

**March 2012 Update- All things Aviation:**



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

**JWA Posts Airport Statistics for January 2012**

The Airport which serves approximately nine million passengers annually, reaches 20 non-stop destinations in the United States and Canada and is served by 10 commercial passenger airlines posted its January 2012 statistics. Airline passenger traffic at John Wayne Airport decreased in January 2012 as compared to January 2011. In January 2012, the Airport served 636,573 passengers, a decrease of 0.026% when compared to the January 2011 passenger traffic count of 636,742. Commercial aircraft operations decreased 2.1%, while Commuter aircraft operations decreased 34.6% when compared to the levels recorded in January 2011.

Number of Operations January:                      2012    2011

<b>Commercial Aircraft Operations</b>	6,470	6,609	-2.1%
<b>Commuter Aircraft Operations</b>	225	344	-34.6%

Commercial and Commuter Operations make up the Class A and Class E aircraft regulated pursuant to the JWA Settlement Agreement. The foregoing equates to approximately 107.98 ADDs.

### JWA Releases Quarterly Noise Reports

As part of the quarterly noise report, released March 14, 2012, is also a breakdown by the latest quarter, in this case the 4<sup>th</sup> Quarter of 2011 or October – December 2011 for the Class As and Es. You will find the latest statistics matched against previous quarters as follows:

#### Class A and E ADDs

Period	Class A	Class E	Total
4th Qtr 2009	75.73	49.55	125.28
1st Qtr 2010	71.76	45.04	116.81
4th Qtr 2010	75.77	38.45	114.82
1st Qtr 2011	74.7	39.12	113.82
2nd Qtr 2011	78.97	35.95	114.92
3rd Qtr 2011	81.83	33.00	114.83
4th Qtr 2011	77.59	32.70	110.29

Totals Allowed Per Settlement Agreement	85+2 Cargo Max	Unlimited Subject to 10.3 MAP –thru 2010 and 10.8 MAP 2011-2015
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### Noise Readings 4<sup>th</sup> Quarter and Some Comparisons

For those of you following the noise of the aircraft, the Noise Report also released the latest figures. What follows are those numbers and some comparisons to previous years:

#### CNEL Noise Readings:

Time Period   NMS#1   NMS#2   NMS#3   NMS#4   NMS#5   NMS#6   NMS#7   NMS#8N   NMS#9N   NMS#10N

<b>Q-4 2011</b>	65.9	65.0	64.1	56.8	56.2	58.4	53.4	66.5	44.6	54.6
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<b>Year 2011</b>	66.5	65.3	64.1	57.2	56.8	58.4	54.0	67.2	44.0	55.3
<b>Year 2008</b>	67.0	65.5	65.0	57.9	57.1	59.2	55.1	68.0	43.8	56.5

What follows are single noise events for two of the major carriers at JWA and comparisons for previous years.

**SENEL Readings for Class A aircraft:**

Time Period	NMS#1	NMS#2	NMS#3	NMS#4	NMS#5	NMS#6	NMS#7	NMS#8N	NMS#9N	NMS#10N
Q-4 2011 Southwest 737 – Class A	92.0	91.3	87.3	81.8	81.2	82.2	79.4	90.2	80.5	79.9
Q-4 2009 Southwest 737 – Class A	90.8	90.2	86.0	81.2	80.7	81.7	78.8	89.2	78.3	78.4

Q-4 2011 American 738 – Class A	98.5	96.9	96.5	88.2	87.9	88.7	85.2	91.8	81.0	80.8
Q-4 2009 American 738 – Class A	98.0	96.2	95.6	86.9	88.1	88.4	84.5	91.6	78.7	79.4

Noise Monitor Readings Allowable Class A	101.8 dB	101.1	100.7	94.1	94.6	96.1	93.0			
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**JWA Update and Overview**

As noted recently JWA, the second largest commercial airport in the Greater Los Angeles Area, saw enplanements decline by 2.5% in fiscal year 2011. However JWA still maintains a strong financial balance sheet and has no new borrowing plans and upon completion of the \$543 Million Airport Improvement Program with Terminal C has minimal capital needs for the foreseeable future.

As further noted between fiscal 2006 and 2011 enplanements at JWA declined at 2.29% on average annually. Management expects 2012 enplanements to be up 1% due mainly to the commencement of international service to Mexico by Southwest/AirTran. JWA's carrier mix continues to be diversified. Southwest has maintained its position as the largest carrier by market share at JWA, currently representing about 36% of the market. Southwest is followed by American Airlines with 14%, Alaska Airlines, Delta, and United each with approximately 10%, Continental (7%), US Airways (5%) and

several other carriers that held below 5% of the market. Moreover, approximately 37% of JWA's revenues are derived from the airlines, while 63% are derived from all non-airline revenues sources that include parking, rental cars, concessions and other.

