

October 2010 Update- All things Aviation:



If you'd like additional information please contact the City.

DUUKE/STREL

The STREL as reported earlier is still set to be published in early 2011. The FAA has now completed the CaTex, short for Categorical Exemption – the lowest level of environmental clearance under NEPA (the National Environmental Protection Act). The county continues to be encouraged and hopeful that flight tests will be conducted with ADS-B (Automatic Dependent Surveillance Broadcast) equipped aircraft in order to provide the best tracking data and therefore allow the FAA, JWA, the carriers and the City's residents to better understand whether the STREL ONE will, in fact, perform as intended. The ADS-B is allegedly ten times more accurate than radar, since ADS-B uses GPS as a positioning source, its accuracy is less than 98 feet (30 meters) and, if enhanced with the Wide Area Augmentation System¹, less than 30 feet (10 meters).

JOHN WAYNE AIRPORT POSTS SEPTEMBER 2010 STATISTICS

Airline passenger traffic at John Wayne Airport decreased in September 2010 as compared to September 2009. In September 2010, the Airport served 683,999 passengers, a decrease of 3.5% when compared to the September 2009 passenger traffic count of

¹ Wide Area Augmentation System is a navigational aide developed by the FAA to augment GPS, with a goal of improving accuracy.

709,101. Commercial aircraft operations decreased 4.1%, while Commuter aircraft operations decreased 62.8% when compared to the levels recorded in September 2009. Total aircraft operations decreased in September 2010 as compared to the same month in 2009. In September 2010, there were 17,313 total aircraft operations (take-offs and landings), a decrease of 4.5% when compared to 18,133 total aircraft operations in September 2009.

John Wayne Airport

Monthly Airport Statistics - September 2010

	Sept. 2010	Sept. 2009	% Change	YTD 2010	YTD 2009	% Change
Total passengers	683,999	709,101	-3.5%	6,521,916	6,501,318	0.3%
Enplaned passengers	339,101	352,200	-3.7%	3,250,710	3,242,817	0.2%
Deplaned passengers	344,898	356,901	-3.4%	3,271,206	3,258,501	0.4%
Air Cargo Tons*	1,269	1,327	-4.4%	11,094	11,520	-3.7%
Total Aircraft Operations	17,313	18,133	-4.5%	153,792	163,749	-6.1%
General Aviation Operations	10,307	10,344	-0.4%	89,599	92,510	-3.1%
Commercial Aircraft Operations	6,710	6,995	-4.1%	61,110	62,341	-2.0%
Commuter Aircraft Operations	294	790	-62.8%	3,044	8,860	-65.6%
Military Operations	2	4	-50.0%	39	38	2.6%

* All-Cargo Carriers: 1,083 tons
 Passenger Carriers (incidental belly cargo): 186 tons

(Current cargo tonnage figures in this report are for August 2010)

Air Quality Report

In response to the Air Quality Report released on September 27 the city continues to field a variety of questions and provide additional information as it becomes available.

In responding to repeated questions please note that the original purpose of the study and whose purpose was accomplished was:

- To measure the concentrations of particulate pollutants in the air, and to characterize the chemical composition of these particles, at different locations in the city of Newport Beach, California.
- To determine whether chemical profiles specific to different locations and emission sources could be distinguished, and whether the relative contributions of airport vs. automotive emissions could be assessed for the different sampling sites.

Follow up on Questions Raised at July Meeting on JWA Departures

Many of you recall the presentation by the county at our July 26th Meeting entitled: "Aircraft Departure Tracks." It was an update of a 2007 report and dealt with a myriad of issues including but not limited to, where planes fly, relative to the middle of Balboa Island; altitude of various carriers etc. The county reports that they have contacted some of the airlines as well as Boeing to review the data provided and see to what extent further questions can be answered regarding the altitude and departure of the various airlines. While they have expressed an interest in the information, no answers have been provided as of yet.

General Aviation- City Policy

Repeated questions and comments about the role that General Aviation plays at JWA have been raised. Accordingly please find again a portion of the City's airport policy which quite clearly states that "the City Council shall take any action necessary to ensure that no additional air carrier runway is constructed....The City should also support any plan or proposal that maintains, and oppose any plan or project that proposes any significant change to, the existing level of general aviation operations, the current level of general aviation support facilities or the General Aviation Noise Ordinance...."

Regional Air Travel Up

Preliminary information shows that air travel at the six airports comprising the Southern California Association of Governments region was up 2.5 percent for the eight months ending August 2010 over the same period in 2009. However, the number of passengers remained 9.5 percent below the total of the eight months ending August 2001, just prior to the 9-11 terrorist attacks.

Chino Airport Continues to Grow

As discussed in the past months general aviation at JWA has continued to lag compared to previous years. However, one general aviation airport, Chino Airport continues to see increased usage and growth. During the first seven months of this year, Chino Airport hosted 114,050 aircraft operations, more than 10 percent more than the 103,053 during the first seven months of 2009.

