidate. The local leaders sent a letter to board members outlining their concerns that the airport's new leader should come from the DFW community.

Margo Posey, president of the Dallas/Fort Worth Minority Supplier Development Council, which represents certified minority contractors, said Buchanan contributed to the airport's growth by improving parking, concessions and rental car revenue.

"We recognize right here internally that we have the talent and expertise to achieve the airport's goals," Posey said.

Fegan, 59, has led the airport for 19 years. He oversaw construction of the new international Terminal D, a rental car facility and the Skylink passenger transportation system.

American Airlines, the airport's largest carrier, applauded Fegan's tenure and said it looks forward to working with Donohue.

"We are confident that this same business-minded partnership will continue at DFW International Airport under the new leadership of Sean Donohue," said Kevin Cox, American's vice president of real estate.

When Donohue takes over in October, the airport will be in the midst of a multiyear, \$2 billion renovation of its older terminals — A, B, C and E.

The airport's \$656 million budget, approved by the board Thursday, includes parking rate increases and concession revenue growth to help finance the terminal renovations. The airport expects a record 61.2 million passengers to pass through DFW in fiscal 2014, which starts Oct. 1.

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