

November 2013 Update- All things Aviation:



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

John Wayne Operations September & October

Airline passenger traffic at John Wayne Airport increased in September 2013 as compared to September 2012 by 3%. Year to date the figures at the airport are +4.8%. September ADDs for September 2013 were 114.02 vs. 111.8 for 2012. Of the ADDs, the international flights accounted for 4.98 ADDs or 4.4% of the total ADDs. Also in September 2013, of the total of all of the passengers, 3.8% can be attributed to international passengers; and of the increase in total passengers, i.e. 21,461, for the month of September, 30.3% of that increase, i.e. 6,506 can be attributed to the increase of International travel.

In addition for the year through September, international accounts for 4.2% of the total passenger for the year of 2013 YTD and of the increase in passengers for the year of 2013 vs. 2012, 49% of the increase can be attributed to international passengers. Put another way through September 2013 the increase in number of passengers vs. 2012 was 317,846 and of that increase 155,435 was an increase in the number of international travelers.

October meanwhile showed an increase of 1.9% when compared to the same month last year. Year to date, the airport has served 7.704 MAP. October 2013 ADDs were 114.65 vs. 115.11 for 2012. Of the ADDs, the international flights accounted for

4.95 ADDs or 4.3% of the total ADDs. Also in October 2013, of the total of all of the passengers, 3.25% can be attributed to international passengers.

JWA Redesigns its Website

For those of you who monitor the activities at JWA, on November 4, the airport announced the redesign of its website, www.ocair.com, offering essential information for travelers and visitors to the site. According to the airport, the new website features a more “intuitive navigation framework, real-time flight tracking, a new ‘Visit Orange County’ section and improved graphics and maps.” The website gets an average of 100,000 visitors per month.

JWA Press Release Regarding International Travel

On November 21, JWA released a report regarding the economic benefits of international travel. The report is actually related to a request by the airport to obtain its “Port of Entry” designation by the U.S. Customs & Border Protection and was submitted in conjunction with the request of JWA to be designated as a “Port of Entry.” Currently the airport as a result of international travel has been required to pay a “User Fee” which has amounted to approximately \$1.5 Million Dollars a year. If the Port of Entry request is granted, the airport will no longer have to pay the User Fee. The entire economic report can be viewed on line at www.ocair.com.

EIR/JWA Settlement Progress

It is still anticipated that the draft EIR prepared for the extension of the JWA Settlement Agreement will be completed in early 2014.

JWA Adjustments

Many of you may have read the recent article concerning certain adjustments as result of the changes in the magnetic North Pole. The Earth has two North Poles. There's the geographic North Pole, which is the chunk of icy land. There is also a

magnetic North Pole, the place the compass points that tracks the magnetic changes in the earth's core. A normal shift in Earth's magnetic north has thrown the airport's runway designations, first assigned in 1965, out of whack and they will therefore make the changes in orientation sometime next year. Some other airports around the world also have changed their numbering in past years, but John Wayne is the first one in Southern California to do it. In John Wayne's case, that means the runway orientation that was 190 degrees in 1965 is now closer to 200 degrees and the one that is 10 degrees is now more like 20 degrees. So the runways will be redesignated 20R/2L and 2R/20L next year. Officials at Long Beach Airport and San Diego International said they had not renumbered their runways and didn't have any plans to do so.

For those of you who wonder whether this might mean other changes at JWA, the FAA when asked to weigh in stated: "All procedures at SNA including all departures (STREL included) will require amendment. There is no indication we will be changing or modifying the departures with the exception of changing the reference to the correct runway numbers."

Helicopters

There were some recent questions regarding helicopter flights and their flight path. Initially, like all aircraft, flight patterns, altitudes etc. are governed by the FAA/ATC. And as we are all aware, helicopters have very unique capabilities that allows them to operate at variable altitudes, low speeds, and hover. The helicopter's versatility is well established in public services such as law enforcement, EMS, fire fighting missions, and heavy lift. In many cases, these operations are highly warranted and only viable by helicopters. As regards normal aircraft, except during takeoff and landing, the FAA mandates pursuant to FAR Section 91.119 that, when flying over congested areas, aircraft maintain an altitude of at least 1,000 feet above the highest obstacle and a horizontal radius of at least 2,000 feet from another aircraft. In other than congested areas, aircraft are required to maintain an altitude of at least 500 feet above the surface over open water or sparsely populated areas. Over open water or sparsely populated areas,

aircraft may operate at less than 500 feet above the surface, provided that they do not fly closer than 500 feet to any person, vessel, vehicle, or structure.

