

April 2014 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

February

Airline passenger traffic at John Wayne Airport increased in February 2014 as compared to February 2013 by +2.87%; at the same time, all commercial aircraft operations, including commuter, decreased -5.94%. February ADDs were 107.13¹ vs. 113.89 for 2013 which indicates that less aircraft are carrying more passengers. Of the ADDs, the international flights accounted for +4.21 ADDs or 3.93% of the total of all of the ADDs. During February, of the total of all of the passengers, 3.00% can be attributed to international passengers. International passengers in February 2014, showed an overall decline of -7.31% vs. the same period last year.

March

Meanwhile in March, airline passenger traffic at JWA by + 0.6% when compared to the March 2013 passenger traffic count. At the same time all commercial aircraft operations, including commuter decreased by -4%. In March ADDs were 110.77 vs. 115.35 for 2013. Of the ADDs, the international flights accounted for +4.56 ADDs or 4.1% of the total of all of the ADDs. During March, of the total of all of the passengers, 3.02% can be attributed to international passengers. International passengers in March 2014, showed an overall decline of -22.5%. vs. the same period last year.

¹ Some of you have asked for an historical comparison. Using 2008 as a comparison: Passengers 2014- 671,858; 2008-702,327; ADDs: 2014- 107.13; 2008- 121.67.

First Quarter

For the first quarter of 2014, airline passenger traffic at the airport is +2.1%. At the same time, the ADDs for the first quarter are averaging 108.71 vs. 114.49 for 2013.

JWA Releases Results of 2013 Airport Survey

JWA has released the results of its 2013 Passenger Survey regarding the Airport. The following are some of the key findings as determined by the Airport:

- Ninety-five percent of telephone survey respondents and 98 percent of intercept respondents give the airport either an “A” or “B” for overall satisfaction.
- As with results over the last decade, the predominant reason people choose to fly out of JWA is its convenient location, with 92 percent of telephone survey respondents and 84 percent of intercept respondents citing convenient location as their top reason. For telephone survey respondents, flight schedule is the top reason to choose other Southern California airports over JWA.
- Sixty-four percent of Orange County adults have flown in the last year, and 80 percent of these residents have flown out of John Wayne Airport at least once (51% of all residents). One-third of this group flew out of JWA once, 39 percent two to three times, and 28 percent four or more times.
- Pleasure and leisure travelers represent 46 percent of intercept respondents, followed closely by business travelers at 41 percent.
- As in 2011, results from the intercept survey show that Irvine continues to be the most common city to live in for telephone survey respondents and intercept survey-residents. It is also the most common city to work in for all intercept survey participants.

For those of you who would like to read the entire report, you can read it on line at the airports website: <http://www.ocair.com/newsletter/2014/april/story1/?r=hp>

City Meets with Supervisor Moorlach and Corridor Cities

The City of Newport Beach recently met with Supervisor Moorlach to discuss the Settlement Agreement extension and also has met with various Corridor Cities² in order to update the cities regarding the status of the Settlement Agreement extension. The EIR for the proposed extension is due mid-May.

FAA Releases Latest Statistics-JWA

Carrier Shares for February 2013 - January 2014

Carrier	Passengers	Share
Southwest	3,464	39.68%
United	1,518	17.39%
American	1,114	12.76%
Alaska	782	8.96%
Delta	733	8.40%
Other	1,117	12.80%

Based on enplaned passengers (000) both arriving and departing.

The top 5 destinations from JWA are in order:

Phoenix; San Francisco; Dallas; Denver; San Jose

Airports in the Region

Airport/Growth/Airline Industry/Southern California

In recent month, much has been made of the growth or lack thereof in the industry and rather a refocus of the airline to meet established markets, especially in the Southern California region. While there may be long lines and crowds in certain airport, Ontario is

² Newport Beach, Anaheim, Costa Mesa, Irvine, Laguna Beach, Laguna Woods, Orange, Santa Ana, Tustin, and Villa Park.

just one of the examples of regional airports that have been affected by the change in the airline industry, as the industry seeks to service the major centers and ignore the smaller markets. While ONT has been, for all practical purposes, the primary airport of the Inland Empire, and a frequent gateway for visitors to the Coachella Valley³, by 2007, some 7.2 million passengers were using the airport, which is designed to handle 10 million fliers a year. Last year, a little more than 3.9 million passengers used Ontario International, down 44.9% since 2007 and a passenger level not seen since the mid-1980s.

