

Regional Airport Planning Committee Draft Meeting Minutes

9:30 A.M. – Noon
Friday, June 26, 2009
MetroCenter Auditorium
101 8th Street
Oakland, CA 94607

1. Call to Order

The regular meeting of the Regional Airport Planning Committee was called to order at 9:38 a.m.

2. Roll Call

Vice Chair, Dean Chu
David Chiu
Alice Lai-Bitker
Carole Groom
John Gioia
Kristi McKenney
Sean Randolph
Terry Barrie
Mark Luce

3. Approval of the meeting minutes of March 27, 2009

Vice Chair Chu ask for approval of the minutes.

Kristi McKenney raised a correction to the spelling of her name. Correct spelling is McKenney.

Consultant Christine Cassotis name was misspelled.

In discussion of the Regional Survey in relation to the High Speed Rail, it was not Terry Barrie who raised the question but Cary Greene

Minutes were approved as corrected.

4. Public Comment

5. Progress on RASPA: Presentation by SH&E of 2035 Baseline Forecast and Capacity

Dave Hollander, Vice President, SH&E and Beverly Jones, Vice President, SH&E called into the meeting from Boston to present the information on:

- A brief recap of information previously presented to RAFC
- Recent changes in airport shares
- Forecasts of aircraft operations

Vice Chair Chu raised a question about the last slide. It states that they are looking at the utilization of the runways without estimating what the airline decisions are about what type of aircraft. What has been the trend of adoption for the Airbus 380? Are there some assumptions as to the general adoption of that aircraft in this projection?

Mr. Hollander responded that they rely heavily on developing the fleet-mix assumptions based on work performed by the individual airports. SH&E received from SFO their projections of the future fleet-mix at their airport and it included the A-380 on some of the highest density long-haul international markets. They are not present at either Oakland or San Jose.

Committee Member Luce asked about the connection between the passengers and the airport related to access to the airport as they see the demands shifting, the degree to which that access will determine which airports will receive more activity.

Mr. Hollander said that they utilized ABAG demographic and socio-economic projections in estimating how domestic passengers would be geographically distributed across the region in 2035. Oakland International's closest airport share goes from 33% in 2006 to about 34% in 2035. San Jose's closest airport catchment area trip generation went from 27.3% to about 28.3% in 2035. However, while this information provided some context and perspective to the forecasts, the individual airport forecast shares of regional traffic were generally based on the historic and recent trends in the distribution of traffic and air services between the three primary airports, and expectations regarding how services and associated levels of passenger traffic were likely to distribute in the future. Mr. Hollander also said that the individual forecasts were "unconstrained" in that they did not consider the capacity of the three airports, and it was very possible that these unconstrained forecasts could push or exceed the capacity limits of individual airports, particularly SFO.

Committee Member Gioia commented that the projections for 2035 are 20-25 years out. Mr. Gioia asked if, when figuring those projections, they are considering the current configuration of the airline industry? How would the projections change, if any, if there were a greater consolidation of airlines or new low cost airlines?

Mr. Hollander stated that one of the factors is the presence of United Airlines substantial gateway at SFO. Because of SFO's status as a leading U.S. international gateway airport and its substantial base of local O&D demand, it was assumed that even if United were to fail at some point in the future, or suspend its gateway operations at SFO, that another major carrier or carriers would step in and re-establish comparable operations.

Mr. Gioia mentioned High Speed Rail and wondered if it was in the assumptions.

Mr. Hollander answered that HSR is not factored into the baseline forecasts. The future impacts of high speed rail will be addressed in subsequent phases of the study.

Mr. Gioia asked about projections made 25 years ago and the accuracy of those projections.

Chris Brittle noted that the 1970 Regional Airport Systems Study had forecasted that the Bay Area airports would serve over 80 million annual air passengers and that a fourth regional airport was needed. This level of activity still has not been reached at the three Bay Area airports, so there is definitely uncertainty in the forecasts. Our forecasts include a range of High, Medium, and Low to address this issue.

Committee Member Randolph asked if international traffic was broken down by market areas? Also he noted the small increase in international traffic in Oakland and San Jose mostly from Mexico and Canada. Is this primarily because of the historical routes and the regional demographics of their catchment areas?

Mr. Hollander responded that the international traffic forecasts were developed by world region, and reflected different rates of growth for individual world regions (Asia, Europe, Mexico, Canada, Latin America, Australia/Oceania).

Mr. Randolph also asked if they projected whether most of the growth for SFO would be coming from Asian or European markets or elsewhere?

Mr. Hollander responded that Asian and Europe are the two leading regions for international traffic to and from the Bay Area and together account for approximately 70 percent of 2007 international traffic. Asia represents 43% of total 2007 international passengers from the Bay Area airports; Europe is 26%. Canada is 14%, Mexico is 10%, Australia is 5% of total Bay Area passengers and Latin America is just 2%. So even though other international regions may grow at faster percentage rates than Asia and Europe, these two world regions would continue to account for the majority of Bay Area international traffic over the forecast period.

