

July 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 May and June 2013

May

Airline passenger traffic at John Wayne Airport increased in May 2013 as compared to May 2012, as it showed a 7.8% increase in passengers over May 2012. Through May of 2013, JWA was 7.0% ahead of 2012. Again a further analysis of the statistics disclosed that international travel accounted for 33% of the increase. Overall international passengers accounted for 3.8% of the total number of passengers for the month. At the same time overall commercial and commuter operations increased by 4.24% for May 2013, while ADDs for the month representing both Class A and E operations were 117.22 for 2013 versus 112.45 in 2012. Southwest, which includes its subsidiary AirTran, served the most passengers—333,447 or 42% of the total—during the month at JWA. United Airlines was the next busiest carrier (133,060 passengers or 17%) followed by American Airlines (97,292 or 12% of the passengers).

June

Meanwhile June 2013 showed an increase of 3.4% over June of 2012. In June 68% of the increase for the month can be attributed to the increase of International travel. These numbers may also reflect a more accurate depiction of the passenger levels given the fact that Southwest Airlines began offering service from JWA to Mexico City and *Cabo San Lucas*, on June 3rd, 2012. Meanwhile, Interjet, the Mexican airline began service to Mexico from John Wayne Airport in October, so it may be October before a

more accurate picture can be developed. For June 2013, the ADDs for the month were 119.5 vs. 118.9 for June 2012.

Quarterly Report JWA

Pursuant to the reports released by JWA, the ADDs for the first quarter of 2013 were 114.48 ADDs. Of the total number of ADDs, 35.15 were Class E and 79.33¹ were Class A ADDS. This compares to 2012 when there was a total of 109.67 ADDs for the same quarter of which 37.09 were Class E and 72.58 were Class A, ADDs. Here is a comparison for the first quarter for years 2010-2013:

<u>First Qtr. Of Year</u>	<u>ADDs</u>	<u>Class A</u>	<u>Class E</u>	<u>MAP</u>
2013	114.48	79.33	35.15	2.122
2012	109.67	72.58	37.09	1.969
2011	113.91	74.79	39.12	1.984
2010	116.74	71.70	45.04	1.986

Noise Comparisons

Class A Aircraft Single Event Noise Comparisons-Southwest Airlines 1st Quarter 2010-2013 at Noise Monitors 4-7. (7377)

SWest A	NMS4	NMS5	NMS 6	NMS 7
1 st Qtr				
2013	83.8	83.4	84.5	82.5
1 st Qtr				
2012	82.0	81.5	82.3	79.8
1st Qtr 2010	84.4	83.4	83.8	80.4
1st Qtr 2011	82.0	81.8	82.3	79.7
Noise Limits	94.1	94.6	96.1	93.0

¹ Under the current JWA Settlement Agreement there are 85 Class A, ADDS allowed plus 4 Cargo flights of which 2 may if not otherwise utilized by the Cargo Carriers, as the case is currently, be allocated to the 85 Class A ADDs for a total of 89.

Class E Southwest Airlines 1st Quarter 2010 - 2013 at Noise Monitors 4-7.

S West E	NMS 4	NMS 5	NMS6	NMS7
1 st Qtr				
2013	83.8	83.4	84.5	82.5
1 st Qtr				
2012	81.9	81.2	82.1	79.6
1st Qtr 2010	84.4	83.6	83.8	80.2
1st Qtr 2011	81.7	81.3	81.8	79.2
Noise Limits	86	86.6	86.6	86

American Airlines

AA-Class A-738	NMS4	NMS5	NMS6	NMS7
1 st Qtr				
2011	87.5	88.4	88.4	84.7
1st Qtr 2012	88.3	87.8	88.6	85.2
1st Qtr 2013	88.2	87.8	88.6	85.4
Noise Limits	94.1	94.6	96.1	93