Different Rules

However, helicopters may be operated at less than these minimum altitudes provided that they are conducted without hazard to persons or property on the surface provided each person operating the helicopter complies with any routes or altitudes specifically prescribed for helicopters by the FAA. So all this being said, helicopters are the general exception to the rule, this does not however mean they are exempt from regulation by the FAA and flight paths that may be dictated by the FAA.

In a recent FAA study as a result of complaints in Los Angeles County and despite an elaborate report, the FAA stated that instead of blanket regulations, the FAA officials said they wanted to work with community groups, pilots and elected officials to come up with guidelines to deal with specific problems. Among other things, the FAA is willing to consider modifications to flight paths, altitude restrictions, limiting hovering times, more outreach to pilots and a comprehensive complaint system for the public. What this means that there are no definitive rules and the FAA has instead opted for “a collaborative approach” for compliance between the various stakeholders.

There has been an extremely interesting development in this area and which was specifically addressed in the July 2013 Aviation Update. It is reproduced again for everyone to see:

Court Upholds the Right of the FAA to Impose Specified Routes Base Upon Noise Abatement

The US District Court for the District of Columbia just issued an opinion holding that the FAA may require helicopters to fly specified routes solely for purposes of noise abatement. The opinion results from an appeal by Helicopter Association International (HAI) of a 2012 FAA provisional rule regulating helicopter routes in the NYC area. That rule was the result of considerable political pressure by the NY Congressional delegation.

The opinion is important because it confirms that the FAA, under its general statutory authority, may prescribe air traffic routes based on noise mitigation alone. The

court interpreted the plain text of *40 USC Sec. 40103*, which gives the FAA authority “to protect individuals and property on the ground” as extending to noise and not just safety. This is a win for the FAA (in one way) and a loss for HAI because it gives the FAA considerable flexibility in regulating noise impacts on the ground. That said, the decision opens the door to political pressure on the FAA to impose noise restrictions in other geographic areas especially because the FAA’s foundation for the NYC rule, which the court specifically upheld, was complaints from elected officials and residents, not scientific analysis. Further, the helicopter noise in the NYC area rule did not reach the 65 DNL threshold (it was below DNL 45 dB), which is the threshold for an FAA determination of significant noise impact, so this decision also indirectly recognize the legitimacy of people’s perception of aircraft noise. The court did note that the FAA determines “whether a particular noise reduction intervention is in the public interest”, which gives the FAA maneuvering room in response to political pressure on both sides of the issue in future cases.

But what the implications of this decision may be in the future when the challenge is based on noise near an airport and there are powerful airport and airline advocates drowning out, so to speak, the noise complaints, remains to be seen. If the FAA, for example, decides the fuel savings for airlines trumps the perceived noise caused by a new ATC procedure, it will be difficult to mount a legal challenge because the court will give deference, as it did in this case, to the agency’s judgment (provided it is procedurally correct).

JWA- Helicopters

As specifically applied to JWA, the operations at JWA are somewhat limited but are operated by the following:

- HeliStream (at their facilities, not on Airport property);
- OC Helicopters (at Atlantic Aviation);
- Revolution Helicopter (a one man, one helicopter operation);
- OC Sheriff (at Signature West).

Complaints About Helicopter Noise

If you are constantly plagued by helicopter noise from low-flying "egg beaters", contact the local FAA office or airport manager and make some inquiries. You must be able to reasonably identify the particular helicopter; time; the altitude; any evidence.

So to recap:

1. Helicopters are generally exempt¹ from the restrictions of fixed winged aircraft;
2. However, helicopters are to operate without hazard to persons or property on the surface;
3. Helicopters must be mindful of surrounding airspace, such as in the vicinity of airports;
4. The FAA/ATC has the authority to regulate the flight paths of helicopters²;
5. If you wish to make a complaint get as much information as possible and report it to the FAA or as applicable the local airport noise abatement office.