Most of the international growth for Oakland and San Jose would be from Mexico and Canada. Basically, the forecasts assume that SFO will continue to be the primary, long-haul international gateway airport for the region, but that Oakland and San Jose will increase their presence in the Mexico market and gain new services to Canada, since these international markets are more similar to domestic services in terms of distance and typical aircraft types.

Committee Member Novak commented that the presentation implies that the distribution among the airports is based on geography. Mr. Novak asked if they've looked at other factors?

Mr. Hollander responded that the forecasts of individual airport shares of the region's future passengers reflected an examination of historic and recent trends across the three primary airports, and that changes in catchment area trip generation were presented for context but did not drive the forecasts of future airport shares. The forecasts assume that the significant levels of low cost carrier (LCC) services at SFO are likely to be there for the long-term; that the situation in 2006 when very little low cost carrier service was present at SFO was out of balance; and that although there was likely to be some shakeout of the intensely competitive situation at SFO, that the future airport forecasts do not anticipate a return to the airport shares that occurred in 2006 when there was minimal low cost carrier presence at SFO and the LCC services were heavily concentrated at OAK and SJC.

Mr. Novak commented that the presentation implies that the projections were made based on passengers in airport catchment areas.

Mr. Hollander replied that it was not his intention to imply this and the projections were not made based on closest airport catchment area population or trip generation.

Mr. Greene made the following comments, which did not require a response from Mr. Hollander:

1. He feels the forecast is too conservative related to the growth of San Jose and Oakland airports.
2. Catchment area slides show overlaps between Oakland and San Francisco, and Oakland and San Jose, but he did not see an overlap area between San Francisco and San Jose. Also the slides ignored demand from outside the 9 county region.
3. Growth in San Jose and Oakland airports should be re-examined to look at numbers in a better economy.

Vice Chair Chu asked if the forecast assumes a single air carrier runway at Oakland in the 2035 forecast.

Mr. Hollander confirmed.

Vice Chair Chu asked what is the estimated year that SFO would reach runway capacity?

Mr. Hollander responded that the capacity analysis is ongoing and would be presented to RAPC in a subsequent meeting.

Vice Chair Chu asked about the capacity of the runways at the San Jose Airport, per passenger.

Mr. Greene responded to this question that the airport can accommodate the long-term demand they are currently projecting.

Vice Chair Chu asked if they are investigating what the other two regional airports could handle if SFO does reach capacity.

Mr. Hollander responded that it is difficult to come up with a hard number, but that this was the subject of ongoing work.

Mr. Gioia asked how the numbers would differ if all of these airports were under one control? He feels the outcome would be different.

Mr. Hollander responded that single ownership does not guarantee the ability to distribute traffic exactly like the proprietor would like to see it done. He cited examples including the Port Authority of New York and New Jersey (that operates JFK, LaGuardia Newark as well as Stewart Airport and Teterboro), Los Angeles World Airports that operates LAX, Ontario, Palmdale and Van Nuys. The Port Authority would like to use Stewart as a reliever to the three primary New York area airports, and LAX would like to develop commercial services at Palmdale and encourage growth at Ontario, yet in both these instances, it has been difficult to foster significant traffic growth at the secondary airports with available capacity.

Committee Member Luce asked if the Sacramento airport was factored into the consideration.

Mr. Hollander replied that Sacramento's growth was taken into consideration in analyzing historic trends and that Sacramento will be considered when evaluating future scenarios for accommodating regional demand.

Public comment

Member of the public, Francois Gallo asked: "In determining the future capacity needs for the region, was any consideration given to the needs and anticipated growth of air cargo?"

Mr. Hollander said that they had developed forecasts for air cargo and stated that all-cargo operations tend to be concentrated at different times of day than peak times for passenger services. Nevertheless, all-cargo activity and cargo that moves in the belly of passenger aircraft are both considered and reflected in the forecasts.

Mr. Gallo asked if that incorporated the ABAG study where the growth would be in the future.

Mr. Hollander said that the cargo forecasts were developed for each individual airport separately and did not specifically map the location of cargo demand in the region.

Mr. Brittle commented that staff will get final comments from airports and other interested parties and then finalize the Forecast Report.

6. High Speed Rail Presentation

Vice Chair Chu commented that Mr. Leavitt was unable to join the Committee. The presentation will be made at the September meeting. Mr. Chu focused the Committees attention on the High Speed Rail map on the wall of the auditorium.

7. Federal Airport Funding Reauthorization

Vice Chair Chu introduced Robin Hunt, District Manager, FAA San Francisco Airports

Ms. Hunt updated the Committee on the current status of the Reauthorization legislation.

Vice Chair Chu asked if the airports received any allocations for stimulus money?

Ms. Hunt informed the Committee that airports received \$1.1 Billion in stimulus money. 75% of the funds have been distributed in grants and 25% has been allocated.

Vice Chair Chu asked how the FAA plans to fund the next generation Air Traffic Control system?

Ms. Hunt commented that the future funding will probably be provided as before, from the trust fund. This will limit available funding.

8. New Business

The next meeting of the Regional Airport Planning Committee will be held on September 25, 2009.

9. Old Business

10. Adjournment

The meeting adjourned at 11:19 a.m.