

November-December 2010 Update- All things Aviation:



*“JWA must have added another Cargo Carrier for the holiday season.”*

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

### **The Verticalometer Comes to Newport Beach**

On December 3, 2010, ten hardy souls, an equal number from each side of Newport Bay are to take part in the monitoring of departures from JWA during the hours of 7:00 AM to 7:45AM., weather permitting. The monitors with a “Verticalometer” in hand should allow the monitors to read angle and flight altitude and derive a number roughly equal to how far the flight is to the east or west of the observer’s location. The idea of the monitoring and the “Verticalometer” was put together by **Councilman Don Webb** and is a great way to show the impacts of the departures to the respective residents surrounding the bay. Observers who volunteered and who reside on the east side of the Bay will travel across to the West Side location for observations at the Mariner’s Drive cul de sac, while the observers who volunteered and who reside on the west side of the Bay will travel across to the East side location which is the bluff top trail off of the Esperanza cul de sac.

## **Golf Course Lease Extended**

Many of you recall, the furor that was caused approximately three years ago, when the lease of the Newport Beach Golf Course, located on Irvine Blvd. south of the JWA runway expired. A number of residents were concerned that it meant an extension of the runway at the airport. After a long and difficult period of negotiations, the Board of Supervisors on November 9, 2010, unanimously voted to enter into a new lease. Generally speaking the lease is one(1) year with a nine(9) year option exercisable by the Golf Course, provided that make certain necessary improvements on the property. Irrespective of the foregoing, JWA is on record that the lease duration is 10 years and not less because the Airport is committed to use the land for golf course purposes for at least that period.

The offices of **Supervisor John Moorlach**, second district and **Mr. Alan Murphy, Airport Director** should be commended for the efforts in achieving a new lease. As many of you can appreciate there were many conflicting demands.

## **DUUKE/STREL**

The week of November 12, 2010, the FAA flew a test flight of the STREL using a Lear Jet. While the FAA reported that it appeared satisfactory, JWA has not received any flight data from the test, which was not conducted with an ADS-B equipped aircraft and/or a commercial aircraft, both of which the County continues to press for. As you should be aware, the FAA in reviewing data is not necessarily interested in the same issues that JWA and the community are.

## **Crystal Cove Weighs in on Flights from JWA**

Recently, residents of the Crystal Cove area have expressed concerns regarding overflights of departures from JWA, both the direction and altitude. In response thereto **Mr. Eric Freed** of the airport has met and spoken with a representative of Crystal Cove and is in the process of collecting and providing flight departure data for the residents.

## **The JWA Settlement Agreement**

The City is repeatedly asked about the Settlement Agreement, its terms as well as its history and warrants repeating. What follows is an abbreviated version of the history of the Settlement Agreement and its terms. It is a compilation of different materials, the majority of which comes from the City's own 2008 Airport Study. For those who don't wish to read the abbreviated version, there is a summary on the following page:

## The 1985 Settlement Agreement

In 1985, the City, County, SPON, and AWG entered into a stipulation and agreement (1985 Settlement Agreement) to resolve Federal Court litigation initiated by the County seeking judicial approval of the Master Plan. The 1985 Settlement Agreement required the Board to modify resolutions approving the Master Plan to reduce the size of the terminal and limit the number of parking spaces. The 1985 Settlement Agreement also: (a) established three "classes" of commercial aircraft (Class A, AA, and E) based on the noise generated by the aircraft (operating with known gross takeoff weights) at the departure noise monitoring stations. (b) limited the number of "average daily departures" (ADD) of Class A and AA departures before and after construction of a new terminal to 73 ADD (c) limited the number of passengers served each year at JWA (expressed in terms of "million annual passengers" or "MAP") to 8.4 MAP after construction of the new terminal and (d) required the County to maintain the curfew then in effect at JWA and enforce the General Aviation Noise Ordinance.

