



City of Long Beach

Working Together to Serve

Memorandum

Date: January 4, 2017

To: Patrick H. West, City Manager *PL*

From: Jess L. Romo, Director, Long Beach Airport *JLR*

For: Mayor and Members of the City Council

Subject: **Federal Inspection Services (FIS) Feasibility Study – Council District Eight Questions and Answers**

At the City Council FIS Feasibility Study Session on December 13, 2016, the City Manager was requested to provide written responses to questions submitted by Eighth District Councilman Al Austin regarding Jacobs' FIS Feasibility Study (Study). Several questions from the community were duplicates and answered in previous documents. These questions and answers, along with the Study, City Attorney opinion, prior presentations and transcripts from prior study sessions, may be found on the Long Beach Airport (LGB) website at:

http://www.lgb.org/information/fis_feasibility_study/default.asp.

Below is a summary of the questions provided by Councilman Austin and includes appropriate responses.

1. *If 6 to 8 flights a day are expected to be international, will this take away from the number of domestic flights?*

The number of daily flights at the LGB varies and the number of slots flown changes daily.

The City's Noise Ordinance determines the maximum number of flights, or slots that may be operated on a daily basis. Currently, there are 41 permanent commercial air carrier slots and 9 supplemental air carrier slots for a total of 50 daily slots. The Study reviewed historical data from 2006 to 2015, when there were only 41 slots available. The analysis showed that slot utilization (percentage of available slots actually flown) was 32.5 a day or 79 percent of the maximum allowable. Currently, the scheduled flights for early 2017 indicate a slot utilization closer to 95 percent of the 50 allowable slots.

If 100 percent of an airline's slots are being used for domestic travel every day of the week and an airline shifts a slot to international travel, then the answer is "yes," it would use capacity from a domestic route. On the other hand, if an airline is not utilizing its slot allocation at 100 percent every day (a rare occurrence), then the answer is "no," adding an international flight would not take away from domestic travel. Furthermore, even with international service, the number of domestic destinations could remain the same with only the frequency of the destination changing.

If the airlines flew eight of their allocated slots internationally and the remaining 42 slots domestically, there would still be more domestic flights out of LGB than there has been over the last ten years.

Historically, slot utilization rarely reaches 100 percent on any given day and, over the last ten years, slot utilization was 32.5 a day or 79 percent of the maximum allowable. Airlines constantly adjust their schedules and routes base on a number of factors such as season, holidays, marketability, demand, yield, and competition among other factors. If a FIS facility is built, the over-all mix of domestic and international flights will vary, and it is difficult to determine at any given point in time if international flights are pulling capacity from domestic routes. National market data does reflect that the average mix of airports handling domestic and international traffic is approximately 80 percent domestic and 20 percent international.

JetBlue believes there is a demand for international service that will strengthen its product mix and its position in the LGB market. The commitment to fund a FIS facility would help strengthen JetBlue's presence in Long Beach and make certain that JetBlue continues to offer a variety of destinations, domestic and international.

2. *Will 6 to 8 international flights a week hurt Long Beach's convention business?*

The answer is no. Domestic flights are currently at an all-time high at LGB. Even if there were to be small decreases in domestic flights based on current schedules, which is not projected as part of the Study, there still could be more domestic flights than over the last ten years. With an average of 32.5 flights a day from 2006 to 2015, Long Beach's convention business has been booming even with very limited destinations and schedule options out of LGB. Convention participants currently utilize all of the region's airports with the majority coming from LAX or SNA; that will not change with or without a FIS facility.

Even though much of international traffic is expected to be outbound tourist traffic to Mexico and Central America, there will be a sizeable amount of inbound passengers traveling here for business and tourism. International traffic will be a new opportunity to gain convention and tourist business in Long Beach.

3. *Wouldn't long-haul flights to the east coast be better for the City's convention business?*

It is speculated that long-haul flights to and from destinations like Washington, DC, will be better for conventions in Long Beach. LGB destinations will remain impacted by the City's Noise Ordinance restrictions on the number of daily flights, making it unlikely that LGB would ever be the leading regional airport for convention traffic. Frequency plays a large role in convention traffic; hence, the importance of other local airports like SNA and LAX.

The City cannot dictate to airlines their destinations and schedules. Airlines consider many factors in determining their routes, profitability being just one of them.

Another consideration is that the long-haul flights to/from the East Coast are typically the flights that are impacted by weather conditions causing late night operations.

4. *What is the economic impact of a FIS to Long Beach only, the Study analyzed the economic*

impact of the entire LA and OC region?

The Jacobs team received numerous requests from the public, Economic Development Commission and the City Council to extrapolate the economic impact of a FIS on Long Beach only. In response to those questions, Jacobs provided a separate analysis not contained in the original Study but presented to the City Council at the Study Session on December 13, 2016.