These facts run counter to downward trends in aviation and the current economic troubles around the country. To further enhance the Chino Airport, the County has begun an update to the Airport Master Plan, which is expected to be complete in 2011. A draft of the plan is available for public review and comment at www.chinomasterplan.airportstudy.com.

Located minutes from Los Angeles County and Orange County, the County of San Bernardino's Chino Airport has become a preferred destination for general aviation and corporate aviation in Southern California. Whether general aviation continues to be attracted to Chino and the numbers do not rebound at JWA, it remains to be seen but it is worth watching carefully.

Southern California Airports

Southwest Airlines

John Wayne and other airports around the country are expanding at a time when

the airline industry seems to be in a flurry of contraction and consolidations.

A few years ago, all the slots at the airport were filled and the waiting list was truly a list of those eager to break into the Orange County market. It remains to be seen if AirTran, recently acquired by Southwest and which was No. 1 on the JWA waiting list, will exercise its option, leaving only Canadian discount carrier WestJet and Alaska Airlines subsidiary Horizon Air on the waiting list. There are open slots, but because of the recession, none of the airlines on the list has stepped up to start up new service.²

The Southwest-AirTran merger comes after the United - Continental and Delta - Northwest mergers last year. The U.S. airline industry is getting all shook up, with six big carriers turning into three even bigger ones. Delta Air Lines bought Northwest Airlines in 2008. United Airlines and Continental Airlines closed their merger October 1, 2010 four days after Southwest Airlines announced it was buying AirTran Airways. The so-called airline marriages change the landscape. Right now, Southwest carries the largest number of domestic passengers in the United States by a little bit. In the future, it will lead the industry by a lot. The big thing about the Southwest-AirTran merger is that there are going to be so many more connecting possibilities. To the extent this will change the landscape at JWA, remains to be seen, however, Southwest already has been named as the main tenant of the new terminal, which will include the airport's first customs and immigration screening areas. Whether or not Southwest is likely to retain AirTran's routes to Mexico and perhaps even expand its trans-border service remains to be seen.

Flying Fewer Planes- Airline Stability

The airline industry is reporting that for the first time since their industry was deregulated in the late 1970s, airlines in the United States have managed to hold the line on the number of planes they fly. As a result, the load factors for the airlines have increased which translates to fewer planes flying with each plane carrying more passengers than in the past. Evidence of this discipline can be seen at airports around

² Total Seat Capacity allotted at JWA pursuant to the County's Access Plan for 2010-2011 is 11,988,350 compared to the 2009-2010 Plan year when it was 12,546,808.

the country, where empty seats are increasingly difficult to find and fares have jumped. The airlines tried repeatedly in the past to maintain such capacity restraint, but each time, their efforts fell apart as new competitors sprang up and vied for market share. But this time has been different because of a unique set of circumstances — a result of both the weak economy and the repeated shocks the industry has suffered in the last decade. The new strategy of the airlines appears to be paying off as record profits for many are being reported.

At JWA, this trend was analyzed in EIR-582 which disclosed an increase in load factors for the airlines servicing the airport over the years.³ This of course raises a series of questions as to how this ultimately may translate in terms of number of flights at the airport versus MAP capacity in the future, (previously discussed in a recent City update) such as the acquisition by Southwest Airlines and the 737-800 which would potentially allow a fewer number of flights to serve as many if not more passengers. Even a reading of the September 2010 statistics for the airport has some interesting anomalies.

The FAA Rules

In response to numerous questions, some complaints and constant explanation regarding the role of the FAA in general and concerning the environment and noise in particular a further explanation by way of example is necessary. The Environmental Protection Agency, (EPA) is a federal governmental agency that permits coordinated and effective governmental action on behalf of the environment. The EPA endeavors to abate and control pollution systematically, by proper integration of a variety of research, monitoring, standard setting, and enforcement activities. However as it effects the nation's air transportation system the FAA can either adopt EPA proposed rules concerning noise or air pollution or publish an explanation for not doing so. The FAA can reject an EPA rule on safety, economic reasonableness or technology practicable and

³ The load factor is a ratio computed by determining the number of passengers actually on the aircraft at the time of departure divided by the number of seats available on the aircraft. The load factor cited for JWA is an average of all commercial flights departing JWA in the Access Plan year. The Access Plan year starts on April 1st and continues to March 31st. In the year 1993- Load factor was 57.4; 2000- Load Factor- 63.2. As noted specifically in EIR-582, "...the increase in the number of passengers is accomplished through additional Class E flights and a projected increase in the average load factor at JWA from recent historical levels of 0.63 to 0.66....." Currently the county estimates the load facts to be in the mid 70s range.

appropriate for the particular type of aircraft. Despite what many of us may wish ultimately “the FAA Rules”, as one commentator has stated regarding Airport Noise and as further evidenced by the FAA Noise Abatement Policy, initially adopted in 1976 and a draft revision of 2000, which was later abandoned. Accordingly what follows is a summary of the Noise Abatement Policy, like it or not:

- The Federal Government has the authority and responsibility to control aircraft noise by the regulation of source emissions, by flight operational procedures, and by management of the air traffic control system and navigable airspace in ways that minimize noise impact on residential areas, consistent with the highest standards of safety. The Federal government also provides financial and technical assistance to airport proprietors for noise reduction planning and abatement activities and, working with the private sector, conducts continuing research into noise abatement technology.
- Airport Proprietors are primarily responsible for planning and implementing action designed to reduce the effect of noise on residents of the surrounding area. Such actions include optimal site location, improvements in airport design, noise abatement ground procedures, land acquisition, and restrictions on airport use that do not unjustly discriminate against any user, impede the Federal interest in safety and management of the air navigation system, or unreasonably interfere with interstate or foreign commerce.
- State and Local Governments and Planning Agencies should provide for land use planning and development, zoning, and housing regulations that are compatible with airport operations.
- Air Carriers are responsible for retirement, replacement or retrofit for older jets that do not meet Federal noise level standards, and for scheduling and flying airplanes in a way that minimizes the impact of noise on people.
- Air Travelers and Shippers generally should bear the cost

of noise reduction, consistent with established Federal economic and environmental policy that the costs of complying with laws and public policies should be reflected in the price of goods and services.

- Residents and Prospective Residents in areas surrounding airports should seek to understand the noise problem and what steps can be taken to minimize its effect on people. Individual and community responses to aircraft noise differ substantially and, for some individuals, a reduced level of noise may not eliminate the annoyance or irritation. Prospective residents of areas impacted by airport noise thus should be aware of the effect of noise on their quality of life and act accordingly.

Temporary FAA Reauthorization Bill

The Senate on Sept. 24, 2010 cleared the Federal Aviation Administration (FAA) legislation (HR 6190) by voice vote. The most recent short-term FAA authorization was set to expire Sept. 30. Congress has been trying for months to finish a long-term bill.

Both the House- and Senate-passed short-term bills were considered "clean," meaning they were free from significant policy riders. Among other things, they would extend the authority to collect aviation-related taxes on fees and cargo. The taxes are used to fund aviation programs. The bills also would allow the FAA to make grants for airport improvements over the next three months.

When Congress returns for the November lame-duck session, several substantive -- and difficult -- problems will have to be worked out to wrap up the full reauthorization. Senators from both parties said negotiators will continue to work on the legislation. A significant dispute concerns the expansion of the number of long-distance flights to and from Ronald Reagan Washington National Airport. This debate, which occurs every time Congress takes up an FAA bill, pits Western lawmakers who want direct flights to their home states from a nearby airport against Maryland and Virginia colleagues who want to minimize noise and congestion. Also at issue is a provision in the House reauthorization bill that would allow FedEx Corp. ground workers to organize locally.

Current labor regulations would allow FedEx employees serving airports to be represented by a union only if they were first organized on a nationwide basis.

JWA Impact

Does this have any impact on JWA? Perhaps. As for the FAA short term re-authorization, the lack of a complete funding is keeping FAA from implementing many of the NextGen programs, and airspace redesign efforts. For example, the key contact vehicle for the FAA to begin all of the work envisioned under NextGen was a 10 year, approximately 7 billion dollar set of contacts titled "SE-2020". Those all have been awarded, but the work has not begun due to a lack of new funding. Also, many current on-going programs are being short funded, and their monies are being redistributed to keep others operating.

There has been a proposed redesign of all of the Southern California Airspace, but it continues to be on hold due to this lack of funding. That very well may have a direct impact on JWA when it does begin. Many of the major changes to arrivals and departures for RNAV will be part of these airspace redesign efforts.

What may ultimately come out of an actual FAA reauthorization bill may be anyone's guess. Recently the President and CEO, of the Air Transport Association has stated that Congress needs to make a fresh start and introduce legislation that will maintain and improve the aviation system's stellar safety record, foster the competitiveness and viability of the airline industry, and implement a next-generation air traffic control system that delivers measureable benefits to passengers and the country.

ONTARIO AIRPORT: Plot Thickens as Cargo developer sues LA

In Contract Dispute

A developer behind a project that promised to create a cargo hub and increase air cargo traffic at Ontario airport has sued the city of Los Angeles and the Board of Airport Commissioners in Superior Court in Los Angeles County. The company now joins others, mainly the city of Ontario, that contend Los Angeles officials have ignored the Inland airport in favor of bolstering traffic at LAX.

The cargo company alleges that the agency indicated it would divert cargo traffic from its other airport, LAX. Instead, LAWA actively sought out and kept cargo companies at the Los Angeles airport and other LAWA-owned airports but not Ontario, the developer, Aero, alleges.

After six years of negotiations, during which Aero said it spent more than \$5 million on environmental studies and marketing efforts, the company signed a lease with the city of Los Angeles in 2008 to develop about 1 million square feet of space for international air-cargo operations, freight forwarders and logistics operations. Aero further alleges that LAWA has purposefully sought out cargo tenants for LAX and other LAWA-owned airports instead. Meanwhile, the Inland airport's cargo shipments dropped 18.7 percent between 2008 and 2009. Since 2004 when 605,211 tons of mail and freight were shipped, the number has dropped every year to 390,932 tons at the end of 2009.