Between 1985 and 2002, the County, City, SPON and AWG each collectively agreed, on seven separate occasions, to amend the 1985 Settlement Agreement. These amendments responded, among other things, to: (a) a new FAA Advisory Circular (AC 91-53A) that established specific criteria for close-in and distant noise abatement departure procedures; (b) changes in the location and/ or type of equipment used to monitor commercial air carrier noise levels on departure; (c) air cargo carrier requests for access; and (d) changes in passenger, facility and baggage security requirements brought about by the events of September 11, 2001.

### Congress Weighs In

In 1990, Congress adopted the Airport Noise and Capacity Act (ANCA) which, in relevant part, requires FAA "review and approval of proposed noise or access restrictions" on Stage 3 aircraft. The City and County successfully lobbied Congress to "grandfather" (exempt from the FAA "review and approval" requirements of ANCA): (a) the 1985 Settlement Agreement; (b) amendments to the 1985 Settlement Agreement that do not adversely impact airport capacity or airport safety; and (c) the then current County noise "curfew" ordinance.

In August of 2000, the City Council asked the Board to consider extending the term of the 1985 Settlement Agreement. During the next two years, the City and County, with input from SPON and AWG, engaged in discussions regarding the appropriate terms and conditions of the extension. During this period, the City engaged in an extensive public information program with the assistance of other communities impacted by airport noise including Newport Beach, Costa Mesa, Orange, Santa Ana, Tustin and Anaheim (known collectively, together with Newport Beach, as the "Corridor Cities").

### The 2003 Amendment

This process culminated in City, County, SPON and AWG approval of amendments to the 1985 Settlement Agreement, the 2002 Amendments that: (a) eliminated the "AA" class of aircraft; (b) increased the maximum number of noise regulated air carrier ADD from 73 to 85; (c) increased the maximum number of air cargo

ADD from 2 to 4 (the County is authorized to allocate two air cargo ADD to air carriers pending requests for use of those ADD by air cargo carriers); (d) increased the service level from 8.4 to 10.3 MAP through December 31, 2010 and to 10.8 MAP through December 31, 2015 (with 500,000 passengers allocated to commuter carriers); and (e) increased the maximum number of passenger loading bridges from 14 to 20. The 2002 Amendments also eliminated the floor area restrictions on the size of the terminal and the "cap" on public parking spaces.

City Council, SPON and AWG approval of the 2002 Amendments was contingent on receipt of a letter from the FAA confirming that the 2002 Amendments were consistent with ANCA, other relevant laws and regulations and grant assurances made by the County. In December 2002, the FAA sent a letter confirming compliance. In January 2003, the Honorable Terry Hatter (the Federal District Court Judge who entered the stipulated judgment implementing the 1985 Settlement Agreement stipulation) also approved the stipulation of the parties implementing the 2002 Amendments.

The 2002 Amendments allowed the County to offer additional air transportation service without any significant increase in noise impacts on Newport Beach residents. The flight and service level restrictions remain in effect through December 31, 2015 and provisions related to the curfew remain in effect through December 1, 2020. The FAA letter confirming the validity of the 2002 Amendments is a precedent for future amendments that do not adversely impact airport capacity or airport safety.

Also find the 1985/ 2003 Settlement Comparison:

TERMS Agreement	1985 Agreement	2003
PASSENGER FLIGHTS (NOISE REGULATED)	73	85*
CARGO FLIGHTS	2	4**
ANNUAL PASSENGERS	8.4	10.3 (1/1/03) 10.8 (1/1/11)
LOADING BRIDGES	14	20
TERM/ADD & MAP	12/31/05	12/31/15
TERM/CURFEW	12/31/05	12/31/20
TERMINAL	Not to exceed 337,900 Sq. Ft.	No limit

DEPARTURE LOUNGE	Not to exceed 37,000 sq. ft. ea.	No limit
PARKING	Not to exceed 8,400 spaces.	No limit
	No parking structure to have more Than four levels	No limit
FAA VALIDATION	NO	YES

\* Under the amendment to the Settlement Agreement, Class A and Class AA departures were condensed into one Class A category.