The original Study included an economic impact analysis that encompassed the entire Los Angeles/Orange County region but did not segregate the economic impact to Long Beach due to the commonly accepted standards of economic analysis software. There are only three “off-the-shelf” software tools available for economic impact analysis (IMPLAN, REMI, and RIMS). IMPLAN is regarded as the best of the three.

None of the economic software tools are able to do the more insular analysis, isolating economic impact to a local area that is part of a much larger economic region. It is important to note that generally accepted planning practices for determining economic impacts are to calculate on a regional basis, particularly in the case of inter-connected transportation facilities, such as an airport. Furthermore, such a local analysis would include a significant range of probability. The approach used by Jacobs estimates a range of economic impact on Long Beach only for the purpose of allowing the City Council to make an informed business decision.

The supplemental data that Jacobs presented to the City Council at the Study Session estimates local benefits of the proposed FIS facility in the range of \$20 to \$60 million of annual output.

To calculate the mid-point or statistical mean of the range, the following statistical methodology was applied to the results in the Study:

- Local impact values are estimated at 28 percent of direct regional impacts based on results from the 2016 tenant survey in the Study plus 3.6 percent of indirect regional impacts and 3.6 percent of induced regional impacts based on population for the City of Long Beach compared to Los Angeles and Orange Counties in 2015.
- More simply put: Local Economic Impact = 28 percent of Direct + 3.6 percent of Indirect + 3.6 percent of Induced Regional Impacts.

It is important to recognize that any endeavor in Long Beach that has a positive economic impact will have a regional impact that benefits Long Beach and the surrounding communities. That is true of all City development including Public Works projects, the Port of Long Beach and the new Civic Center. The ongoing impact of a FIS to Long Beach and the region is \$222 million annually.

5. *Why does JetBlue continually violate the Noise Ordinance with late night operations?*

JetBlue operates within the provisions of the Noise Ordinance (Long Beach Municipal Code Chapter 16.43). Per the Noise Ordinance, all air carrier operations must be scheduled to operate between the hours of 7:00 a.m. and 10:00 p.m. JetBlue complies with this requirement.

The Noise Ordinance also addresses Unanticipated Delays, which comprise the vast majority of the late night operations. The Noise Ordinance states, "Violations occurring during the period between ten p.m. and eleven p.m. which are the result of unanticipated delays beyond their reasonable control of the aircraft Owner/Operator shall be waived upon the presentation of evidence satisfactory to the Airport Manager that the delayed arrival or departure resulted from such circumstances. Delays caused by mechanical failure (but not by routine maintenance), by weather conditions or by air traffic control conditions will be considered beyond the Owner/Operator's control." All operations occurring between the hours of 10:00 p.m. and 11:00 p.m. are reviewed and evaluated for compliance with these provisions and operations that do not comply receive a noise violation.

JetBlue operations occurring after 11:00 p.m. are subject to the Alternative Enforcement provisions of the Noise Ordinance, which states "It is a misdemeanor, subject to the penalties applicable to misdemeanors, for the Owner/Operator of an aircraft to exceed any established SENEL limit without a reasonable basis for believing that the aircraft employed would comply with the applicable SENEL limit. Owner/Operators of scheduled Flights utilizing aircraft which comply with the standards of FAR Part 36 Stage 3 shall be presumed, for the purposes of this Section, to possess a reasonable basis for believing that such aircraft can be operated in compliance with applicable SENEL limits."

Under the Alternative Enforcement provisions, JetBlue operations that occur between the hours of 11:00 p.m. and 6:59 a.m. the following day are referred to the City Prosecutor's Office for appropriate action. Currently, the City Prosecutor has a Consent Decree in place to enforce these provisions in lieu of criminal prosecution. The penalties imposed by the City Prosecutor consist of a fine of \$3,000 per occurrence for the first six violations during a calendar quarter and \$6,000 for subsequent violations.

6. *Where does the money from curfew violation fines go to?*

Violation fines, officially termed, "noise surcharges," are payable to LGB. Noise surcharges are either \$100 or \$300 depending on the number of noise violations incurred by the aircraft operator.

The disposition of monies collected per Consent Decree violations is determined by the City Prosecutor. Currently, the JetBlue Consent Decree settlement specifies that monies are payable to the Long Beach Library Foundation to be distributed evenly throughout the Long Beach Public Library System for books, publications, and other learning materials, including electronic databases.

7. *Why does the LGB spend \$900,000 a year on a Noise Division to monitor JetBlue's violations?*

The Fiscal Year 2017 budget for the LGB Noise Division is \$951,346, which funds the Division's four staff, a consultant to independently verify noise data and perform analysis, the Aircraft Noise Monitoring System (ANOMS), and materials, equipment and supplies. These funds are from the Airport Enterprise Fund and do not impact the City's General Fund.

