



Regional Airport Planning Committee

January 8, 2009

TO: Regional Airport Planning Committee
FROM: Staff of the Regional Airport Planning Committee

SUBJECT: Regional Airport Systems Planning Analysis Schedule

Background. Phase 2 of the update to the Regional Airport Systems Planning Analysis (RASPA) is entering its second year. During the first six months of Phase 2, the focus was on developing a range of demand forecasts (High, Baseline and Low) and baseline runway capacity for SFO, OAK and SJC. Additionally, staff worked with the RAPC Task Force to identify policy and community concerns and the three working groups created to assist RAPC with its analysis of demand management, air traffic control technology and demand forecasting.

At today's RAPC meeting, the Committee will hear the last two presentations on the six scenarios that are being analyzed in Phase 2 of the update to the RASPA. These presentations will inform the Committee of the findings regarding the potential of High Speed Rail to divert air passengers in the California travel corridor and the opportunities to reduce projected delay at SFO through demand management strategies. These presentations will complete the analysis on the six scenarios, which include:

- Increased Service at Internal Secondary Airports,
Presented to RAPC in October 2009
- Air Traffic Redistribution among SFO, OAK and SJC,
Presented to RAPC in November 2009.
- Increased Service External Airports,
Presented to RAPC in November 2009
- Opportunities for Air Traffic Control Technology to increase Capacity,
Presented to RAPC in November 2009.
- Demand Management Potential,
Presented to RAPC in November 2009 and February 2010.
- Potential Diversion to High Speed Rail,
Presented to RAPC in February 2010.

During this first year of Phase 2, RAPC staff, working with RAPC's consultant team, the three working groups and the task force, have completed and presented the following:

- Regional Aviation Survey presented to RAPC in March 2009.
- Baseline Demand Forecasts presented to RAPC in March and June 2009.
- Baseline Runway Capacity for SFO, OAK and SJC presented to RAPC in September 2009.
- Development of Targets for the RASPA presented to RAPC in September and October 2009.
- Analysis of Scenarios (described above) presented to RAPC in October and November 2009 and February 2010.

Next Steps. With the completion of the preliminary analysis demand forecasts, baseline capacity and six scenarios, the Phase 2 work is now moving toward the selection of two or three scenarios to continue to study. In order to identify the scenarios that will receive further study, RAPC staff developed a set of targets which were presented to RAPC and the RAPC Task Force in the Fall. The six scenarios will be analyzed against these targets and presented to RAPC at the Committee's next meeting in March. In addition to the target analysis, the first round of public workshops will be held in the Spring. RAPC staff will augment these workshops with meetings to brief local elected officials regarding aspects of the scenarios that may impact their communities. The two or three scenarios will be chosen based on the results of the target analysis, the public workshops, the meetings with local elected officials and feedback from RAPC and the RAPC Task Force. The proposed schedule for this work is as follows:

- Target analysis of six scenarios to be presented to RAPC in March 2010.
- Briefings with locally elected officials regarding scenarios in March and April 2010.
- First round of public workshops to be held in late April 2010. Proposed locations are San Francisco, Fairfield and San Jose.
- Selection of two or three scenarios for further analysis presented to RAPC in May 2010.

Completion of this phase of the work will allow RAPC to focus on two or three alternatives to include in the update to the RASPA.

Meeting Topics

- Airport Passenger Forecasts
- Potential for Increased utilization of Alternative Regional Airports
- Passenger Airline Operations
- Air Cargo Volumes and Operations
- General Aviation Operations

The next Forecast Working Group is scheduled to meet on January 9th for its second, and final, meeting regarding the assumptions and methodologies that the consultant is using for the forecasts and to provide feedback on the consultant's preliminary results and conclusions. Staff will prepare a summary of the meeting that will be distributed to the Committee at its January 23rd meeting and made available to the public at that meeting.

October Meeting Summary. The following is a summary of some of the main discussion points from the meeting and does not necessarily represent the conclusions or final approach that will be used by the consultant in developing the new forecasts.

Air Passenger Forecasts.

The greatest part of the meeting was devoted to discussing the air passenger forecasts. A long-term, 20- 25 year forecast is necessary for the regional planning process because of the length of time that is needed for coordinated planning and airport administrative or development projects. Three forecast scenarios (High, Medium, and Low) will be developed to deal with the uncertainty inherent in long range forecasting. In addition, a forecast tracking system will be developed so that there will be a mechanism for identifying the need for and timing of forecast adjustments over time. Dates and assumptions will need to be attached to the forecast demand levels in order to have a meaningful discussion of regional options for accommodating future aviation demand.

Existing airport forecasts prepared by the FAA and the airports will be reviewed when preparing the forecasts. The SFO forecasts that were recently prepared by Jacobs are unconstrained forecasts.

The consultant team will try to capture the effect of the new airline fees on the price of air travel. Since these fees are not being captured in airline ticket prices, the consultant will have to identify other sources such as US DOT Form 41 data or airline revenue reports and account for these fees in the future price of airline travel.

Fuel price assumptions have not been decided at this time. The Moderate forecast may assume oil prices stabilize at \$100 per barrel instead of the \$120 presented in the presentation. While the driving factors of future demand are the cost of airline travel and economic growth, other factors can be built into the forecasts. For example, rising fuel prices and carbon emissions fees can be built into the price of air travel. Air travel substitutes such as high speed rail or video-conferencing can be factored into the analysis outside the model framework. Potential one-time external factors, such as a major earthquake or terrorist attack, can not be predicted or explicitly

modeled. However, these events would have a temporary impact on demand and not a long-term sustained impact.

The forecast approach is to first project regional demand and then to distribute it to the individual airports (SFO, OAK and SJC) instead of developing individual forecasts by airport. First the consultant team will segment demand by domestic and world region for international. The difficulty in predicting future airport splits is that we are currently in a period of major change and Bay Area traffic is shifting from OAK to SFO as carriers reduce capacity, particularly at OAK, and Low Cost Carriers (LCCs) are expanding at SFO.

The forecast scenarios (High, Medium, Low) can be used as a way to introduce different assumptions about carrier decisions and the future airport distribution. For example, under a high growth scenario, when pressure on capacity is greatest, we may assume a more even long-term distribution or one that is different from the moderate or low growth scenarios

Alternative Airports Forecast

The approach will be to evaluate air passenger demand in the catchment areas for other Bay Area airports that might potentially be used for future airline service. There would need to be a large enough market for service to be economically viable. The conclusions reached will be reviewed with 2-3 airlines that might serve these markets to seek their opinions about the potential viability of new non stop service.

Passenger Airline Operations

Forecasts of future airline fleet mix will be largely based on known airline plans for retirement/acquisition of new aircraft. Load factors are already quite high, so the potential for even higher load factors will need careful review.

Air Cargo Forecasts

Due to the limited numbers and timing, air cargo operations are not likely to have a significant impact on future airport capacity issues. The approach to these forecasts will be to review existing forecasts for the individual airports, and adjust as necessary. The potential for redistribution of current air cargo operations to alternative airports is not considered to be very probable given the economics of air cargo airlines and the need for proximity to their major markets which are in the urban core.

General Aviation Operations

The main focus of these forecasts will be the number of general aviation operations projected to use the air carrier runways, since this will affect the future capacity of the air carrier runways. It is not expected that the introduction of a new fleet of Very Light Jets, will have a major impact on operations at the main commercial airports, as these types of operations are more likely to use the region's reliever general aviation airports for air taxi and other types of operations.