METROPOLITAN TRANSPORTATION COMMISSION

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ABAG ASSOCIATION OF BAY AREA GOVERNMENTS

Regional Airport Planning Committee

January 8, 2009

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

SUBJECT: Public Workshops

Background. Phase 2 of the Regional Airport Planning Systems Analysis (RASPA) update was designed to inform and include the public at various key times during the process. The first component of the public process was the Regional Airport Survey, conducted last February. An on-going component of the public process is the RAPC Task Force that has been meeting regularly throughout the last year to provide RAPC staff and consultants with feedback on the Phase 2 process and work products. The next major component of the public process is the first series of public workshops to present the work that has been completed, including the demand forecast, the capacity analysis, preliminary analysis on the six scenarios and the results of the target analysis. There will be three workshops, each held in a different part of the region. The locations have been tentatively set for San Francisco, Fairfield and San Jose. These locations have been identified based on an interest that the workshops be spread evenly around the region and to locate them in areas where the RASPA update may be proposing a new or expanded use for that community's airfield. This first series of workshops will be held in late April or early May and RAPC staff is currently working with the RAPC Task Force members and consultant team to develop materials and public outreach, identify meeting locations and set the dates for the workshops. RAPC staff is also planning to augment these workshops with meetings in several communities to inform them of the RAPC work to date. RAPC staff has identified Contra Costa County and Sonoma County as two areas to hold informational meetings with public officials regarding RAPC's current work.

Next Steps. RAPC staff would like to hear feedback from the Committee on the public workshops, including content, location and outreach. The input received at these workshops will assist RAPC staff in making recommendations regarding the two or three scenarios to pursue for the rest of the RASPA update. Once the analysis on these two or three scenarios is complete, a second series of public workshops will be held to allow the public to provide input on the draft update.

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.