Airports in the Region

Long Beach -October

October passenger results for Long Beach show a decline of -7.4% in passenger traffic versus October of 2012. The airport served 224,774 Passengers during the month. At the same time year to date the airport is -8.6%. This is still at load factors of 87% for the major carriers, Alaska; Delta; JetBlue and US Airways. The airport averaged approximately 36.92 ADDS for Commercial and Commuter Operations, through September and decrease of -4% versus September 2012.

¹ Law enforcement helicopters have even greater protection.

² Potlitical power is a major benefit.

LAX

Los Angeles International Airport saw a 5.02 % increase for September with 5.3 MAP passengers being served; year to date the airport is 4.25% ahead of this time last year. Year to date through September LAX has served 50,324,884 passengers.

ONT

Ontario saw a -8.38% decline for the month of September and year to date is -9.34% versus 2012. The airport served 309,542 passengers in September. Year to date ONT has served 2,951,876 passengers.

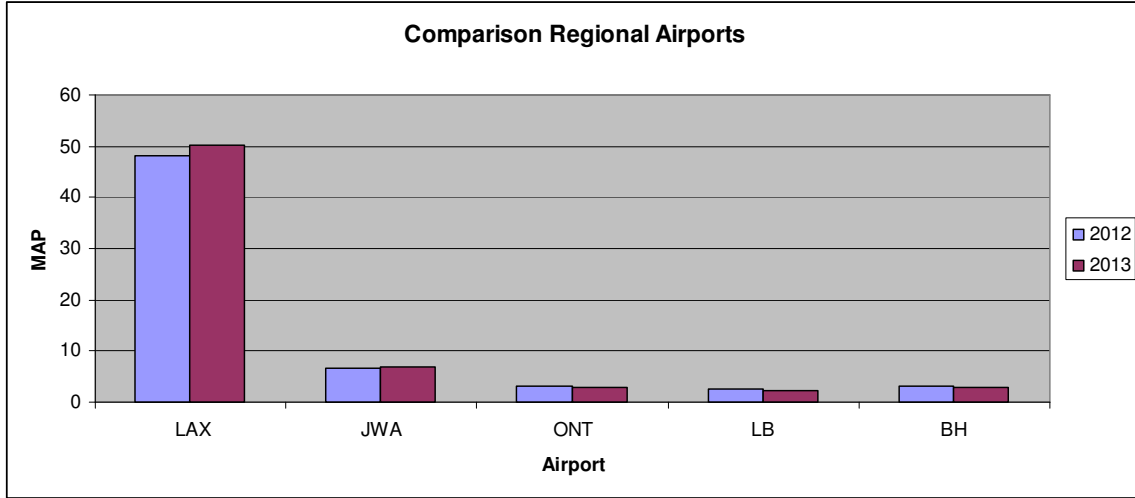
So What's the key to attracting new routes for an Airport?

This is a question ONT has been trying to determine for some time. This particular question was posed to a consultant by the Los Angeles Board of Airport Commissioners at their Nov. 14 meeting. Her response was that, "...the airport can't approach airlines by telling them what service Los Angeles needs so it can fill the holes in its route network. Instead, she said, airport officials must identify what each airline wants and give it to them."

Burbank September Slump

The airport handled 300,860 passengers in September, an almost 7.2% decrease compared to September 2012, according to statistics released by the Burbank-Glendale-Pasadena Airport Authority on November. The drop continues a summer-long decline in passenger numbers, with a decline of roughly 5.4% for the first nine months of the year.