\*\* Two cargo flights can be allocated to passenger carriers on an interim basis until request for operations submitted by cargo carrier

### **MAP CAP and Access Plan**

Key to understanding the manner, by which the County operates JWA, is the Commercial Access Plan. The county developed the Commercial Access Plan as its procedure for allocating the number of passengers pursuant to the JWA Settlement Agreement amongst the various air carriers. The Board of Supervisors is free to modify the procedures so long as they do not conflict with the terms and conditions of the Settlement Agreement, principally the MAP CAP, currently 10.3 MAP. As part of this process the access plan allocates passengers to commuter airlines but seats to air carriers.

MAP is defined as million annual passengers, consisting of the sum of actual deplaning and enplaning passengers served by all Commercial and Commuter Air Carriers at JWA during each Plan Year, except that it does not include passengers excluded from such calculations under relevant provisions of the Plan.

Accordingly to clarify and in response to some information provided last month, a clarification is in order. As previously reported, the Total Seat Capacity allotted at JWA pursuant to the County's Access Plan for 2010-2011 was 11,988,350 compared to the 2009-2010 Plan year when it was 12,546,808. However, the foregoing numbers reflect only the Commercial Air Carrier Seats. For each respective Plan year there should also be added the Commuter Air Passengers, i.e. 2010-2011 the number was 238,746 and for 2009-2010 it was 468,735.

#### *Grandfathering Original ADDs*

On a somewhat related matter on November 17, 2010, the Airport Commission by unanimous vote authorized JWA to maintain or grandfather the original ADD allocation to the Commercial Carriers at JWA effective April 1, 2011, for a term through December 31, 2015, contingent upon the Commercial Air Carriers entering into a new airline lease with the County. The action of the Commission is scheduled to go to the Board of Supervisors on December 14, 2010 for final approval.

**John Wayne Airport  
Monthly Airport Statistics - October 2010**

Airline passenger traffic at John Wayne Airport decreased in October 2010 as compared to October 2009. In October 2010, the Airport served 732,106 passengers, a decrease of 4.8% when compared to the October 2009 passenger traffic count of 769,373.

	<b>Oct. 2010</b>	<b>Oct. 2009</b>	<b>% Change</b>	<b>YTD 2010</b>	<b>YTD 2009</b>	<b>% Change</b>
<b>Total passengers</b>	732,106	769,373	-4.8%	7,254,022	7,270,691	-0.2%
<b>Enplaned passengers</b>	363,139	381,675	-4.9%	3,613,849	3,624,492	-0.3%
<b>Deplaned passengers</b>	368,967	387,698	-4.8%	3,640,173	3,646,199	-0.2%
<b>Air Cargo Tons*</b>	1,359	1,304	4.2%	12,453	12,824	-2.9%
<b>Total Aircraft Operations</b>	16,753	19,227	-12.9%	170,545	182,976	-6.8%
<b>General Aviation Operations</b>	9,609	11,215	-14.3%	99,208	103,725	-4.4%
<b>Commercial Aircraft Operations</b>	6,844	7,198	-4.9%	67,954	69,539	-2.3%
<b>Commuter Aircraft Operations</b>	294	814	-63.9%	3,338	9,674	-65.5%
<b>Military Operations</b>	6	0	600.0%	45	38	18.4%
<p>* All-Cargo Carriers: 1,204 tons            Passenger Carriers (incidental belly cargo): 155 tons</p> <p>(Current cargo tonnage figures in this report are for September 2010)</p>						

**Air Canada ending O.C. service**

**Continental Resumes Service to Hawaii**

Air Canada informed John Wayne Airport that it will abruptly end service to and from Orange County after its scheduled flights October 29. The shutdown comes just six months after the service began April 8. The flights are the only non-stop international service to and from Orange County. Air Canada told airport officials that

the route "is not economically viable." The Air Canada experience with air carriers pulling out (due to lack of viability of a route or air carrier mergers) echoes what's happening at small and medium service airports around the country.

