

October 2012 Update- All things Aviation:



If you'd like additional information, please contact the City of Newport Beach.

JOHN WAYNE AIRPORT AUGUST 2012 STATISTICS

Airline passenger traffic at John Wayne Airport increased in August 2012 as compared to August 2011. In August 2012, the Airport served 838,623 passengers, an increase of 4.5% when compared to the August 2011 passenger traffic count of 802,534. Year to date through August 2012, the airport is 1.7% ahead of 2011. Meanwhile, commercial aircraft operations increased 2.8% for August over the same period for last year. Commercial ADDs for the month of August 2012 were approximately 116.50 vs. 113.35 for the same month last year.

2013 Allocations

On October 2, the Board of Supervisors approved allocation of passenger seats and daily departures to airlines for 2013, in accordance with the county's access plan. This is an annual procedure under the airport's complex Access Control Plan which seeks to keep passenger volume below the 10.8 Million Annual Passengers (MAP) limit in conformity with the JWA Settlement Agreement. JWA projects that under the allocations to be made, the airport will serve approximately 9,222,121 passengers in 2013.

The current Settlement Agreement between the County and Newport Beach allows up to 89 Average Daily Departures (ADD) of Class A aircraft, inclusive of cargo. The allocation granted 84.631 Class A daily departures for 2013 is inclusive of cargo carriers. The allocation for 2012 was 81.494 Class A daily departures.

Recent Quarterly Noise Report

The County's recent noise report discloses that while passenger levels for the second quarter of 2012 rose approximately 2.3%, the number of ADDs remained consistent, 114.88 for 2012 versus 114.97 for 2011. In addition, the 7377 aircraft still remains the prevalent aircraft in use by the airlines and the 7378 the highest noise level operating at the airport. What follows is a summary of results (SENEL) comparing the 4th Quarter of 2008 and the 2nd quarters for 2011 vs. 2012:

Alaska Airlines 4th Quarter 2008

B7377	530	Average Count	92.3 (451)	91.3 (471)	88.1 (471)	81.3 (463)	82.9 (452)	83.6 (450)	80.8 (460)	90.0 (47)	79.8 (13)	76.8 (12)
B7378	56	Average Count	94.9 (52)	93.4 (52)	90.0 (51)	82.5 (52)	83.7 (52)	84.5 (52)	82.1 (49)	88.3 (4)	#N/A (0)	77.8 (2)

2nd Quarter 2011

Aircraft	# Ops.		NMS#1	#2	#3	#4	#5	#6	#7			
B7377	550	Average Count	92.3 (530)	91.3 (532)	88.0 (537)	81.9 (532)	83.4 (534)	84.7 (525)	80.9 (527)	90.0 (12)	#N/A (0)	#N/A (0)
B7378	108	Average Count	98.2 (104)	96.6 (104)	95.7 (106)	88.1 (105)	88.4 (104)	88.8 (98)	85.2 (105)	89.0 (1)	#N/A (0)	80.3 (1)

2nd Quarter 2012

B7377	770	Average Count	91.8 (757)	91.6 (746)	88.5 (759)	82.0 (729)	83.4 (754)	84.1 (712)	80.8 (736)	91.0 (3)	78.3 (2)	79.6 (4)
B7378	65	Average Count	98.3 (65)	97.3 (64)	97.0 (65)	88.6 (63)	88.8 (62)	89.6 (51)	85.5 (65)	#N/A (0)	#N/A (0)	#N/A (0)

Southwest 4th Quarter 2008

B7377	366	Average Count	91.3 (318)	90.5 (335)	86.3 (332)	81.4 (331)	80.6 (315)	81.6 (315)	79.8 (284)	89.8 (27)	82.0 (2)	81.6 (4)
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Southwest 2nd Quarter 2011

37377	1390	Average Count	91.8 (1357)	90.8 (1351)	86.7 (1361)	82.0 (1329)	81.1 (1279)	82.2 (1330)	79.9 (1046)	89.9 (27)	#N/A (0)	79.4 (3)
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2nd Quarter 2012

B7377	1120	Average Count	92.0 (1110)	91.6 (1079)	88.6 (1101)	83.3 (1080)	82.8 (1073)	84.0 (1046)	81.3 (960)	91.0 (4)	79.7 (3)	79.3 (3)
B7378	22	Average Count	90.8 (22)	90.8 (22)	88.2 (22)	83.1 (22)	83.0 (22)	84.3 (22)	81.7 (21)	#N/A (0)	#N/A (0)	#N/A (0)

Class A Noise Levels:

Noise Monitors Limits NMS1 NMS2 NMS3 NMS4 NMS5 NMS6 NMS7

Decibel Readings: 101.8 101.1 100.7 94.1 94.6 96.1 93.0

INTERJET INAUGURATES DAILY SERVICE TO MEXICO

As previewed earlier, on October 11, Interjet inaugurated daily service to Mexico from John Wayne Airport in Orange County. The flights - to Mexico City and Guadalajara - represent the company's fourth U.S. gateway as Mexico's second largest air carrier continues to make a strong impact in the popular U.S.-Mexico travel market.

