

April 2015 Update- All things Aviation:



If you'd like additional information, please contact Newport Beach City Manager Dave Kiff at dkiff@newportbeachca.gov.

JWA February-March

February 2015 saw a passenger increase of +5.5% over February 2014. While international traffic for the airport declined -23.0% versus the same period last year. (This will likely improve as a result of new routes by Alaska Airlines; see information later in this newsletter as well as Southwest's proposed new routes to Mexico².) Meanwhile the ADDs for February 2015 were 107.57 versus 107.13 for February 2014. International for the month of February was 3.02 ADDs versus 4.21 for February 2014.

March saw some equally impressive numbers, as passenger levels for March 2015 vs. 2014 increased by +7.2%. ADDs for March were 112.45 vs. 110.77 a year ago. International continued to see a down turn as March 2015 ADDs were 3.13 vs. 4.56 a year ago. The airport overall for the first quarter is +5.1% ahead of last year.

More International

In last month's report, reference was made to the House bill introduced the week of February 23 that would allegedly ease airline costs for international flights into John Wayne Airport and could attract more such flights to the county. Some of you have asked for an additional update regarding that legislation known as HR 1051, it is as follows:

¹ The picture was a recent winner of the JWA Photo Contest

² As previously announced, the airline plans to inaugurate daily service to Puerto Vallarta, Mexico.

02/24/2015 Introduced in House
Type of Action: Introduction and Referral
Action By: House of Representatives

02/24/2015 Referred to the Committee on Ways and Means, and in addition to the Committee on Homeland Security, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.
Type of Action: Introduction and Referral
Action By: House of Representatives

02/24/2015 Referred to House Ways and Means
Type of Action: Introduction and Referral
Action By: House of Representatives

02/24/2015 Referred to House Homeland Security
Type of Action: Introduction and Referral
Action By: House of Representatives

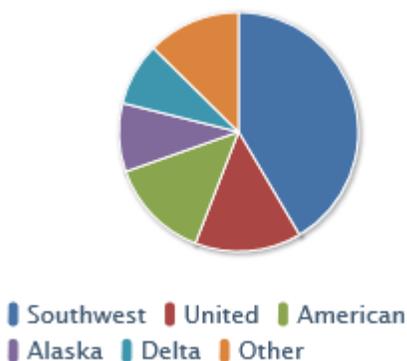
03/12/2015 Referred to the Subcommittee on Border and Maritime Security.
Type of Action: Committee Consideration
Action By: House Homeland Security

Alaska Seeks Service to Mexico

As a follow up to last month's application by Alaska Airlines to provide service to Mexico, the Department of Transportation has approved the addition of two routes to and from JWA and Los Cabos and Puerto Vallarta, Mexico. The planned year-round service will operate thrice-weekly between Orange County.

Latest JWA Carrier Share Jan-December 2014-Department of Transportation

Carrier	Passengers	Share
Southwest	3,694,000	41.50%
United	1,281,000	14.39%
American	1,221,000	13.71%
Alaska	824,000	9.26%
Delta	757,000	8.50%
Other	1,124,000	12.63%



Departures JWA

To follow-up on repeated questions and comments in the community regarding departures at JWA, residents are reminded that the Southern California Airspace is undergoing what may be loosely termed redesign.³ Again the community is reminded that preparation of the Draft Environmental Assessment (“EA”) is underway and the FAA intends to issue it in 2015. The EA will be publicly available for 30 days before the FAA

³ See detailed discussion in February 2015 update. There have been what has been termed “minor amendments” to the departure procedures at JWA, many of which dealt with the changes of the headings upon departure as a result of the re-alignment of the runway because of the normal shift in the magnetic north (see discussion in December 2013 Newport Update); also as for the STREL they did recently add a change at the SHIRR waypoint, which now requires a climb gradient to cross SHIRR at or above 7000 ft., per the request of the ATC. There will likely be a future change later as a result of MetroPlex and air traffic in the region. (STREL FOUR is allegedly to be revised in 8/20/15, which is subject to change).

would issue a final determination on the project. The following webpage will announce the availability of the FAA documents and any contact information related to providing comments: http://oapmenvironmental.com/socal_metroplex/socal_introduction.html

Privatizing Air Traffic Control

The issue of privatizing the Air Traffic Control arm of the FAA⁴, continues to have legs and has been pushed forward with bi-partisan support. Frustrated by the FAA's bureaucratic inertia, there is bipartisan sentiment in Congress to spin off the agency's biggest single workforce — the almost 15,000 people who control the nation's air traffic — into a separate corporation. Rep. John L. Mica (R-Fla.) presented a bill to the House aviation subcommittee in late March that would create a private corporation to govern air travel.

Airports in the Region

LAX- February 2015

LAX saw just a slight increase for the February of 2015 with an overall passenger increase of +3.87% versus the same period of last year. Once again international travel enjoyed an overall increase of +5.96%.⁵

⁴ See last month's report on this item.