Air Canada is the second airline this year to announce it was leaving John Wayne Airport less than a year after starting service. Virgin America made a splashy entrance into the Orange County market in April 2009 only to announce in March 2010 that it was leaving to concentrate on service at Los Angeles International Airport. Virgin America gave the airport two months notice, ending flights May 26.

The quick departure of Air Canada from John Wayne Airport comes after a long courting period between the airport and airline. Air Canada rose to the top of John Wayne Airport's waiting list in 2008. It was offered a chance in January 2009 to start service as early as the spring 2009. But the bad economy apparently slowed the move. Airline observers at the time said Air Canada most likely wanted to start service to western Canada to tap into interest in the Winter Olympics that began in Vancouver in February 2010.

John Wayne Airport currently has only one independent airline on its waiting list for potential new service, Canadian discount carrier WestJet. Two other airlines are on the list: AirTran, which recently announced it will merge with Southwest Airlines, and Horizon Air, a subsidiary of Alaska Airlines. Both Southwest and Alaska Airlines already offer service from John Wayne Airport.

### **More People Less Seats Trend May Be Changing**

In November, the 10 largest U.S. airlines scheduled 2.7% more seats for passengers than the year before, according to a USA TODAY analysis of flight data provided by aviation research firm OAG-The Official Airline Guide. Nine of the 10 carriers added seats by increasing the number of flights or moving to bigger planes. JetBlue led the pack with a 7.6% increase; Delta Air Lines added 5%. This appears to be consistent with that federal data for September released by the Department of Transportation's Bureau of Transportation Statistics which, showed that some airlines are starting to unleash more planes and adding seats and new routes.

Until recent trends to the contrary, the number of people flying was going up, while the number of seats on airplanes was staying the same or dropping. More people in limited seats equaled higher airfares and more profits. Increasingly aircraft once employed only to regional routes are now being used on long range routes. Before it ended its service, Air Canada was flying a souped-up regional jet with four-across seating, the Embraer 190, across the continent from Orange County to Toronto. Meanwhile, Continental from Orange County to Hawaii returns after a short hiatus. The airline resumed flights to Honolulu on Nov. 20, thereafter to Maui on Dec. 16.

Currently, John Wayne is authorized to operate 89 daily departures for larger airliners, i.e., Class A Aircraft. The airport is currently operating 81, a figure that includes one daily flight each for UPS and FedEx.

## **Southland Airports**

### **September: LAX up, ONT down**

In a familiar scenario, passenger traffic at LAX was up in September and year to date totals show a gain of 4.3 percent over the same period in 2009. Meanwhile, LA/Ontario Airport say a small decline in September and is behind for the year to date by 1.1 percent. Meanwhile, Long Beach Airport continues to show an upturn for the fifth consecutive month. September was the fifth consecutive months during which traffic at Long Beach Airport exceeded that of the same month in 2009. After a sluggish start early in the year, traffic climbed to 2,226,731 passengers for the year to date, up 0.6 percent from the same nine-month period last year. Passengers filled 79 percent of the seats available at LGB this year with JetBlue setting the pace as the airport's leading carrier.

### **Making Ontario the airport choice**

A crowd of Inland leaders in industry and politics were implored to use Ontario International Airport for their traveling needs in order to boost the airport's dwindling passenger traffic and encourage airlines to add more flights and routes there. The request came from Bob Hazel with Oliver Wyman, a firm recently hired by the city of Ontario and San Bernardino County to study the airport and the region's efforts to regain control of the airport from its current owner and operator Los Angeles World Airports.

"What we need to do is reverse the cycle," Hazel told the crowd gathered for the third annual I-10 Corridor Economic & Transportation Summit recently. "Fly from Ontario. Don't fly from LAX," he said, encouraging business owners in the crowd to ask their employees to fly from the Inland airport, "unless there's a compelling reason not to."