Possible Hawaii-Orange County flights

A recent vote by flight attendants at Southwest Airlines agreeing to a contract change that allows the airline to fly over water has renewed hope that California's John Wayne Airport in Orange County could once again have direct flights to Hawaii, it was announced on September 25, 2012. While Southwest has not announced plans to fly to Hawaii, the airline, which is the largest carrier serving John Wayne Airport, has made it known that it plans to expand beyond Mainland cities. Aloha Airlines flew between Honolulu International Airport and Orange County before shutting down in March 2008. United Airlines ended service between the two airports in April, citing a lack of demand.

City Hosts Corridor Cities

City Manager Dave Kiff and City Attorney Aaron Harp hosted the city managers and city attorneys of the Corridor Cities on October 22, 2012. The Corridor Cities have historically supported the extension of the JWA Settlement Agreement. The meeting was to keep the respective cities informed about the airport, including but not limited to the terms of the existing settlement agreement as well as operational issues, such as NextGen. The Corridor Cities Coalition is an important and mutually beneficial organization that works to promote the shared objectives of the affected cities of Orange County while concurrently mitigating any existing and future negative externalities associated with living in close proximity to JWA.

The current members of the Corridor Cities are: Newport Beach, Costa Mesa, Laguna Woods, Anaheim, Santa Ana, Orange, Tustin, Laguna Beach, Irvine, and Villa Park.

Airports in the Region

LAX showed an increase in passengers of 2.95% for August over the same period last year, and is still 3.24% ahead for the year 2012 vs. 2011. Ontario continues to struggle as it declined 3.58% for and it is -5.63% for the year vs. 2011 and it doesn't look like things will change for the balance of the year. At the same time Long Beach continues to thrive. With load factors averaging 90%, Long Beach saw increase of 3.6% for August over last year and is 10% ahead of last year overall. However September saw the first down tick for the year, with a decrease of -8.6% for September, although Long Beach is still 8.1% ahead for the year.

Los Angeles and Ontario should continue to talk

The city of Los Angeles should continue negotiating with government officials from the Inland Empire to determine if there is a way to transfer control of L.A./Ontario International Airport to them, a new report recommended in September. The report by Miguel Santana, the chief administrative officer for Los Angeles, also concluded that a December 2011 proposal by Ontario municipal officials to take over the struggling airport should be declined. Researchers said that the deal could result in the illegal diversion of \$50 million in airport revenue to the city, instead of Los Angeles World Airports, which operates Ontario, Los Angeles International Airport and Van Nuys Airport. Under federal law, all airport revenue must be used for airport purposes.

Is LAX Ready to Set Ontario Free?

It appears that Los Angeles may be ready to at least consider letting go of the Inland airport that fell into disuse under its stewardship. During the week of October 8, the L.A. City Council voted 12-2 to have the city administrator and the director of Los Angeles World Airports negotiate with the new Ontario International Airport Authority to transfer ONT to Inland control. Local-control advocates have been optimistic for months, but that was the first time elected leaders of LA have spoken. City Administrative Officer Miguel Santana, LAWA Executive Director Gina Marie Lindsey

and the new ONT joint powers authority's interim director have 90 days to negotiate and report back.

Landing Fees in the Region

Airlines at Ontario paid \$11.76 per departing passenger last year, well above the national average of \$10.21 — or the \$9.68 per passenger cost at John Wayne Airport in Orange County or the \$2.09 cost at Bob Hope Airport in Burbank.

Domestic Scheduled Airline Travel on U.S. Airlines

	Monthly			Year-to-Date		
	Jun 2011	Jun 2012	Change %	2011	2012	Change %
Passengers (in millions)	57.8	57.9	0.2	312.2	317.0	1.5
Flights (in thousands)	756.7	734.7	-2.9	4,281.9	4,219.5	-1.5
Revenue Passenger Miles (in billions)	51.6	52.0	0.8	275.6	280.1	1.6
Available Seat-Miles (in billions)	60.0	60.0	0.0	336.7	338.1	0.4
Load Factor*	86.0	86.6	0.6	81.8	82.8	1.0
Flight Stage Length**	639.3	652.4	2.0	635.7	644.2	1.3
Passenger Trip Length***	892.2	897.3	0.6	882.7	883.5	0.1

SOURCE: Bureau of Transportation Statistics, T-100 Domestic Market and Segment

* Change in load factor points

**The average non-stop distance flown per departure in miles

*** The average distance flown per passenger in miles

While not all airlines have reported for the first 9 months, *United/Continental* is reporting load factors through 9/30/2012 of 85.1%. Meanwhile *American Airlines*, still in bankruptcy reported load factors domestically of 87.4% for August 2012. *Southwest* say load factors for August increased to 84.2% and were at 77% for the month of September

and 82.1% for the third quarter; 80.5% year to date. *Alaska* saw load factors in August reach 88.9%; load factor for September was 84%, while year to date load factor is 86.9%.