⁵ For those following LAX closely, recent studies suggest that the primary capacity constraints at LAX have to do with landside capacity and airport access. The present terminal and ground access infrastructure at LAX was constructed in 1961, with three additional terminals added to the complex in the 1980s, bringing the total to nine. LAX has updated some of its terminals, including the Tom Bradley International Terminal, and is adding capacity to handle the largest aircraft in service at other terminals. Though investment in updating some of the terminals has helped the passenger experience, the airport is problematic when it comes to terminal condition and airport access. While some terminals are connected via walkway or airside shuttle, to transfer between some terminals a passenger must exit the terminal, ride a shuttle bus, and re-clear security. Getting to rental car facilities, which are off-airport, is slow and unpredictable. Access to the airport is primarily achieved by using I-405, one of the most congested stretches of highway in the nation.

ONT- February 2015

ONT saw a slight increase overall for the month of February versus the same period last year, with an increase of +.55%. Officials at the airport termed it flat. International passengers increased by +91.47%.

Ontario announced that AeroMexico will add roundtrip service four times a week on Tuesday, Thursday, Friday & Sunday to Mexico City, Mexico. Service began April 6 for travelers wanting more international service. AeroMexico currently flies to and from Guadalajara four times a week and with its new flights to Mexico City, the airline continues to increase its number of flights from four to eight flights per week, marking a significant move for AeroMexico and is welcome news for travelers at ONT.

Long Beach

For the first three months of the year, Long Beach has shown a decline in passengers through March of -10.7%. Much of the decline can be attributed to JetBlue reducing service at the airport. And the forecast for the year is much of the same. Long Beach Airport showed a decline of -8.8% in total passenger traffic for the month of March. JetBlue the principal carrier with a slot allocation of 32, showed a decline of -5.1%, while the other carriers showed slight to significant improvement over March of 2014. Load factors continue to average 85%. Operations through February 2015 were 30.11 ADDs versus 34.82 ADDS for February of 2014.

Bob Hope

Passenger traffic at Burbank- Bob Hope Airport improved by +2.2% in February. Southwest Airlines had an increase of 3.4% and Jet Blue was up 4.4%.

ONT/LAX Acquisition

Attorneys for Ontario are petitioning the state 4th District Court of Appeal in Riverside to reverse a ruling upholding the decades-old agreement that gave Los Angeles control of L.A./Ontario International Airport. Ontario, filed their petition on April 7,

claiming the 1985 acquisition of ONT was invalid because a sale would have required a public vote.

Regarding the bipartisan Assembly bill introduced recently that would allow Ontario to issue revenue bonds to finance the acquisition of L.A./Ontario International Airport from Los Angeles, the City of Newport Beach has lent its support for the bill.

Meanwhile, late Thursday, April 23, a judge denied LAX's motion to dismiss the entire suit filed by ONT to regain control of the Airport.

Predictions/Observations for the Airline Industry

One of the major Airport Guru's the Boyd Group has recently provided an overview of the airline industry, including some observations and forecasts for the future.

Interestingly enough their first observation is that traditional air traffic forecasting is obsolete, i.e. think FAA forecasts; second- airlines will drive traffic demand, not communities, i.e. think Ontario perhaps; third-new airliners may be smaller, which may lead to some new airline entrants; four-airline access to scheduled airlines will be from fewer local airports with concentration into fewer airports. As part of their forecasting Boyd predicts JWA will see growth of 16.2% for the period of 2014-2023. (Boyd puts JWA at 10.876 MAP in 2023).

Cyber Attacks on Air Traffic Control

The Government Accounting Office ("GAO") has issued another report on FAA cybersecurity challenges and vulnerabilities, this one focused on NextGen. It follows a report on FAA information security released in January. This report is particularly interesting concerning the merits of controlling the operation of a passenger aircraft from the ground. A summary of the report follows and a link to the full report is here:

<http://www.gao.gov/assets/670/669627.pdf>

The GAO determined that:

As the agency transitions to the Next Generation Air Transportation System (NextGen), the Federal Aviation Administration (FAA) faces cybersecurity challenges in at least three areas: (1) protecting air-traffic control (ATC) information systems, (2)

protecting aircraft avionics used to operate and guide aircraft, and (3) clarifying cybersecurity roles and responsibilities among multiple FAA offices. In addition, Europe's largest pilot union has authored a study regarding the hazards of potential cyber attacks on future air-traffic control systems. Prepared by the European Cockpit Association, which represents some 38,000 commercial aviators, the study spells out the stark consequences if a hacker were to disrupt such vital communication links. Security and safety experts have been studying the topic for many years, and development work under way on both sides of the Atlantic seeks to incorporate measures to reduce cyber vulnerabilities.⁶

⁶ Many of you may recall the August 2014 newsletter discussion of this very issue by cyber security researcher Ruben Santamarta who stated that he has figured out how to hack the satellite communications equipment on passenger jets through their WiFi and in-flight entertainment systems - a claim that, if confirmed, could prompt a review of aircraft security. Needless to say, carriers and countries around the world are deeply concerned regarding this issue. (In a related story, - United Airlines stopped a prominent security researcher from boarding a California-bound flight late Saturday, April 18, following a social media post by the researcher days earlier suggesting the airline's onboard systems could be hacked. This is an issue which will not go away and needs to be addressed in one manner or the other.)