LGB's Noise Division does much more than just monitor late night activity. The key purpose of the Noise Division is to ensure LGB is adhering to the provisions of the Noise Ordinance. This includes ensuring the noise level data is accurate and correlated to the proper aircraft, the noise budgets are maintained within limits and violations are properly administered. The failure to properly manage any of these areas may bring a challenge to the Noise Ordinance.

LGB's Noise Division is responsible for ensuring LGB's compliance with California Airport Noise Standards (California Code of Regulations, Title 21, Section 5000 et seq.) and prepares noise reports each quarter for submission to the Caltrans Division of Aeronautics to monitor cumulative noise exposure in the communities. A monthly Noise Report is also prepared for presentation to the Airport Advisory Commission detailing late night activity, noise violations and noise complaints.

Noise Division staff participate at the federal level and serve on a number of panels addressing technical issues and policies related to aircraft noise exposure. These activities are sponsored by the National Academy of Science and are essential to ensure Long Beach is at the forefront of airport noise reduction efforts.

The Noise Division is also responsible for public outreach with regard to noise issues and regularly communicates with members of the aviation community to educate and encourage the use of community friendly flight procedures and also works with the surrounding residential communities to address their concerns.

8. *Will a FIS increase flight traffic even if the number of flights are within the Noise Ordinance limits?*

LGB traffic is limited by the Noise Ordinance, which specifies maximum cumulative noise levels in the communities nearest LGB. These cumulative noise levels are expressed as our Noise Budget. Cumulative noise exposure is determined based on the number of operations, the loudness of the operations and the time of day the operations occur. The FIS will not change the maximum cumulative noise exposure levels established by the Noise Ordinance.

LGB is currently operating well below the maximum permitted noise levels as the airlines and general aviation operations, on which the cumulative noise levels are based, are well below the maximum operational levels. Based on information contained in the Study and projected future operational levels provided by the airlines, flight traffic will not be significantly altered by a FIS.

Currently, the number of allowed air carrier flights are 50 inbound and 50 outbound, or in other words, LGB has 50 daily air carrier slots allowed under its Noise Ordinance. The actual number of air carrier flights occurring on any given day fluctuates depending on a number of factors. Over the last ten years, an average of 32.5 slots were utilized daily, whereas in November 2016, several days saw at least 47 flights per day, and January 2017 has several days with all 50 slots scheduled for operation. Over the long-run, it is impossible to determine if a FIS will encourage air carrier slot utilization near 100 percent of slots flown or if utilization will stabilize around the historical average of 79 percent. Regardless of slot utilization, total community noise exposure will be within the allowable limits of the Noise Ordinance.

9. *Why were the impacts of the FAA Metroplex project not taken into consideration in the Study?*

The SoCal Metroplex Project (Metroplex) is an FAA action completely independent of the FIS. The purpose of the Metroplex initiative is to optimize air traffic procedures and airspace on a regional scale. This is accomplished by developing procedures that take advantage of technological advances in navigation, such as area navigation (RNAV), while ensuring that aircraft currently not equipped to use RNAV will continue to have access to the National Airspace System.

Metroplex will alter arrival and departure paths at LGB; however, it will not change the type or number of operations because such restrictions are set forth in the Noise Ordinance. Similarly, the FIS will not alter the type or number of operations currently approved to operate at LGB. Results of the FAA's Metroplex Environmental Analysis concluded that there were no significant impacts, and the FAA issued a Finding of No Significant Impact (FONSI) and Record of Decision (ROD). All fixed wing aircraft operations arriving to and departing from LGB will be subject to Metroplex flight procedures and is not dependent on origin and destination of a flight.

10. *What are the differences between Long Beach's Noise Ordinance and John Wayne's Noise Ordinance?*

LGB is recognized as having one of the strictest noise control ordinances in the world. This is illustrated in the following figure summarizing noise control efforts based on a survey of world airports:

Noise Information Manual

Highest Ranked Airports with Noise Restrictions

The following table provides a listing of the busiest, or most utilized, airports where Gulfstream aircraft are most operated.

NOTE: The restrictions at noise sensitive airports, such as these, are numerous; however, they are subject to change, so it is recommended that operators call their destination airport prior to arrival to determine what restrictions may be in place.

