

Agenda Item



AGENDA STAFF REPORT

ASR Control 25-000687

MEETING DATE: 10/14/25
LEGAL ENTITY TAKING ACTION: Board of Supervisors
BOARD OF SUPERVISORS DISTRICT(S): 5
SUBMITTING AGENCY/DEPARTMENT: John Wayne Airport (Approved)
DEPARTMENT CONTACT PERSON(S): Charlene V. Reynolds (949) 252-5183
 Eric R. Freed (949) 252-5043

SUBJECT: John Wayne Airport Capacity Allocations for 2026 Plan Year

CEO CONCUR
Concur

COUNTY COUNSEL REVIEW
No Legal Objection

CLERK OF THE BOARD
Consent Calendar
3 Votes Board Majority

Budgeted: N/A

Current Year Cost: N/A

Annual Cost: N/A

Staffing Impact: No

of Positions:

Sole Source: N/A

Current Fiscal Year Revenue: N/A

Funding Source: N/A

County Audit in last 3 years: No

Levine Act Review Completed: Yes

Prior Board Action: 7/23/2024 #7, 8/8/2023 #4

RECOMMENDED ACTION(S):

1. Authorize John Wayne Airport to maintain, or grandfather, and reallocate the original Regulated Class A and Class E Average Daily Departure allocations to the Commercial Air Carriers at John Wayne Airport, effective January 1, 2026 through December 31, 2030, as reflected in Attachment A, and in a manner consistent with the terms of the Phase 2 Commercial Airline Access Plan and Regulation, contingent upon the Commercial Air Carriers executing an amendment to the existing airline use and lease agreements through December 31, 2030, and acceptable to the Airport Director and approved by the Board of Supervisors.
2. Authorize the Airport Director to allocate Class A and Class E Average Daily Departures and Seat Capacity to Commercial Air Carriers and Commercial Cargo Carriers, and Passenger Capacity to Commuter Air Carriers for the 2026 Plan Year (January 1, 2026, through December 31, 2026), as reflected in Attachments A and B, and in a manner consistent with the terms of the Phase 2 Commercial Airline Access Plan and Regulation.
3. Authorize the Airport Director to withdraw Seat Capacity during the 2026 Plan Year if it becomes necessary to ensure compliance with the Million Annual Passenger Limitation at John Wayne Airport, consistent with the requirements in Section 6 of the Phase 2 Commercial Airline Access Plan and Regulation.
4. Authorize the Airport Director to allocate or reallocate any additional Regular or supplemental

Average Daily Departures and any necessary associated Seat Capacity, which may become available during the 2026 Plan Year, in a manner consistent with the terms of the Phase 2 Commercial Airline Access Plan and Regulation.

5. Authorize the Airport Director to allocate additional supplemental Seat Capacity to Commercial Air Carriers during the 2026 Plan Year if it is determined that such allocations can be made without jeopardy to the Million Annual Passenger Limitation of the 1985 Settlement Agreement, as amended, entered into by and between the County of Orange , the City of Newport Beach, Stop Polluting Our Newport, and the Airport Working Group of Orange County, Inc. and the Phase 2 Commercial Airline Access Plan and Regulation.
6. Authorize the Airport Director to waive Section 5.1.1 of the Phase 2 Commercial Airline Access Plan and Regulation and allocate up to 29 Remain Overnight positions for Commercial Air Carrier use during the 2026 Plan Year, pursuant to Section 5.1.1, as reflected in Attachment A, and provide authority to withdraw the additional two Remain Overnight positions for safety or operational purposes, as required.
7. Authorize the Airport Director to allocate Passenger Capacity and Remain Overnight positions and authorize the Airport Director to allocate any additional supplemental Passenger Capacity and Remain Overnight positions to Commuter Air Carriers during the 2026 Plan Year if it is determined that such allocations can be made without jeopardy to the Million Annual Passenger Limitation.
8. Find that the County retains and reaffirms its sole and exclusive discretion to require mandatory withdrawals of operational capacity in any form if the County determines such action to be appropriate to ensure continued compliance with the Million Annual Passenger Limitation or for any other reason, consistent with the requirements in Section 6 of the Phase 2 Commercial Airline Access Plan and Regulation.

SUMMARY:

Approval of the proposed allocation of Regulated Average Daily Departures, Seat Capacity, Remain Overnight Capacity and Passenger Capacity to scheduled Commercial Air Carriers, Commercial Cargo Carriers and Commuter Air Carriers will provide John Wayne Airport with the necessary authority to ensure compliance with the County's Phase 2 Commercial Airline Access Plan and Regulation for the 2026 Plan Year.