American and Southwest Weigh In

Despite reported losses in the 3rd quarter by American of approximately \$238 Million, its core performance improved. It made more money per passenger (RPM) and flights were fuller (Load Factor) than any quarter before.

Meanwhile, in its most recent report Southwest Airlines announced that it had posted a small third-quarter profit but saw weaker travel demand and softer ticket pricing in September. To offset rising costs and sharply higher fuel prices, chief executive officer Gary Kelly said, Southwest will trim its workforce next year and cut \$100 million in corporate overhead. This is despite the fact that the airline's third quarter results showed that their third quarter 2012 passenger revenues, unit revenues, and load factor were all third-quarter records. Kelly declined to comment to investors how he would specifically accomplish the cut backs. CEO Kelly has warned before that fuel costs would play a significant role in the viability of the industry.

At the same time, *Delta Airlines* as a result of shrewd management of its fuel contracts saw its profits double for the third quarter of 2012 vs. 2011. In addition it scaled back capacity, which saw a boost in load factors and a 3% gain in revenue per passenger.

Overall for the industry, airlines have raised prices 4.5% for the year with the possibility of further raises in the last months of 2012. As stated before the model for the airlines, is cut the number of routes and charge more. This leads to higher load factors and revenue per passenger mile, which is the bottom line.

The Location Identifier

During last month's Aviation Committee meeting, Councilwoman Daigle asked about the Location Identifier. What follows is the answer from JWA:

What is a Location Identifier?

Generally, a Location Identifier takes the place of the name and the location of an airport, navigation aid, weather station, or manned air traffic control facility in air traffic control, telecommunications, computer programming, weather reports, and related services.

Who establishes Location Identifiers?

There are four key systems designed to identify the world's airports, airfields and aviation-related facilities (primarily navigation aids). Each system has been created by a different entity: (1) the International Air Transport Association; (2) the International Civil Aviation Organization; (3) the U.S. Federal Aviation Administration; and (4) Transport Canada.

- In the **IATA** system, all member airlines (about 270 world-wide) and their computer reservation systems use location identifiers published regularly by IATA. These identifiers are used for ticketing, reservations, baggage handling and related purposes. IATA codes are comprised of three letters and generally reflect the location name. The IATA code for John Wayne Airport is "SNA" in recognition of the County seat and the largest city in the area when the identifier was established: Santa Ana. IATA codes are considered permanent and are usually, but not always, the same as those defined by the FAA.
- **ICAO** codes are generally four letters. In the United States, the code begins with "K" and the remaining letters represent the airport or facility. The ICAO code for John Wayne Airport is "KSNA."
- **FAA** codes are assigned by the federal government to airports, navigation aids, weather stations and manned ATC facilities within the United States and its jurisdictions. These are coordinated by the National Flight Data Center in Washington, D.C. FAA codes are assigned to airports with at least one of the following: manned air traffic control facilities, service by scheduled airlines or an airport of entry designation. Where a four-letter ICAO code exists for a location, the FAA code is identical to the last three letters of the ICAO code. FAA's code for John Wayne Airport is "SNA."
- **Transport Canada** codes are only for airports in Canada.

Can a Location Identifier be changed?

FAA-established identifiers are generally considered permanent. FAA states that a Location Identifier “will not be changed without strong and documented justification, primarily concerning air safety.” Original identifiers typically remain in place even if a facility’s name has changed. For example, when Orange County Airport was renamed “John Wayne Airport, Orange County” the Location Identifier did not change. It’s important to note that FAA will not allocate codes which share more than one letter position to facilities within 200 miles of each other.

Why is John Wayne Airport called so many names?

The FAA, the airlines, and others use different names for the airport based on their business needs and on tradition. FAA has designated this airport as “SNA” and uses this identifier for air traffic control and planning purposes. IATA member airlines use SNA for reservations and baggage handling because they have committed to using the IATA designation. Some airlines, however, will include “Orange County” or even “Anaheim” in their signage if they think the geographical description will be helpful to their customers. In 1979, the Orange County Board of Supervisors renamed the Airport for John Wayne. As a result, the County of Orange uses “John Wayne Airport, Orange County,” or “JWA.”