



# JOHN WAYNE AIRPORT, ORANGE COUNTY

## Airline Competition Plan UPDATE



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## INTRODUCTION

The Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21), requires certain large and medium hub airports to prepare and submit an Airline Competition Plan to the FAA. The airports that are required under this legislation to prepare and submit an Airline Competition Plan (“covered airports”) are medium and large hub airports at which one or two airlines control more than fifty percent of annual passenger enplanements. Covered airports must submit an Airline Competition Plan in order for a new Passenger Facility Charge (PFC) to be approved for collection, or a grant to be issued under the Airport Improvement Program (AIP) beginning in federal fiscal year 2001.

The statute also provides for the periodic review of Airline Competition Plans for PFC purposes, and the FAA needs updated plans for action on subsequent PFC applications. In addition, the FAA must have a current Competition Plan to issue each AIP grant (the FAA will consider a Competition Plan or an update to be current for an entire federal fiscal year).

In Calendar Year (CY) 2013, John Wayne Airport (JWA or Airport) accounted for 0.67 percent of U.S. enplaned passengers. Southwest Airlines and United Airlines accounted for 56.96 percent of enplaned passengers at the Airport in CY 2013. As a result, an initial Airline Competition Plan was required to be submitted beginning in FY 2014 in order for a new PFC to be approved for collection, or a grant to be issued under AIP.

This update of John Wayne Airport’s approved Airline Competition Plan is being submitted per the requirements of AIR-21. The information contained in this update is for Calendar Years 2016 and 2017.

## SECTION 1 AVAILABILITY OF GATES AND RELATED FACILITIES

### **1.1 Number of gates available at the airport by lease arrangement, i.e., exclusive, preferential, or common-use, and current allocation of gates.**

No changes from previously approved Airline Competition Plan.

### **1.2 Whether any air carriers that have been serving the airport for more than three years are relying exclusively on common-use gates.**

No changes from previously approved Airline Competition Plan.

### **1.3 Diagram of the airport’s concourses.**

No changes from previously approved Airline Competition Plan.

### **1.4 Description of gate use monitoring policies, including any differences in policy at gates subject to PFC assurance # 7 and samples of gate use monitoring charts, along with a description of how the charts are derived and how they are used by the airport.**

No changes from previously approved Airline Competition Plan.

**1.5 Description of the process for accommodating new service and for service by a new entrant.**

No changes from previously approved Airline Competition Plan.

**1.6 Description of any instances in which the PFC competitive assurance #7 operated to convert previously exclusive-use gates to preferential-use gates or it caused such gates to become available to other users.**

No changes from previously approved Airline Competition Plan.

**1.7 Gate utilization (departures/gate) per week and month reported for each gate.**

Please see **Exhibit A** for a sample chart representative of JWA's weekly and monthly scheduled gate utilization.

**1.8 The circumstances of accommodating a new entrant or expansion during the twelve months preceding filing, including the length of time between initial carrier contact of airport and start of service, the identity of the carriers and how they were accommodated.**

During the period covered in this update, John Wayne Airport approved capacity requests for new entrants and supplemental capacity allocations to incumbent air carriers as required by the Airport's Phase 2 Commercial Airline Access Plan and Regulation.

In 2016, John Wayne Airport allocated capacity to new entrants Compass Airlines and Horizon Air and supplemental capacity to Alaska Airlines, Delta Airlines, Southwest Airlines and United Airlines.

In 2017, John Wayne Airport allocated supplemental capacity to Alaska Airlines, Delta Airlines, Southwest Airlines and United Airlines.

Capacity allocated during the period of this update was used by air carriers to initiate new service to Detroit (DTW), Albuquerque (ABQ), Reno/Tahoe (RNO) and Santa Rosa/Sonoma (STS) and to accommodate additional seasonal demand and to increase frequency of existing service.

**1.9 Resolution of any access complaints by a new entrant or an air carrier seeking to expand service during the twelve months preceding the filing, including a description of the process used to resolve the complaint.**

No changes from previously approved Airline Competition Plan.

**1.10 Use/lose, or use/share policies and recapture policies for gates and other facilities. If no such policies exist, explain the role, if any under-utilized gates play in accommodating carrier requests for gates.**

No changes from previously approved Airline Competition Plan.

- 1.11 Plans to make gates and related facilities available to new entrants or to air carriers that want to expand service at the airport and methods of accommodating new gate demand by air carriers at the airport (common-use, preferential-use, or exclusive-use gates).**

No changes from previously approved Airline Competition Plan.

- 1.12 Availability of an airport competitive access liaison to assist requesting carriers, including new entrants.**

No changes from previously approved Airline Competition Plan.

- 1.13 Number of aircraft remain overnight (RON) positions available at the airport by lease arrangement, i.e. exclusive, preferential, common-use or unassigned, and distribution by carrier. Describe procedures for monitoring and assigning RON positions and for communicating availability of RON positions to users.**

No changes from previously approved Airline Competition Plan.

## **SECTION 2 LEASING AND SUBLEASING ARRANGEMENTS**

- 2.1 Whether a subleasing or handling arrangement with an incumbent carrier is necessary to obtain access.**

No changes from previously approved Airline Competition Plan.

- 2.2 How the airport assists requesting airlines to obtain a sublease or handling arrangement.**

No changes from previously approved Airline Competition Plan.

- 2.3 Airport policies for sublease fees levels (e.g. maximum 15 percent above lease rates), and for oversight of fees, ground/handling arrangements and incumbent schedule adjustments that could affect access to subtenants.**

No changes from previously approved Airline Competition Plan.

- 2.4 Process by which availability of facilities for sublease or sharing is communicated to other interested carriers and procedures by which sublease or sharing arrangements are processed.**

No changes from previously approved Airline Competition Plan.