United States													
Airport	Code	City	State	APU	Curfew	Run-Ups	NAP	Noise Budget	Noise Limits	Noise Charges	Emissions Charges	Quotas	Stg3/Chpt3 Restrictions
Teterboro	TEB	Teterboro	NJ										
Westchester County	HPN	White Plains	NY										
Dulles Int'l	IAD	Chantilly	DC										
McCarran Int'l	LAS	Las Vegas	NV										
Van Nuys Airport	VNY	Van Nuys	CA										
Palm Beach Int'l	PBI	West Palm Beach	FL										
Chicago-Midway	MDW	Chicago	IL										
Laurence G. Hanscom	BED	Bedford	MA										
Morristown Municipal	MMU	Morristown	NJ										
San Francisco Int'l	SFO	San Francisco	CA										
Love Field	DAL	Dallas	TX										
Long Beach	LGB	Long Beach	CA										
John Wayne	SNA	Santa Ana	CA										
Bob Hope	BUR	Burbank	CA										
Santa Monica Airport	SMO	Santa Monica	CA										
Europe													
Airport	Code	City	Country	APU	Curfew	Run-Ups	NAP	Noise Budget	Noise Limits	Noise Charges	Emissions Charges	Quotas	Stg3/Chpt3 Restrictions
Luton	LTN	Luton	UK										
Le Bourget	LBG	Paris	France										
Geneva-Cointrin	GVA	Geneva	Switzerland										
Barajas-Madrid	MAD	Madrid	Spain										
Cote D'Azur	NCE	Nice	France										
Sheremetyevo	SVO	Moscow	Russian Fed.										
Shannon	SNN	County Clare	Ireland										
Stansted Airport Ltd	STN	London	UK										
Farnborough	FAB	Hampshire	UK										
Zurich Airport	ZRH	Zurich	Switzerland										

NAP = Noise Abatement Procedures  = Restrictions Exist

Source: Gulfstream Aerospace Corporation, Noise Information Manual, Revision 13, October 31, 2013.

The LGB Noise Ordinance, reflects consensus, derived through an extensive litigation history, between the City of Long Beach, FAA, and various aviation stakeholders on the nature and extent of aircraft operations and noise occurring at LGB. The LGB Noise Ordinance is grandfathered under the Airport Noise and Capacity Act of 1990 and, for over 20 years, the Ordinance has balanced the development of facilities and the growth of operational capacity with the legitimate environmental concerns of the surrounding communities.

Like the LGB Noise Ordinance, the John Wayne Airport Access Plan is grandfathered under the Airport Noise and Capacity Act of 1990 and is also recognized as one of the most restrictive airport noise control regulations in the world. Key differences between the LGB Noise Ordinance and the John Wayne Airport Access Plan are shown below. Two of the most significant differences are the number of commercial operations and the hours of operation. For example, Long Beach currently restricts operations to 50 air carrier operations per day. John Wayne Airport allows a total of 103 operations per day. Both airports impose curfews on

commercial aircraft operations. LGB specifies that operations must be scheduled between the hours of 7:00 a.m. and 10:00 p.m. John Wayne specifies that operations must be conducted between the hours of 7:00 a.m. and 11:00 p.m. for arrivals and 7:00 a.m. and 10:00 p.m. for departures.

Both airports impose significant penalties for operations outside of these hours. The John Wayne Airport Access Plan imposes penalties of \$2,500 for the first five violations, \$3,500 for the next five violations, and not less than \$5,000, or more than \$10,000, for each violation after ten violations. The LGB Noise Ordinance is much more lenient with regard to the first series of violations, imposing monetary fines of \$100 and \$300; however, the Alternative Enforcement provisions of the Noise Ordinance are as stringent as the John Wayne Airport Access Plan. For example, penalties imposed by the City Prosecutor as part of the JetBlue Consent Decree consist of a fine of \$3,000 per occurrence for the first six violations during a calendar quarter and \$6,000 for subsequent violations. Other operators have received fines of \$4,500 per occurrence. Fines of this amount have served to effectively curtail operations.

Topical Area	Long Beach Airport	John Wayne Airport
Number of Commercial Flights	Must provide a minimum of 41 Air Carrier and 25 Commuter flight slots. Additional flight slots must be made available up to the noise budget limits. Currently there are 50 Air Carrier flight slots and 25 Commuter flight slots.	Total Average Daily Departures (ADDs) are currently limited to 85 Class A ADDs for passenger service and 4 Class A ADDs for all-cargo service (for a total of 89 Class A ADDs). In addition, there are currently 14 permanent Class E ADDs. This limit will increase to 95 Class A ADDs for commercial passenger service and 4 Class A ADDs for all-cargo service (for a total of 99 Class A ADDs), January 1, 2021, through December 31, 2030. Additional Class E flights are allocated based on whether there is additional seat capacity available for allocation.
Number of Passengers	Unrestricted	10.8 Million Annual Passengers (MAP) through Dec 31, 2020; 11.8 MAP through Dec. 31, 2025, and 12.2 or 12.5 MAP through December 31, 2030, depending on prior annual capacity utilization.
Time of Day		
Commercial	Must be scheduled between the hours of 7:00 a.m. and 10:00 p.m. Unanticipated Delay provisions shall allow the Airport Director to waive violations occurring between 10:00 p.m. and 11:00 p.m. if the delay is due to circumstances beyond the reasonable control of the operator. Examples include emergencies, aircraft mechanical issues, weather or air traffic control conditions.	Must operate as follows: Departures – 7:00 a.m. – 10:00 p.m. (Monday-Saturday) and 8:00 a.m. – 10:00 p.m. (Sunday) Arrivals – 7:00 a.m. – 11:00 p.m. (Monday-Saturday) and 8:00 a.m. – 11:00 p.m. (Sunday) A departure/arrival outside permitted operations hours may be approved if flight delayed by not more than one-half hour by emergency, mechanical, air traffic control, or weather delays substantially beyond the control of the operator and based on the Director’s discretionary approval subject to certain specified conditions.