Bill Ingraham, aviation director of San Bernardino International Airport, described both his airport -- which has used more than \$94 million to convert the former Norton Air Force Base into a commercial airline terminal -- and Ontario airport as critical to the region. He warned the audience, though, that when San Bernardino airport lands its first passenger airline -- currently it doesn't offer any scheduled service -- the number of flights and routes would be small.

The news behind the story is that the number of travelers using Ontario airport has dropped 32.2 percent since 2007 and the number of nonstop destinations that can be reached from the airport has dropped from 36 to 20. Hazel said cost for airlines to do business at Ontario, the highest among Southern California airports per enplaned passenger, remains one of the key issues at the airport.

For Southwest, for example, 16 percent of a fare out of Ontario airport would go toward paying rent and landing fees, Hazel said. At John Wayne Airport in Santa Ana, the percentage dropped to 11 percent. At Bob Hope Airport in Burbank, it's 2.3 percent, according to Hazel's presentation. When Southwest earns 3.5 percent on average on a \$90 one-way fare, the costs make a difference, Hazel said.

## **Federal Deficit Commission Recommends Eliminating AIP Grants**

The Federal Deficit Commission as part of its recommendations to reduce the budget deficit recommended that the FAA eliminate grants to large and medium-sized hub airports. The Federal Aviation Administration (FAA) provides grants to airports to expand runways, improve safety and security, and make other capital investments as part of the Airport Improvement Program (AIP). Federal grants to airports merely substitute for funds that large and medium-sized airports would otherwise raise from private sources such as investments and passenger fees. However, smaller airports have more difficulty raising such funds. This option would limit AIP grants to small- sized airports only, trimming about a third of the program's budget. This would save about \$1.2 billion in 2015.

## **FAA Awards \$18 Million Environmental Grant to Seattle-Tacoma Airport**

The Federal Aviation Administration (FAA) announced the award of its largest Voluntary Airport Low Emission (VALE) grant for an \$18.3 million project at Seattle-Tacoma International Airport (Sea-Tac) to improve air quality and to reduce the use of conventional fuels at the airport.

With the VALE grant, Sea-Tac will be able to install a centralized preconditioned air plant that will allow aircraft arriving at the gates to shut off their auxiliary power units and connect to a cleaner central heating and cooling system. This project will greatly reduce aircraft emissions on the ground. "This program is helping airports around the country make needed technological investments so they can be more environmentally friendly," said U.S. Transportation Secretary Ray LaHood.

## **Air Quality Research at UCI**

Some of you, who have continued to follow up on the City's Air Quality Report conducted by Dr. Sudol, may be interested in the presentation of Dr. Ralph J. Delfino, MD, PhD. Epidemiology Div., Dept. Medicine and Genetic Epidemiology Research Institute at UCI. His discussion regarding the effects of the unregulated Ultra-Fine Particles; and the science of health impacts of fine particulate air pollution may be viewed by clicking on the video link at:

<http://www.youtube.com/user/SouthCoastAQMD>

## **FAA Reauthorization Bill May Pass**

With the defeat of outgoing Chairman James Oberstar, in the 2010 election cycle, the long stalled FAA Reauthorization Bill which has languished in Congress may finally become a reality. Such plans have been in the works for years, but legislation to kick-start

the estimated \$40 billion project have stalled amid debates about funding and unrelated aviation issues. The heir apparent Chairman, Rep. John Mica in an interview following the November election results, said he would streamline the bill, in order to ensure quick passage. Many who have been involved in the airport issue for years, have dealt on numerous occasions with the outgoing Chairman, including but not limited to ANCA. The new heir apparent, Representative Mica, has a reputation as being a leveled headed representative, however these will be very difficult times on the Hill. It remains to be seen what other changes may be in store for the airline industry.

### **Potential Elimination of Money for High Speed Rail**

On a somewhat related note, Southern California Representative Jerry Lewis, who will be the ranking member on the committee that controls spending introduced legislation during the week of November 22<sup>nd</sup>, which would eliminate 2 billion dollars planned for a high speed rail project in California's central valley.