BACKGROUND INFORMATION:

Community Impact Assessment

The 2026 allocation recommendations have been made in the context of carefully balancing the needs of the Orange County community for adequate commercial air transportation facilities and the desire of the local community for environmentally responsible air transportation operations at John Wayne Airport (JWA). In addition, the allocation recommendations further reflect the experience of the County of Orange (County) in the management and operation of JWA and addressing the public concerns resulting from the operation of the Airport.

Allocation of Original Capacity

Original Average Daily Departures (ADDs) consist of those 95 ADDs allocated (or grandfathered) to the Commercial Air Carriers, effective January 1, 2021, through December 31, 2025. The Airport Director is requesting that those original ADDs be maintained or grandfathered, effective January 1, 2026, through December 31, 2030, contingent upon the Commercial Air Carriers executing an amendment to the existing lease agreements through December 31, 2030, with the County, in a form, and for a term, acceptable to the Airport Director and approved by the Board of Supervisors (Board).

Reallocation of the original ADDs will result in the Commercial Air Carriers maintaining their existing allocation of original Class A ADDs for a term through December 31, 2030, which will be co-terminus with the new term of the amended lease agreements. The proposed allocation complies with the provisions of the Phase 2 Commercial Airline Access Plan and Regulation (Access Plan) and is similar to the grandfathering allocation that occurred with the allocation process for the 2021 Plan Year, where the original ADDs were grandfathered for the period from January 1, 2021, through December 31, 2025.

The specific allocation scenario for the reallocation of the original capacity that will expire on December 31, 2025, is an issue on which JWA staff has solicited Commercial Air Carrier input. JWA's recommended reallocation, or grandfathering, of ADDs that will expire on December 31, 2025, received support from the Commercial Air Carriers that provided input to the County. Further, this recommended reallocation/grandfathering of ADDs reflects the County's continued focus on providing maximum service to the traveling public while ensuring the fairness of the capacity reallocation process of the Access Plan as a part of the implementation of commercial operations at JWA.

Regulatory Structure

Consistent with the 1985 Settlement Agreement, as amended, and the Access Plan, regulation of a maximum number of ADDs is one of two principal restraints imposed by the County to control aircraft noise around JWA. Limitation on the maximum number of ADDs has been an element of the County's regulation of JWA since 1972. The Board previously approved capacity allocations on July 23, 2024, and August 8, 2023.

There are presently two defined classes of ADDs, Class A and Class E. The class of aircraft permitted the highest noise level is Class A. Based on the 1985 Settlement Agreement, as amended, the County is authorized to allocate up to 95 Class A ADDs (January 1, 2026, through December 31, 2030). The quietest class of aircraft is Class E. The County is authorized to allocate up to 14 permanent Class E ADDs; however, the absolute number of maximum Class E Departures is not directly regulated by the County. Instead, the maximum number of Class E Departures is controlled by the Million Annual Passengers (MAP) Limitation at the Airport, which is the second principal restraint, under the 1985 Settlement Agreement, as amended, and the Access Plan.

The Access Plan identifies both Regular and supplemental capacity allocations. The principal difference is that Regular ADDs are allocated on a long-term basis, while supplemental ADDs are allocated on a short-term basis. The Regular ADDs form the foundation for commercial operations at JWA, while the supplemental ADDs are allocated each Plan Year to maximize operational capacity while maintaining flexibility to ensure that the total passenger service level remains within the MAP Limitation.

Attachment A identifies the specific ADD, Seat Capacity, and RON allocations for Commercial Air Carriers recommended by JWA for the 2026 Plan Year. The recommended Passenger Capacity and RON allocations to Commuter Air Carriers for the 2026 Plan Year are reflected in Attachment B.

New Entrant Allocations

While JWA is not recommending a capacity allocation to a new entrant Commercial Air Carrier for the 2026 Plan Year, JWA is requesting authorization to allocate 5,983 passengers to one new entrant Commuter Air Carrier, Southern Airways Express, for use during the 2026 Plan Year. Southern Airways Express is the only carrier on the new entrant Commuter Air Carrier waiting list and can be accommodated within the 400,000 passengers set aside for Commuter Air Carriers.

Associated Operating Group Provisions

The Access Plan allows Commercial Air Carriers to declare annually an Associated Operating Group (AOG) for purposes of conducting operations at JWA. AOGs are formed by carriers interested in sharing capacity among AOG members. Alaska/Horizon and Delta/WestJet have requested to operate as members of two separate AOGs during the 2026 Plan Year, consistent with the Access Plan, and as reflected in Attachment A.

Allocation of Permanent Class E ADDs

The Access Plan allows an allocation of up to 14 permanent Class E ADDs by means of a trade-out voluntarily undertaken by the Commercial Air Carriers. Specifically, one Class A ADD can be traded for two new permanent Class E ADDs. Pursuant to the County's grandfathering and reallocation of capacity, effective January 1, 2026, through December 31, 2030, Southwest has been reallocated all 14 permanent Class E ADDs as reflected in Attachment A.