Time of Day		
General Aviation	Unrestricted providing the following SENEL limits are met at the nearest monitor: (7:00 a.m. -10:00 p.m.) – 102.5 dBA Departure and 101.5 Arrival 10:00 p.m. – 11:00 p.m. – 90.0 dBA 6:00 a.m. – 7:00 a.m. – 90.0 dBA	Unrestricted providing the following SENEL limits are met at the nearest monitor: 7:00 a.m. – 10:00 p.m. – 102.5 dBA Departure and Arrival. 10:00 p.m. – 7:00 a.m. 87.5 dBA
Penalties		
Commercial	Penalty applicable to individual operations based on SENEL.	Penalty applicable to energy averaged SENEL during Noise Compliance Period (Calendar Quarter) and violations of the permitted operations hours (as well as other penalties for related capacity violations including minimum usage provisions).
	1st Violation – Notice 2nd Violation – Notice with request to provide written response regarding corrective action taken. 3rd Violation - \$100 surcharge 4th and Subsequent Violations - \$300 surcharge Alternative Enforcement – Referral to City Prosecutor for potential criminal prosecution.	Immediate disqualification of aircraft type from further service. May also be subject to an administrative penalty in an amount not to exceed \$500,000. Penalty for operating outside permitted commercial operations hours: \$2,500 for first five violations, \$3,500 for next five violations, and not less than \$5,000 or more than \$10,000 for each violation after ten violations.
General Aviation	Same as above	Three (3) or more violations will result in denial of use of the airport for a period of three years.

11. Why don't we modify the Noise Ordinance to make it more like John Wayne Airport's?

Trying to change the Noise Ordinance would provide the opportunity to challenge it and possibly result in the loss of its grandfathered status. If LGB were more like SNA, we would have much more noise overall. For example, John Wayne Airport currently has 103 daily commercial flights. The current maximum number of daily commercial flights at LGB is 50.

12. Will increasing the capacity of LGB with a FIS facility and new aircraft parking positions potentially open new legal challenges to the City's Noise Ordinance?

Potential legal challenges to the Noise Ordinance were addressed in a memorandum entitled City Attorney's Opinion Regarding Federal Inspection Station (FIS) dated October 4, 2016, and addressed to the Mayor and City Council. The opinion was developed in consultation with Ms. Lori D. Ballance, Esq., of Gatzke, Dillon & Ballance, LLP. Ms. Ballance is an attorney specializing in airport environmental and access law. The conclusion of the City Attorney is that, "the City's consideration of FIS facility improvements would not jeopardize the exempt and grandfathered ANCA status of the Noise Ordinance. However, if the Noise Ordinance is invalidated at some time in the future, the essential terms and existing regulatory conditions at LGB would continue. Any relaxation of the current restrictions would, with certain limited exceptions, require action by the City, including full compliance with

CEQA, and any planning or policy decisions by the City in the future would be required to take into account the unique history and unique operational characteristics at the Airport, as well as the residential and other sensitive land uses that are affected by Airport operations.”

13. Is there a risk that the federal government will interfere with the City's operation of LGB if a Federal Customs Facility is built?

The federal government's involvement with the City's operation of LGB will not change if a FIS facility is built. It will only add another agency, Customs and Border Protection (CBP), which will be responsible for the clearance of inbound cargo and passengers originating from foreign locations. It will have no other impact on operations, domestic or otherwise.

Federal agencies that are currently involved in certain operational aspects of a commercial airport like LGB include the Department of Transportation (DOT) via the Federal Aviation Administration (FAA), which sets minimum operating standards, provides funding and regulates traffic control among other things; the Department of Homeland Security (DHS) via the Transportation Security Administration (TSA), which regulates the security of the traveling public in the United States; and, the National Transportation Safety Board (NTSB), which is responsible for investigating public transportation accidents (including civil aviation) in the United States.