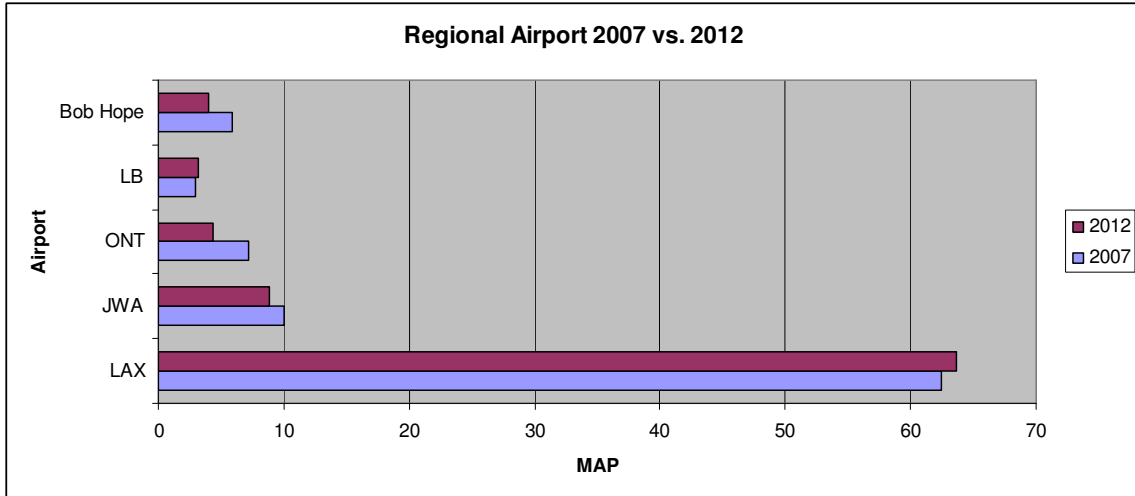
Passenger Comparison by Airport



Comparison of Passengers for Southland Airports through September 2013 vs. 2012³:

| | <u>2013 MAP</u> | <u>2012 MAP</u> | <u>% Change</u> |
|-------------|-----------------|-----------------|-----------------|
| JWA: | 6.912 | 6.595 | +4.8% |
| ONT: | 2.952 | 3.256 | -9.34% |
| Long Beach: | 2.275 | 2.492 | -8.7% |
| LAX: | 50.325 | 48.274 | +4.25% |
| Bob Hope | 2.87 | 3.04 | -5.37% |

³ As pointed out previously, in the past five years, and in an attempt to increase profits, airlines have moved away from serving outlying airports like Ontario, instead concentrating flights at bigger airports close to business travelers and wealthy individuals.



Comparison Totals Years 2007 vs. 2012 Regional Airports:

| | 2012 MAP | 2007 MAP | %Total-13 | %Total-07 |
|------------|----------|----------|-----------|-----------|
| JWA: | 8.858 | 9.980 | 10.53% | 11.28% |
| ONT: | 4.305 | 7.207 | 5.12% | 8.15% |
| Long Beach | 3.206 | 2.907 | 3.81% | 3.29% |
| LAX: | 63.688 | 62.439 | 75.72% | 70.59% |
| Bob Hope: | 4.056 | 5.921 | 4.82% | 6.69% |
| Totals: | 84.113 | 88.454 | | |

Complaints about Arrivals

Many of you may have seen an article in the Orange County Register on or about November 10 regarding a complaint about over flights in the Silverado Canyon area. The over flights are not the JWA arrivals. Rather JWA arrivals from the east are further north and have been that way for many years. The arrivals that are closer to the Silverado area go over JWA on arrival into Long Beach, and there is other transient air traffic to other airports. In addition, the FAA is in the process of developing an RNAV arrival, but that is to be within existing arrival tracks.

Airlines

American- US Airways Merger on Again

According to court documents filed by the US Justice Department, the on again, off again merger between American Airlines and US Airways appears to be on again as the parties appear to have reached a settlement in the anti-trust litigation. The settlement would require approval by a federal judge in Washington. It would also require American and US Airways to give up takeoff and landing rights or slots at Reagan National and New York's LaGuardia Airport and gates at airports in Boston, Chicago, Los Angeles, Dallas (Love Field) and Miami to low-cost carriers to offset the impact of the merger.

However not everyone views the “settlement” as favorable. As for Love Field, it is a special and complicated case. With the expiration of the Wright Amendment next year, the airport will only be allowed to operate with 20 gates. Of those 20 gates, Southwest would get 16, while United and American would get two each. By forcing American to divest two gates, the government is effectively banning it from flying into Love, which it believes would be good for competition in the Dallas market. For a contrary view as to what was actually accomplished, if anything you may wish to view: <http://finance.fortune.cnn.com/2013/11/13/usairways-american-merger>.

Frontier Airlines

With the sale of Frontier airlines announced that it will be sold to a private-equity group and with that sale there may not be only a change in focus According to recent reports the sale may change the focus of the airlines which until now has been a major competitor of Southwest Airlines in Denver. It is reported that the sale by Frontier may reduce their focus on Denver and instead grow its business on the East Coast. Frontier Airlines currently operates at JWA.