CNEL

A recent question and discussion concerned the issue or the difference between Single Event Noise Levels (SENEL), such as represented by the above charts. The numbers in the charts are the actual SENEL decibel levels at the respective noise monitoring stations averaged for each noise monitoring station as opposed to CNEL. CNEL is the acronym for Community Noise Equivalent Level. CNEL and is a single number result that is calculated for a complete 24-hour period and usually made up of results taken at shorter intervals averaged over the whole 24 hours. CNEL is the average sound level over a 24 hour period, with a penalty of 3 times as much or 4.8 dB added between 7 pm and 10 pm. and a penalty 10 times or 10 dB added for the nighttime hours of 10 pm to 7 am. In addition, CNEL depends not only on the noise level of individual aircraft approaches, but also on the number of aircraft approaches during the measurement period. By way of example only you could potentially have 100 flights between the hours of 7AM to 7PM, at 94.4 SENEL or Single Event Noise, at a particular noise monitor station but the CNEL formula depending upon number of departures, in this case 100, would translate to 65 CNEL.² While I have attempted to compute these

² Example:

X= 94.4 SENEL + 10log 10 (100 flights 7AM to 7 PM) -49.4

X= 94.4 + 10 (2) -49.4

CNEL = 65CNEL; Additional comparisons: 1 Daytime flight at 114.4=65 CNEL; 10 Flights at 104.4= 65CNEL

logarithmically, the systems like the one at JWA compute this through an integrated computer system specifically devised for performing these kinds of functions. The general standard for airports currently operating is to have no communities exposed to a community noise equivalent level (CNEL) of 65 dBA or greater. The 65dBA level is consistent with the State guidelines.

EIR/JWA Settlement Process

As you should be aware by now, the next step in extending the JWA Settlement Agreement is an environmental review of a proposed extension. Accordingly in response to numerous questions about the current state of that environmental process what follows is a general overview at this juncture of the process. The County of Orange, proprietor of John Wayne Airport and a party to the Settlement Agreement is the project proponent and lead agency for the EIR. The City of Newport Beach is a responsible agency.

The County received responses to all five RFQs to be issued for the EIR preparation. The responses have been reviewed and interviews have been conducted. The County is now trying to refine the scopes of work and will move on to contract negotiations once those scopes have been finalized. Once the contracts are negotiated they will be taken to the Airport Commission and ultimately the Orange County Board of Supervisors for execution. It is hoped that the contracts will proceed to the Board of Supervisors in early to mid- September.

The five (5) different proposed areas for evaluation are:

1. EIR³
2. Traffic
3. Air Quality

³ The EIR contract will include overall coordination and preparation of the document as well as analysis that is not specifically covered by one of the other four contracts. Traffic, Air Quality and Noise are self-explanatory, while the Aviation contract will address historical airport activity, forecasts, facilities, aircraft types.

4. Noise
5. Aviation

FAA Rule Implements 2012 Reauthorization Act

The FAA just issued a final rule implementing the 2012 FAA reauthorization act's provision prohibiting the operation after 12/31/2015 of aircraft of 75,000 pounds or less unless they are Stage 3 compliant. According to the Airport, the provisions in the General Aviation Noise Ordinance (GANO) have curtailed the number of Stage 2 GA jets at JWA; although, they do occasionally operate at JWA and some enough to land on Denial of Use list if they have violated the GANO three times within a three year period. The impact of the FAA Rule is that it will reduce the currently small amount of Stage 2 GA jet operations to none. This should lead to quieter skies.

GE/Naverus

As reported last month, the FAA responded to the City's request to consider RNP departure procedures at JWA. As noted in the previous newsletter, the FAA will soon address RNP departure procedures in Atlanta. We now know that starting this fall, Delta Air Lines pilots taking off from Hartsfield-Jackson Atlanta International Airport will have the *option* of flying a Required Navigation Performance (RNP) departure procedure, which would "take aircraft on a curving path over a golf course" west of the airport, an FAA spokesman has disclosed. Atlanta was chosen for the prototype because its air traffic controllers have extensive experience working on other advanced satellite-guided take-off and landing procedures through the FAA's NextGen program, the spokesman further noted. The City is however following up with the FAA and will have more to report in the months to come.