14. Are the Parking Lot B and new concourse projects fully paid for?

LGB has \$110 million in outstanding debt related to Lot B and the concourse projects. Annual debt service is \$9.2 million, \$3.6 million of which is backed by Passenger Facility Charges (PFCs).

LGB has also pledged to maintain a debt service coverage ratio of 1.75x and 365 days cash on hand. LGB currently meets that debt service coverage ratio and is in a strong financial position. These pledges assist LGB in maintaining its A3/Stable Outlook credit rating.

15. Where would a FIS facility be located?

Location of a FIS facility has not been determined; however, the Study evaluated three potential locations: one north of the historic terminal building and two south of the historic terminal building. Should the City Council decide to move forward, it is anticipated that a single building will be constructed adjacent to the new passenger concourse, with the final location being determined during the design process.

16. Would a new taxiway or other improvements be necessary to have a FIS?

The current taxiway system and future taxiway configuration contemplated in the Airfield Geometry Study (approved by the City Council) are sufficient to support the potential FIS facility and no new taxiways would be necessary. Option 1, as indicated in the Study, for a proposed FIS facility north of the historic terminal building would require the construction of two new aircraft parking positions and the decommissioning of one existing aircraft parking position for a total of 12 aircraft parking positions.

17. Is the Study incomplete in terms of an EIR, CEQA and NEPA?

A Feasibility Study is statutorily exempt per the California Environmental Quality Act (CEQA). Specifically, Section 15262, Feasibility and Planning Studies, of the State CEQA Guidelines states the following:

A project involving only feasibility or planning studies for possible future actions which the agency, board, or commission has not approved, adopted, or funded does not require the preparation of an EIR or Negative Declaration but does require consideration of environmental factors. This section does not apply to the adoption of a plan that will have a legally binding effect on later activities.

Therefore, as a Feasibility Study, the purpose of this evaluation is not to provide the City with a CEQA document; rather it is intended to give the City an understanding of the types of technical studies and environmental compliance documents that may be required should it decide to move forward with the subsequent project-level evaluation of the FIS facility. To aid in the evaluation, the questions from the CEQA Environmental Checklist from Appendix G of the CEQA Guidelines (California Code of Regulations, Title 14, Chapter 3, Sections 15000, et seq.) are used as a baseline to assess potential environmental effects of the FIS facility.

Results of the Environmental Compliance Assessment, including evaluation of the previous FEIR 37-03, CEQA, and NEPA are contained in Appendix B of the Study.

The preliminary evaluation of a FIS facility does not identify any significant impacts that were not previously addressed in FEIR 37-03. This analysis has been conducted without the benefit of detailed concept plans, which would be required prior to making a complete CEQA determination. However, based on the preliminary assessment, it would appear the FIS facility would be consistent with the Terminal Area Improvements Project evaluated in FEIR 37-03.

Once conceptual plans (with net square footage) are available, it is possible that size of the FIS facility would be consistent with the April 2007 City Council direction pertaining to the size of the terminal area improvements and number of aircraft parking positions. Therefore, should the City Council elect to do so, if it is determined that FIS facility fits within the parameters of the 102,850 square feet addressed in the FEIR, it could be implemented without further documentation because the type of facilities proposed for the FIS facility are generally consistent with the project description in FEIR 37-03.

CEQA is required to address environmental impacts of proposed actions. The environmental impacts associated with the construction of the FIS facility would not be substantially different from the impacts associated with the construction of the terminal facilities to accommodate domestic flights.

If the City Council recommends further consideration of the FIS, the determination of the appropriate CEQA document would be made at the time a detailed concept plan is available. The City would also coordinate with CBP and the FAA regarding the appropriate NEPA documentation.

18. Why did the Study not consider the impacts of pollution, noise and traffic congestion that a FIS would bring?

The Study first analyzed the market demand for international flights to/from Long Beach, and a simulated flight schedule was developed. The simulated flight schedule produced a maximum daily commercial flight activity of 50 air carrier flights and 3 commuter flights. This level of activity is below the “Optimized Flight Scenario” that was evaluated as part of FEIR 37-03 for the Terminal Area Improvements Project, certified June 20, 2006 by the City Council. The Optimized Flight Scenario within FEIR 37-03 contemplated a maximum daily commercial flight activity of 52 air carrier flights and 25 commuter flights.

FEIR 37-03 evaluated numerous environmental factors, including the potential pollution, noise and traffic impacts associated with this level of flight activity and supporting infrastructure and concluded that there would be no significant long-term environmental impacts, including impacts resulting from pollution, noise and traffic congestion, associated with this level of operational activity.

The operational activity associated with the FIS would be in conformance with the operational activity evaluated in FEIR 37-03.

Given that the fleet mix operating at LGB would not be expected to change as a result of the introduction of international flights, the air quality, noise, and traffic impacts associated with the FIS would be substantially consistent with the impacts evaluated in FEIR 37-03.

