

## **March 2014 Update- All things Aviation:**



If you'd like additional information, please contact Newport Beach City Manager Dave Kiff at [dkiff@newportbeachca.gov](mailto:dkiff@newportbeachca.gov).

### **John Wayne Operations February**

The latest complete statistics for the airport have not been released, however preliminarily it is believed that airline passenger traffic at John Wayne Airport increased in February by +2.9% as compared to February 2013. The per cent increase is the same as for the month of January 2014.

### *Status of Draft EIR*

As you are aware in order to extend the Settlement Agreement, an EIR, or environmental analysis is necessary. Accordingly, a Draft EIR presenting the results of the environmental analysis is expected to be published in the second quarter of 2014 and will be available for public review and comment. Following the public comment period, the Draft EIR is scheduled to be presented to the Board of Supervisors for its consideration in late summer of 2014.

### *JWA's Cabo Service Set for Switch to Southwest*

AirTran Airways' service from John Wayne Airport to Cabo San Lucas will switch carriers in August. AirTran parent Southwest Airlines will take over the daily, non-stop service previously offered from JWA through AirTran beginning Aug. 10. The

switch to Southwest is part of a planned integration of AirTran's operations under the Southwest banner.

### *Quarterly Reports*

On March 12, JWA released the quarterly report for the 4<sup>th</sup> Quarter of 2013. For the quarter, the ADDs were 110.56 broken down as 77.47 Class As and 33.09 Class Es. This compared to the 4<sup>th</sup> Quarter of 2012 which showed 113.96 ADDs of which there were 73.01 Class As and 40.95 Class Es. For the year of 2013 vs 2012, the total ADDs were 115.03 for 2013 and 113.83 for the year of 2012. Also below is the breakdown for the three larger carriers at the airport for the time period of 2013 versus 2012 and their noise readings at the departure monitors 1-7.

4<sup>th</sup> Quarter 2013

Carrier	A C Type	# Dep.	NM1	2	3	4	5	6	7	
American	B738	1051	Average	98.1	96.9	96.3	88.4	87.9	89.1	85.4
			Count	(937)	(920)	(941)	(965)	(916)	(935)	(954)
Southwest	B737	1667	Average	91.2	90.8	89.1	84.0	83.3	84.7	82.2
			Count	(1514)	(1496)	(1518)	(1540)	(1502)	(1510)	(1494)
Alaska	B737	710	Average	92.4	92.0	88.7	81.8	83.2	84.0	80.7
			Count	(643)	(633)	(643)	(650)	(639)	(646)	(640)

4 <sup>th</sup> Quarter 2012	AC Type	# Dep	NM1	2	3	4	5	6	7	
American	87378	1080	Average	98.4	96.9	96.4	88.3	88.1	88.9	85.5
			Count	(1012)	(1022)	(1049)	(1034)	(1043)	(1032)	(778)
Southwest	87377	1276	Average	91.8	91.1	89.4	83.9	83.9	84.9	82.2
			Count	(1190)	(1207)	(1239)	(1236)	(1237)	(1235)	(904)
	B7377	576	Average	92.4	91.8	88.6	81.7	83.4	83.9	80.6
			Count	(549)	(547)	(562)	(560)	(564)	(554)	(372)

### **Airports in the Region**

#### *Long Beach –February*

Long Beach Airport showed a decline of -7.6% in total passenger traffic for the month of February. While most of the carriers operating at the airport showed a decline, US Airways, now a member of the American Airlines team showed an increase of +8.4% in passengers for the month. Operations for the month of January 2014 were

approximately 34.2 ADDs. Load Factors continue to remain strong with an average of 84%.

#### *LAX*

Los Angeles International Airport saw a 6.33 % increase in passenger for February 2014 over the same period last year. For the year, LAX is up 6.85% over 2013 to date.

#### *ONT*

Ontario saw a decrease of -2.44% for the month of February versus 2013. At the same time the airport is -.13% for the year 2014 over 2013.

#### *Bob Hope*

The number of passengers making their way through Bob Hope Airport in January 2014 climbed 3% from the same time a year ago, marking the second straight month of increases following a six-month string of declines.