On a somewhat related matter, on or about June 26, Boeing received FAA approval to fly Required Navigation Performance - Authorization Required (RNP AR) procedures on the 787 fleet.

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).

Airports in the Region

Long Beach-May and June

May proved once again to be a disappointing month for Long Beach Airport. Total passenger traffic was -11.7% for the month versus May of 2012. At the same time year to date the airport is -10.4%. This is still at load factors of 87% for the major carriers, Alaska; Delta; JetBlue and US Airways. The airport averaged approximately 37 ADDS for Commercial and Commuter Operations, through April and 38 ADDs for May. The ADDs at the airport have decreased slightly.

June continued the trend at Long Beach and again saw passenger traffic decrease by -8.9% versus the same period in 2012. Year to date, for the first six months of the year Long Beach is -10.1% versus last year. At the same time the load factors at the airport remain substantial at 88% .

LAX and Ontario

Once again, the numbers tell the story. Passenger numbers are up at LAX, down at Ontario International Airport. LAX enjoyed an increase of 5.56 percent in May, compared to May 2012. ONT suffered a 9.33 percent drop, the biggest month-over-month decline since 2011. Last summer, a spokeswoman said the Inland airport had reached a “stable low.” Unfortunately the current statistics show that ONT has continued its downward trajectory since 2007. When you compare the first five months of this year to the same period last year, LAX is up 3.60 percent, while ONT is down 7.99 percent. If you are looking for a silver lining with ONT, Cargo for ONT is up 1.21% for the year through May, although the month of May, itself, showed a decline of -2.92%.

Ontario Airport

With no signs of turning the corner, L.A./Ontario International Airport will see a decline in air service for the sixth year in a row, according to a recent report to the Ontario International Airport Authority. Aviation consultant Nick Johnson told the authority ONT is on track to handle fewer than 4 million passengers, 25 percent of its capability, this year. Between 2000 and the end of this year, Ontario airport will experience a 41 percent decline in passenger growth.

At the same time, John Wayne and Palm Springs and Los Angeles International airports are likely to see increases in terms of passenger traffic for the year. The increases at the three regional airports: John Wayne, 3.3 percent; Palm Springs, 0.2 percent and LAX, 4.4 percent. On the other end, also seeing declines will be Long Beach with a 6.4 percent drop and Burbank airport with a 4.7 percent drop in passengers. In the case of Burbank the issue comes from the fact that the airport draws passengers from the same general geographical area as LAX, Johnson said. Burbank has been working hard to improve its situation. "They are working with their air carriers to discuss their cost advantages over LAX . . . to get their piece back from LAX." LAX which had 76 percent of the market share in 2000, saw its share decline to 69 percent. Since 2007 when LAX, in response to the changes in economy, shifted its focus, has almost recovered its loss. It is expected to finish this year with 75 percent of the market share.

Ontario Faces an Up Hill Battle Analysts Suggest

As Ontario and LAX continue to duke it out for control of the Ontario airport, airline analyst suggest that Ontario just might be overreaching. "We'd like to see direct flights from here to Washington, D.C., and from here to New York City and other places," said Frank Williams, executive director of the Ontario Airport Alliance, a group of community and business leaders who support local control. But as noted by analysts, attracting air service is a cutthroat business, and airports from San Jose to Sacramento to Pittsburgh have tried for years to attract new flights, with limited success. Evidence suggests improvements at Ontario brought about by new management could be slow and incremental.

Airline analysts and executives say Ontario's best chance at growth may come from short-haul flights along the West Coast. And even attracting those flights will not be easy. Ontario will be competing with facilities like JWA, Burbank Bob Hope Airport and Long Beach Airport.

As one executive at US Airways noted, "I don't think it's hopeless." But while analysts say the airport should regain some flights with a new operator and lower fees, many question if Ontario will ever again reach its 2007 peak of about 7.2 million passengers. The current economic model preferred by major airlines -- they're generally concentrating flights at larger airports -- may not bode well for Ontario. Historically, network carriers -- big international airlines like American, US Airways, United and Delta that shuttle passengers from their hubs to cities around the globe -- have been the go-to airlines for airports seeking to boost flights.