Allocation of Class A ADDs Currently Under Direct County Control

The County currently has three Class A ADDs within its control. In recent Plan Years, JWA has requested authorization to allocate County-controlled Class A ADDs on a permanent or supplemental basis. For the 2026 Plan Year, the County is requesting authorization to allocate one County-controlled Class A ADD to Allegiant as supplemental capacity, as reflected in Attachment A and consistent with the reallocation priority list. This supplemental capacity will return to the County for reallocation and/or possible allocation to a new entrant Commercial Air Carrier during a future allocation process.

Allocation of Class A Departures for Commercial Cargo Carrier Operations

The Access Plan provides the County with the ability to allocate up to four Commercial Cargo Carrier Class A ADDs and the discretion to allocate up to two of these four Commercial Cargo Carrier Class A ADDs to passenger carriers when not requested for cargo operations at JWA. This capacity, however, may only be allocated on a supplemental basis for one Plan Year in any year where Commercial Cargo Carriers have not requested those ADDs.

FedEx and UPS have each requested one Commercial Cargo Carrier Class A ADD for use during the 2026 Plan Year; therefore, JWA is recommending this allocation through December 31, 2026. In order to maintain the MAP Limitation, JWA is unable to allocate two additional Cargo Class A ADDs to the Commercial Air Carriers for use during the 2026 Plan Year.

Seat Capacity Allocations

A total of 16,112,543 seats were requested by the Commercial Air Carriers as part of the 2026 Plan Year allocation process. JWA is requesting to allocate a total of 14,547,371 seats for the 2026 Plan Year. Historically, the number of seats allocated exceeds the MAP Limitation because Commercial Air Carrier load factors (seats filled vs. seats available) is less than 100 percent.

A total of 12,366,441 seats are recommended for allocation in support of Class A and permanent Class E operations. A total of 2,180,930 seats are recommended for allocation in support of supplemental Class E operations, as reflected in Attachment A.

Section 6 of the Access Plan outlines provisions which permit the County to withdraw operational capacity at such times, on such conditions, and for such reasons as the County, in its sole and exclusive discretion, determines are appropriate to ensure that the MAP Limitation is not exceeded during any Plan Year, or for any other reason.

Commercial Air Carrier Remain Overnight (RON) Allocations

A total of 29 RON positions were requested for the 2026 Plan Year. Section 5.1.1 of the Access Plan provides for an allocation of 27 Commercial Air Carrier RONs. The Airport is requesting the Board waive the RON limit to accommodate the two additional RONs requested for the 2026 Plan Year.

Passenger Capacity Allocations to Commuter Air Carriers

Two Commuter Air Carriers, SkyWest Airlines and Delux Public Charters, LLC (JSX), have requested Passenger Capacity for the 2026 Plan Year. SkyWest has requested 141,675 (Delta Connection – 93,660, United Express – 48,015) passengers. JSX has requested 228,082 passengers. As discussed above, one new entrant Commuter Air Carrier, Southern Airways Express, has requested 5,983 passengers. Section 3.5.1 of the Access Plan creates a Passenger Capacity set aside for the allocation of 400,000 Authorized Passengers.

JWA recommends that 5,983 passengers be allocated to Southern Airways Express, and 141,675 passengers be allocated to SkyWest for use during the 2026 Plan Year. JWA recommends that 228,082 passengers be conditionally allocated to JSX for use during the 2026 Plan Year, as discussed further below. Therefore, JWA recommends that 375,740 passengers (228,082 conditionally) be allocated for Commuter Air Carrier use during the 2026 Plan Year, as reflected in Attachment B.

JWA requests authority to make supplemental allocations of additional Passenger Capacity during the 2026 Plan Year if Commuter Air Carrier requests are received and if actual operations during the Plan Year indicate that supplemental capacity allocations would not jeopardize the MAP Limitation.

JSX Allocation Conditions

JSX operates at Jay's Air Center Fixed Based Operator (FBO) leasehold, an operational plan that was previously granted in lieu of operating out of the JWA Thomas F. Riley (Terminal). Pursuant to Section 8.1.7(b) of the Access Plan, JSX was permitted to operate at Jay's Air Center FBO leasehold during the 2025 Plan Year. Under Section 8.1.7(b) of the Access Plan, discretion is provided to the Airport Director to permit a Commuter Air Carrier to conduct passenger operations at an FBO. JSX has previously conducted operations out of ACI Jet's FBO leasehold for the 2018 through 2025 Plan Years.