#### *FAA Forecast*

The aviation forecast released March 13, 2014 by the FAA predicts steady traffic growth in the domestic and international aviation activity. Domestic enplanements are expected to grow by some 2 percent annually during the forecast period while the average annual rate of growth between 2014 and 2034 for international passengers to and from the United States on U.S. and foreign flag carriers is expected to be 4.2 percent.

#### *FAA Statistics Year End*

For the full year 2013, U.S. airlines carried 0.9 percent more total systemwide passengers (743.1 million) than during the same period in 2012 for the highest annual

total since 2008. Domestically, U.S. airlines carried 645.6 million passengers, up 0.5 percent from 2012 . Internationally, they carried 97.5 million passengers, up 3.3 percent from 2012.

The December 2013 systemwide load factor (84.4 percent), the domestic load factor (85.1) and the international load factor (82.9) were all record highs for the month of December as year-over-year growth in revenue passenger-miles (RPMs)<sup>1</sup> grew faster than both domestic and international capacity expansion, measured by available seat-miles (ASMs). Load factor is a measure of the use of aircraft capacity that compares RPMs as a proportion of ASMs. The full year 2013 systemwide load factor (83.1 percent), the domestic load factor (83.5) and the international load factor (82.3) were all record annual highs as year-over-year RPM growth exceeded both domestic and international capacity expansion.

For the fourth year in a row, Delta Airlines carried the most passengers foreign and domestic; Southwest was second. At JWA, Delta has approximately an 8.5% share of the passengers while, Southwest has 39%.

### *Capacity Discipline*

A recent article in the New York times and comments once again from Michael Boyd, president of Boyd Group International underscore the realities of the airline industry in the 21<sup>st</sup> Century. While cities where airline service has been reduced and long-haul nonstop routes eliminated in recent years are clamoring for new flights even going so far as to dangle financial incentives in the hopes that an airline will add an extra flight or two to the local schedule, the airlines are not quick to jump. The justification airports cite is that local airports are powerful economic engines, central to business development and a sense of civic pride. On the other hand, airline executives in recent years have been singing in a chorus called “capacity discipline.” “For years, airplanes have been flying nearly full on most routes. The industry is firmly profitable and relatively stable. Unless there is a clear benefit to the bottom line, airlines aren’t looking

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<sup>1</sup> Revenue passenger miles are calculated by multiplying the number of paying passengers by the distance traveled. For example, an airplane with 100 passengers that flies 250 miles has generated 25,000 RPMs.

for more places to fly, or looking to add flights from places they already serve,” Mr. Boyd said.

### *Helicopter Debate Continues to Hover in California Congressional Delegation*

The Southern California Congressional delegation continues to weigh in on their constituent’s concerns over Helicopter Noise. The good news is that members of the area’s Congressional delegation, who know how important this issue is to quality of life, however as far as they are concerned the Federal Aviation Administration is not moving as fast to curb this noise as the Congressmen and Senators would like. Sens. Dianne Feinstein and Barbara Boxer, as well as Reps. Henry Waxman, Alan Lowenthal, Karen Bass, Brad Sherman, Adam Schiff and Tony Cardenas, expressed their displeasure on March 24, 2014 to FAA administrator Michael Huerta, in a strongly worded letter.

### *Santa Monica Continues Attack on Airport*

On March 25, the Santa Monica City Council continued its assault on the Santa Monica Airport in an attempt to close all or part of the airport. The move will most assuredly result in years of additional court battles with the federal government. The Council outlined an ambitious plan in an all out attempt for the City to “...continue to pursue city control of the use of its airport land”; explore preparing the city for “closure of all or part of the Airport after July 1, 2015”; explore how the city might be able not to renew any flight-school leases (nearly all airport property leases expire July 1 next year) and also limit or prohibit fuel sales; and revise leasing policies for aviation businesses to one-year options to renew for up to three years. While the city still asserts that a 1984 agreement with the federal government gives it latitude to close the airport after July 1 next year, it admitted that to keep revenues flowing to pay for airport operations during the coming years of expected legal disputes, the lease renewals might be necessary. However, tenants would likely see substantial increases in lease costs. Part of the plan that the Council approved also will consider paying back a \$250,000 federal airport improvement grant to free itself from a requirement that the historic facility remain an

airport until 2023. While the council approved the reimbursement proposal the City Atty. warned that the Federal Aviation Administration has never allowed grant money to be repaid.