- 2.5 Procedures for resolving disputes or complaints among carriers regarding use of airport facilities, including complaints by subtenants about excessive sublease fees or unnecessary bundling of services.**

No changes from previously approved Airline Competition Plan.

**2.6 Resolution of any disputes over subleasing arrangements in the twelve months preceding filing.**

No changes from previously approved Airline Competition Plan.

**2.7 Accommodation of independent ground service support contractors, including ground handling, maintenance, fueling, catering or other support services.**

No changes from previously approved Airline Competition Plan.

**2.8 Copies of lease and use agreements in effect at the airport.**

No changes from previously approved Airline Competition Plan.

### **SECTION 3 PATTERNS OF AIR SERVICE**

Per the FAA Modernization and Reform Act of 2012 (P.L. 112-65), Section 3: Patterns of Air Service is no longer required as part of the Airline Competition Plan.

### **SECTION 4 GATE ASSIGNMENT POLICY**

**4.1 Gate assignment policy and method of informing existing carriers and new entrants of this policy. This would include standards and guidelines for gate usage and leasing, such as security deposits, minimum usage, if any, fees, terms, master agreements, signatory and non-signatory requirements.**

No changes from previously approved Airline Competition Plan.

**4.2 Methods for announcing to tenant carriers when gates become available. The description should discuss whether all tenant air carriers receive information on gate availability and terms and conditions by the same process at the same time.**

No changes from previously approved Airline Competition Plan.

**4.3 Methods for announcing to non-tenant carriers, including both those operating at the airport and those that have expressed an interest in initiating service, when gates become available; and policies on assigning RON positions and how RON position availability announcements are made.**

No changes from previously approved Airline Competition Plan.

### **SECTION 5 GATE USE REQUIREMENTS**

**5.1 Gate use monitoring policy, including schedules for monitoring, basis for monitoring activity (i.e., airline schedules, flight information display systems, etc.), and the process for distributing the product to interested carriers.**

No changes from previously approved Airline Competition Plan.

**5.2 Requirements for signatory status and identity of signatory carriers.**

No changes from previously approved Airline Competition Plan.

**5.3 Where applicable, minimum use requirements for leases (i.e., frequency of operations, number of seats, etc.)**

No changes from previously approved Airline Competition Plan.

**5.4 The priorities, if any, employed to determine carriers that will be accommodated through forced sharing or sub-leasing arrangements. Describe how these priorities are communicated to interested carriers.**

No changes from previously approved Airline Competition Plan.

**5.5 Justifications for any differences in gate use requirements among tenants.**

No changes from previously approved Airline Competition Plan.

**5.6 Usage policies for common-use gates, including, where applicable, a description of priorities for use of common-use gates. Explain how these priorities are communicated to interested carriers.**

No changes from previously approved Airline Competition Plan.

**5.7 Methods for calculating rental rates or fees for leased and common-use space. Where applicable, provide an explanation of the basis for disparities in rental fees for common-use versus leased gates.**

No changes from previously approved Airline Competition Plan.

**SECTION 6 FINANCIAL CONSTRAINTS**

**6.1 The major source of revenue at the airport for terminal projects.**

No changes from previously approved Airline Competition Plan.

**6.2 Rates and charges methodology (residual, compensatory, or hybrid).**

No changes from previously approved Airline Competition Plan.

**6.3 Past use, if any, of PFCs for gates and related terminal projects.**

No changes from previously approved Airline Competition Plan.

**6.4 Availability of discretionary income for airport capital improvement projects.**

No changes from previously approved Airline Competition Plan.



## **SECTION 7 AIRPORT CONTROLS OVER AIRSIDE AND LANDSIDE CAPACITY**

No changes from previously approved Airline Competition Plan.

## **SECTION 8 AIRPORT INTENTIONS TO BUILD OR ACQUIRE GATES THAT WOULD BE USED AS COMMON FACILITIES**

### **8.1 The number of common-use gates that the airport intends to build or acquire and the timeline for completing the process of acquisition or construction.**

No changes from previously approved Airline Competition Plan.

### **8.2 Whether common-use gates will be constructed in conjunction with gates leased through exclusive or preferential-use arrangements.**

No changes from previously approved Airline Competition Plan.

### **8.3 Whether gates being used for international service are available for domestic service.**

No changes from previously approved Airline Competition Plan.

### **8.4 Whether air carriers that only serve domestic markets now operate from international gates. If so, describe and explain any disparity in their terminal rentals versus domestic terminal rentals.**

No changes from previously approved Airline Competition Plan.

## **SECTION 9 AIRFARE LEVELS COMPARED TO OTHER LARGE AIRPORTS**

Per the FAA Modernization and Reform Act of 2012 (P.L. 112-65), Section 9: *Airfare Levels Compared to Other Large Airport* is no longer required as part of the Airline Competition Plan.

## **SECTION 10 PUBLIC AVAILABILITY OF PLANS AND UPDATES**

### **10.1 Publication of Competition Plan and Updates**

Pursuant to the FAA's authority under 49 U.S.C., Competition Plans and Competition Plan Updates are reports within the meaning of section 47107(a)(15) and its implementing AIP grant assurance. Under the terms of AIP Grant Assurance 26, the Competition Plan and Competition Plan Updates must be made available to the public.

As recommended by the FAA in PGL 04-08, John Wayne Airport, Orange County intends to publish its Airline Competition Plan, Plan Updates, and FAA review letters to its web site as the method of satisfying the public availability requirement. Competition Plan documents will be posted at Internet address [www.ocair.com](http://www.ocair.com).

**EXHIBIT**

# EXHIBIT A: GATE OCCUPANCY TIME PLOT