An Environmental Compliance Assessment, which details each of the environmental components required by CEQA, is included as a component of the FIS Feasibility Study.

19. Would a FIS increase the risk of terrorism?

As reviewed in the Study, the introduction of international flights and construction of a FIS facility does not negatively impact the risks to LGB and the Long Beach community compared with current risks from other Ports of Entry in the area. Additionally, a FIS facility would be staffed with armed officers, providing more security than what currently exists. The complete elimination of risk is seldom possible; however, LGB currently commits significant resources to provide a reasonable level of protection for the public. Regardless of the presence of international service, risks to LGB will continue to be managed with a robust security operation.

20. Will LGB need bomb sniffing dogs if there are international flights?

LGB currently has an explosive detection canine team.

21. How many international flights will take place in the evening?

The tables below are for illustrative purposes only. All FIS clearance activity would be subject to operating limitations of the LGB Noise Ordinance and also subject to approval by CBP.

The simulated flight schedule developed as part of the Study included three international arrivals between the hours of 5:30 p.m. and 8:15 p.m. and one international departure at 5:30 p.m.

Probable International Arrivals			
Airline	Equipment	Origin	Arrival
JetBlue	A320	GDL	0835
JetBlue	A320	LIR	1340
JetBlue	A320	XXX	1430
JetBlue	A320	PVR	1500
JetBlue	A320	MEX	1645
JetBlue	A320	XXX	1730
JetBlue	A320	SJD	1940
JetBlue	A320	CUN	2015

Probable International Departures			
Airline	Equipment	Destination	Departure
JetBlue	A320	PVR	0805
JetBlue	A320	MEX	0805
JetBlue	A320	CUN	0920
JetBlue	A320	XXX	0945
JetBlue	A320	SJD	1425
JetBlue	A320	XXX	1520
JetBlue	A320	LIR	1545
JetBlue	A320	GDL	1730

22. What are the requirements to obtain Port of Entry designation?

The following are considered the minimum criteria for establishing a Port of Entry. The requesting community must:

- Prepare a report that shows how the benefits to be derived justify the Federal Government expense;
- Be serviced by at least one major mode of transportation;
- Have a minimum population of 300,000 within the immediate service area (approximately a 70-mile radius); and,

- The actual workload in the area must be one or a combination of the following:
 - 15,000 international air passengers (airport), 2,000 scheduled international arrivals (airport);
 - 2,500 consumption entries (each valued over \$2,000), with no more than half being attributed to any one party (airport, seaport, land border port);
 - 350 vessels (seaport)
 - 150,000 vehicles (land border port).

23. Why did the Study not do a risk analysis of doing and not doing a FIS?

The Study examined all areas of risk to determine whether it is feasible to move forward with the development of a FIS facility and allow the arrival of international flights. The Study focused on six components: Market Analysis, Environmental Compliance, Economic Impact, Facility Location Alternatives, Financial Viability and Security Risk. Each component was evaluated for risk, benefit, cost, and practicality. Additionally, the City Attorney conducted an analysis of the potential risks to the City's Noise Ordinance if there were to be international service at LGB.

24. Why is the City in a rush to make a decision of a FIS project?

The City is not in a rush to make a decision of a FIS project. In fact, the City has been thoughtful, measured and transparent in its approach to this project. Should the City Council vote on a FIS project on January 24, 2017, it will be almost two years from the time JetBlue made a formal request for the City to explore the feasibility of allowing international flights into LGB. City Council has directed City staff to hold community forums, post online reports/data/ presentations, receive public input, answer questions and conduct study sessions on the proposed project. Below is a timeline of the process highlighting key dates:

- February 23, 2015 - JetBlue formally requested LGB and the City to begin the process to establish customs facilities at LGB;
- March 3, 2015 - City Council took action to stay any work on the matter until after elections and District 4 Council was seated;
- July 7, 2015 - City Council took action authorizing a FIS Feasibility Study;
- August 26, 2015 - a Request for Qualifications to Conduct a Feasibility Study for a FIS facility at LGB was issued by the Purchasing Division of the Financial Management Department;
- March 7, 2016 - the City executed an agreement with Jacobs;
- March 30, 2016 - the first community meeting was held to present the Jacobs team, answer questions about the scope of the Study and receive public input;

- April 20, 2016 - the second community meeting was held;
- August 9, 2016 – City Council took action to ensure the Feasibility Study was posted on relevant City websites at least 15 days before scheduling any Council item to discuss the Study; and further provide sufficient time before the scheduled City Council meeting to conduct a Fourth District Council community meeting for the purpose of receiving public input on the Study;
- October 4, 2016 - the Feasibility Study was posted for public viewing;
- October 4, 2016 - the City Attorney’s legal assessment was posted for public viewing;
- October 11, 2016 - City Council took action to amend the City’s agreement with Jacobs to extend the terms and increase the authority to provide additional public outreach;
- October 20, 2016 - the Feasibility Study was presented in a Study Session to the Airport Advisory Commission;
- October 25, 2016 - the Feasibility Study was presented in a Study Session to the Economic Development Commission;
- December 13, 2016 - the Feasibility Study was presented in a Study Session to the City Council
- January 24, 2017 – City Council decision on whether or not to move forward with a FIS is tentatively scheduled.