### **LAX Continues to Rebound-Ontario Struggles**

LAX saw a nice recovery for January 2012 when compared to 2011. Domestic Passengers were up 5.72% over 2011 and 4.62% for International over 2011. Meanwhile Ontario continued its struggles. Domestic passengers were down 7.10% and International down 20.67 %. In related news the LA City Council will undertake a review of the Ontario situation.

### **Long Beach Shows a Very Strong February 2012**

With load factors at Long Beach averaging 81%, Long Beach saw an increase of 13.5% in its total passenger traffic versus 2011 for the month of February. For the year to date, Long Beach is up 13.8%.

### **Bob Hope Airport's Loss of American Airlines**

Thanks to the loss of an airline, declining parking revenues and fewer passengers using the airfield, Bob Hope Airport is facing one of its roughest budget years ever, officials reported the week of March 5. The loss of American Airlines, as reported here in January, at the airport has had a major impact on the airport. You may remember that American recently cut service to Chicago at JWA. Meanwhile recent actions by US Airways continue to fuel the belief that US Airways and American Airlines will merge.

### **Southwest Airlines Hit by Higher Fuel Costs**

Southwest Airlines announced in March that it doesn't expect to earn a profit in the first quarter because of higher fuel costs. Ticket bookings for spring travel weakened in late February. The airline is unsure if that was a short-term blip or signals something bigger about the economy. Southwest has been the most consistently profitable large U.S. airline for many years, so news that it won't make money in the first quarter is another sign that other airlines will also struggle for profits.

### *Southwest Rolls Out New Planes*

At the same time, Southwest this month rolled out some new, larger planes that will start hauling passengers next month. The airline introduced its first Boeing 737-800 on March 22<sup>nd</sup> during a launch party for several hundred employees in a hangar at its Dallas headquarters. The plane holds 175 passengers, compared with 137 on the biggest jet now in Southwest's fleet, the 737-700. The extra 38 seats should mean more revenue per flight.

Southwest plans to get 33 of the new planes this year, and 41 next year, while retiring a similar number of older jets. Southwest has more than 550 planes, not counting its AirTran Airways subsidiary. If it passes operating tests, Wednesday's plane will join the fleet on April 11. Southwest plans to use it and other 737-800s mostly on long-haul flights out of Baltimore, Chicago and Florida airports, then in Los Angeles and Las Vegas.

### **Former CEO of American Airlines Speaks Out**

Bob Crandall, the outspoken former CEO of American Airlines, made an appearance on TV on March 14, 2012, where he shared insight about a number of issues, ranging from the failure of deregulation to the current state of US infrastructure to the future of American Airlines. Crandall, served as American's CEO from 1985 until 1998. Among the topics he touched upon:

- Why deregulation was a failed public policy
- On the best-run airline right now: "I don't know, but it's not in the US."
- Why the FAA should get out of the air traffic control business

### **LAX Air Quality Study Enters Final Phase**

The final phase of a landmark study is under way to determine how much air pollution in the region comes from Los Angeles International Airport, officials said today. Two initial phases of the study determined the best techniques and equipment for determining air quality levels and which pollutants can be linked to airport operations. The study was started in 1999, but was suspended for one year because of the 9/11 terrorist attacks. The study, which is being conducted by Tetra Tech Inc. of Pasadena, includes fixed monitoring stations, community satellite sites and saturation sampling sites

in communities near LAX, including El Segundo, Lennox, Playa del Rey and Westchester.

Fixed monitor stations will take regular measurements of particulate matter, carbon monoxide, sulfur dioxide, nitrogen oxides, black carbon, volatile organic compounds and ultra-fine particles. Coalition for Clean Air Campaign Director Martin Schlageter said the pollutants in jet fuel, including formaldehyde, tourmaline and benzene, contribute to global warming and are also directly damaging to human health. A technical working group consisting of community organizations, the U.S. Environmental Protection Agency, California Air Resources Board, South Coast Air Quality Management District, California Office of Environmental Health Hazard Assessment and Federal Aviation Administration, will continue to contribute input as the study moves forward.

### **Rising Fuel Costs Continue to Affect the Airline Industry**

The global aviation industry could run up losses of over \$5 billion this year if oil prices spike by more than anticipated in light of the tensions building up over Iran's nuclear program, the industry's trade group announced March 20th. As the price of oil continues both its volatility and higher than expected prices, airlines continue to struggle. As you may recall, in testimony for Congress last year, as stated by CEO of Southwest Airlines, “fuel prices are the biggest impediment to growth in the airline industry....”