But in the past five years, in an attempt to increase profits, those airlines have moved away from serving outlying airports like Ontario, instead concentrating flights at bigger airports close to business travelers and wealthy individuals. This is a theme that has also been repeated elsewhere. Those travelers are profitable for carriers: At American, 20 percent of passengers account for 70 percent of the carrier's revenue, an executive said. Major airline executives say they believe the most lucrative customers prefer LAX, both because of its location in the west side of Los Angeles and the scale of its operation -- passengers can fly to almost any major city in the world from the airport.

Burbank Uptick Again

Bob Hope Airport in Burbank saw the number of passengers who passed through its gates rise slightly in May -- the second month this year to show an increase. The airport in May showed an increase of .4% compared to May of 2012. This uptick came two months after a 0.27% increase in March, which was followed by a 2.4% drop in April. There were double-digit declines the first two months of the year. An airport

spokesperson said it was too early to tell if this is due to specific actions by the air carriers or the impact of the improving economy.

Mandatory Curfew Would Affect UPS, FedEx at Bob Hope Airport

As noted in a previous update, another attempt to impose a curfew at Burbank-Bob Hope Airport is winding its way through Congress. The bill moving through the U.S. Congress to allow Bob Hope Airport to change its voluntary curfew to a mandatory one is supported by the airfield and the city of Burbank, but it could present a tricky situation for UPS and FedEx, which rely on early-morning arrivals. Back in May, Rep. Adam Schiff (D-Burbank), along with Rep. Brad Sherman (D-Sherman Oaks), reintroduced the Valley-Wide Noise Relief Act, which would give Bob Hope and Van Nuys airports the authority to prohibit flights after 10 p.m. and before 7 a.m. Commercial airlines at Bob Hope generally adhere to those hours. However, cargo carriers arrive earlier to begin processing deliveries for the day.

Currently, FedEx lands two flights each weekday, one at approximately 4:15 a.m. and another 5:40 a.m., with both departing at 7 p.m., according to airport spokesman Victor Gill. UPS flies two planes into Burbank daily during the week — one at 4:30 a.m., which would be affected by a curfew, and the other at 4:30 p.m., which would not. The early arriving plane and the previous day's afternoon arrival depart at 7 a.m., Gill added. The measure had failed to pass during the last legislative session. Schiff said Tuesday that he is hoping to meet with the chair of the House Transportation Committee to discuss the bill, and is looking to attach it to larger legislation — such as the FAA's next reauthorization bill. While it is questionable if this bill will be successful, the attempts at this curfew legislation underscores two important issues- the JWA Curfew and its importance to the residents of the City and that this new attempt by Burbank necessitates monitoring given the peculiar nature by which bills in Congress become law with unintended consequences.

Airlines

Airlines Report Record Load Factors

US airlines posted a record load factor for March 84.3%, according to the data released Thursday by the US Bureau of Transportation Statistics. The load factor, a measurement of revenue passenger-miles divided by available seat-miles, topped 85% for domestic flights and 82.8% for international ones, both also records for the month of March, BTS said. US airlines carried 65.1 million scheduled passengers in their systems, up 1% from March 2012. Domestic passenger numbers rose 0.6% to 56.6 million and international numbers rose 3.3% to 8.5 million. Load factors have reached record levels as the airline industry continued to trim capacity. International capacity fell for the third straight month, BTS said. Airlines in recent years have been reducing the number of routes they fly and grounding planes in response to high jet fuel costs.

US Airways Continues to Soar

US Airways announced June and year-to-date 2013 traffic results. Mainline revenue passenger miles (RPMs) for the month were 6.3 billion, up 7.3 percent versus June 2012. Mainline capacity was 7.1 billion available seat miles (ASMs), up 5.3 percent versus June 2012. Mainline passenger load factor was a record 88.2 percent for the month of June, up 1.7 points versus June 2012.