Much of the decline at Ontario can be attributed to changes in the airline industry itself. In the past five years, airlines have reduced service to small and mid-sized airports, especially in markets where a large metro hub is nearby, according to a May 2013 report "Trends and Market Forces Shaping Small Community Air Service in the United States," by the Massachusetts Institute of Technology. Moreover, passenger activity, consequently, at other regional smaller markets like Bob Hope have dropped approximately 42% from 2007 to 2013 while LAX has climbed at the same time by approximately 7%. Similar passenger counts in the northern part of California also bear this out as well.

'Secondary airports in Southern California face what Mark Drusch calls, "a perfect negative storm," where the economy hasn't fully recovered and low-cost carriers, along with legacy airlines, are focusing on LAX rather than the secondary markets. Drusch is chief supplier relations officer for CheapOair and has worked in top-tier management in the airline industry for 20 years. "In Southern California, in particular, markets like Long Beach and Burbank have lost a decent amount of service over the last 10 years," said Drusch.'

³ ONT now faces stiff competition from Palm Springs Airport.

Long Beach-LAX-ONT-Bob Hope

Currently there are no additional statistics to report regarding Long Beach, LAX, ONT or Bob Hope airports since last month's update. However, Volaris began twice-weekly service between Ontario International Airport (ONT) and Guadalajara starting April 10.

San Bernardino International Airport

There have been a number of recent stories about an airport many of you may not even be aware of, namely San Bernardino International Airport. So when San Bernardino International Airport started showing off its new more than \$20 million international arrivals building last month, some airline industry analysts questioned the value of the new facility. The airport, the former Norton Air Force Base, already had a domestic terminal. But that existing terminal accommodates no regularly scheduled commercial flights, so experts were quoted as saying they wonder whether the airport actually needed a new building international arrivals building.

FAA Announces Nationwide Installation of ADS-B

On April 14, the U.S. Department of Transportation's Federal Aviation Administration announced the completion of a nationwide infrastructure upgrade that will enable air traffic controllers to track aircraft with greater accuracy and reliability, while giving pilots more information in the cockpit. This upgrade is a key improvement in the Next Generation Air Transportation System. The nationwide installation of the Automatic Dependent Surveillance-Broadcast (ADS-B) radio network supports a satellite-based surveillance system that tracks aircraft with the help of GPS. This provides more accurate aircraft location information than the current radar system. Of the 230 air traffic facilities across the country, 100 are currently using this system to separate traffic. It is expected to be connected and operating at all 230 facilities by 2019. All aircraft

operating in controlled airspace must be equipped with ADS-B Out avionics that broadcast the plane's location, by Jan. 1, 2020. However, it won't significantly improve operations until all the carriers are broadcasting ADS-B Out. At JWA, Southwest and Alaska, which account for 60+ operations a day are currently not equipped with ADS+B.

JWA Departures

In a somewhat related matter, many may recall that in response to some analysis of departures at JWA, initiated by the City of Newport Beach, a letter was directed to the FAA, to which they responded concerning comments by the FAA and waiting on RNP testing at the Atlanta airport. Some have asked for some additional follow-up. The status of the Atlanta RNP departure assessment that was referenced in the June 5, 2013, letter to Mayor Curry from FAA's Acting Regional Administrator for the Western Pacific Region is that the assessment was supposed to begin in October 2013. What the City has learned is the work is ongoing, but has been delayed by technical problems with the simulator testing. They hope to commence use of the departure procedure by mid-Summer. Potential use of similar departure procedures would be considered after that time.