JSX has again requested to operate at Jay's Air Center FBO leasehold during the 2026 Plan Year. Consistent with operations by JSX during the 2025 Plan Year, JSX may operate at Jay's Air Center FBO leasehold to the extent its operations fall within 130,000 passengers to allow JWA to monitor traffic conditions and make necessary adjustments to ensure that commercial air freight operations at the property, which are subject to time-sensitive inspections, are not impacted. To the extent JSX wishes to provide operations over its current allocation of 130,000 passengers during the 2026 Plan Year, JSX must move all operations to the Terminal. Essentially then, JSX can either operate 130,000 passengers at Jay's Air Center FBO leasehold during the 2026 Plan Year, subject to Jay's Air Center's approval, or move its operations entirely to the Terminal and provide operations for up to 228,082 passengers, subject to full TSA screening and security requirements.

RON Allocations to Commuter Air Carriers

In addition to the 29 RON positions requested for Commercial Air Carrier use, the Access Plan permits up to six RON positions for allocation to Commuter Air Carriers. JSX has requested four RON positions. However, due to airfield construction, only three can be accommodated. SkyWest (Delta Connection) and Southern Airways Express have each requested one RON position for the 2026 Plan Year. JWA requests authority to allocate RON apron positions as follows: three positions to JSX (located at Jay's Air Center) and one position each to SkyWest (Delta Connection) and Southern Airways Express (located at the commercial ramp) for use during the 2026 Plan Year.

Compliance with CEQA: The proposed action is a necessarily included element of the project considered in Final Environmental Impact Report (EIR) No. 617 for the JWA Settlement Agreement Amendment Project, certified by the Board on September 30, 2014, which adequately addressed the effects of the proposed action. No substantial changes have been made in the project, no substantial changes have occurred in the circumstances under which the project is being undertaken and no new information of substantial importance to the project, which was not known, or could not have been known, when the Final EIR No. 617 was certified, has become known; therefore, no further environmental review is required.

FINANCIAL IMPACT:

N/A

STAFFING IMPACT:

N/A

ATTACHMENT(S):

Attachment A - Plan Year 2026 Commercial Carrier and Commercial Cargo Carrier Capacity Allocation
Attachment B - Plan Year 2026 Commuter Carrier Capacity Allocation

ATTACHMENT A
Plan Year 2026
Commercial Air Carrier and Commercial Cargo Carrier Capacity Allocation
(Effective 1/1/26)

JOHN WAYNE AIRPORT: PLAN YEAR 2026											
Commercial Air Carrier and Commercial Cargo Carrier ADD, Seat Capacity, and RON Allocations											

CARRIER	CLASS A CAPACITY					CLASS PE CAPACITY	CLASS E SEAT CAPACITY		TOTAL SEAT CAPACITY		RON SPACES	
	REGULAR CLASS A ADDs	REGULAR INTERNATIONAL A CLASS A ADDs	COUNTY-CONTROLLED CLASS A ADDs	SUPPLEMENTAL CLASS A ADDs	TOTAL CLASS A ADDs	REGULAR CLASS PE ADDs	CLASS E SEAT CAPACITY	APPROX CLASS E ADDs equiv.			Gate	Apron
Air Canada		1			1				123,370			
Alaska / Horizon ¹	15				15		521,220	10	2,080,500		4	
Allegiant	3			1	4				525,600			
American	18				18		286,160	2	2,496,600		3	2
Breeze	3				3		116,070	1	416,100		1	
Delta/WestJet	10				10		243,470	3	1,387,000		2	2
FedEx ²	0.726				0.726							
Frontier	3				3				399,996			
Southwest	17	2			19	14	870,170	8	4,577,100		5	3
Spirit	3				3		30,660	0	416,100		1	0
United ¹	17				17		113,180	2	2,125,005		4	2
UPS ³	0.603				0.603							
TOTALS:	90.329	3	0	1	94.329	14	2,180,930	26	14,547,371		20	9

Notes:

¹United and Alaska affiliate SkyWest will operate Class E Seat Capacity.

²FedEx was allocated 265 departures for PY 2026. 265/365 = 0.726 of one (1) Class A ADD.

³UPS was allocated 220 departures for PY 2026. 220/365 = 0.603 of one (1) Class A ADD.

ASSOCIATED OPERATING GROUPS - Individual Carrier Breakout											
Alaska ¹	12			12		271,560	5	1,664,400		3	
Horizon	3			3		249,660	5	416,100		1	
Delta	8			8		206,590	2	1,109,600		2	2
WestJet	2			2		36,880	1	277,400			

ATTACHMENT B
Plan Year 2026
Commuter Carrier Capacity Allocation
(Effective 1/1/26)

JOHN WAYNE AIRPORT: PLAN YEAR 2026
Commuter Carrier Passenger and RON Allocations

CARRIER	2026 PASSENGER CAPACITY	2026 RONs
	PASSENGERS ALLOCATED	RON SPACES
Skywest	141,675	1
(Delta Connection)	93,660	1
(United Express)	48,015	
Delux ¹	228,082	3
Southern Airways	5,983	1
TOTALS:	375,740	5

Note: Up to 130,000 pax at Jay's Air Center