25. Isn't Southwest currently using some of JetBlue's underutilized slots? So wouldn't some domestic flights have to be cut, either by JetBlue or by Southwest?

Southwest has requested to use any available slots and has added operations in recent months making use of some of JetBlue’s unused slots. JetBlue has increased its flights and destinations making fewer slots available. The recent actions of JetBlue and Southwest have pushed slot utilization close to 100 percent on some days with all 50 slots scheduled on certain days in January 2017.

With this high level of utilization, introducing international service would use existing capacity of domestic routes. This modeling reflects a point in time, and history has demonstrated that slot utilization fluctuates and cannot be predicted over the long run. When the Study was conducted, historical data from the last ten years indicated additional capacity with a normalized slot utilization pattern. The data reflected a utilization of 79 percent or about 32.5 flights per day of the 41 allowable at that time. Please refer to question and answer # 1 for a more detailed analysis.

26. *Is the 30 percent visitor rate that is used to calculate some of the economic impact based on looking at these actual potential destinations, or is it just some national standard or average for international flights that is used as an assumption for this Study?*

The estimated 30 percent of annual international passengers as visitors originating outside the U.S. is a conservative estimate determined through an evaluation of the Point of Origin data for the most probable destinations identified by the Market Analysis. The evaluation considered factors such as characteristics in the market mix, airline input, and historic data of like markets.

27. *In the November 2013 memo from then-Airport Director Mario Rodriguez, it stated that “Future revenues from a FIS will only serve to mitigate the cost of the facility and will not further enhance the Airport’s financial position.” Would you agree with that conclusion?*

The conclusion drawn in the November 2013 memo and attached report may have been accurate at the time. Analyses of airport operations are based on available historical data.

Historical data to that point indicated no greater than 79 percent slot utilization at 41 allocated slots. The report states, “While additional information from JetBlue on its international plans and slot utilization strategies would be useful to further refine out analyses . . .”, and was a quick study based on internally available data (historical slot utilization and 41 slots) that did not consider JetBlue’s international plans or slot utilization strategies. The data indicated that enplanements and slot utilization would remain flat.

Airport operations have changed significantly since 2013. Based on currently available historical data, enplanements and slot utilization have increased and are likely to continue. Additionally, today’s snapshot of airport operations includes nine supplemental slots and the associated revenue.

The data available today leads to a different conclusion that revenues from a FIS facility will enhance LGB’s financial position.

28. *That memo also stated that “Any other benefit, such as marketability, is negated by the fact that all flight slots are currently assigned.” Do you agree with that assessment?*

Slots are regulated by the Noise Ordinance. The ability to fly to international destinations creates more options for incumbent air carriers by providing an opportunity to diversify routes. A diverse route structure is good for both air carriers and LGB. From this perspective, LGB is more marketable to passengers. The more choices a consumer has at a fair and reasonable cost, the better for passengers and air carriers alike.

29. *How will the construction and operation of a FIS be funded? Will the City be at financial risk if the facility is not completed or if JetBlue ceases operations in Long Beach?*

City funding has yet been determined, the Study considered a \$3 million contribution to the project that would come from future LGB PFCs. Should the City receive authorization from the City Council to proceed, the exact amount of City contribution would be negotiated and staff would return to the Council for a vote. As is standard practice for all construction projects

at LGB, payment and performance bonds will be required prior to the start of construction to ensure completion of the facility.

The potential FIS facility will not be for the exclusive use of JetBlue. Any other air carrier or general aviation operator may utilize the facility within the hours of operation established in the Memorandum of Understanding (MOU) between the City and CBP. In the event the FIS facility were not utilized in the future, CBP would redeploy their resources elsewhere and the FIS facility would be repurposed. The initial design of the FIS facility can be accomplished with an eye towards adaptive re-use to mitigate down time associated with repurposing the facility.

30. The Study describes a User Fee Customs Facility as only being staffed during certain hours when there are scheduled arrivals of international flights, is that correct?

Yes. The hours of operation of the FIS facility will be established in the MOU between the City and CBP.

31. Does the City and LGB, as the entity responsible for making the payment for the Customs officials, have any say in what hours the Customs facilities are available? Especially in regards to late night flights?

Yes. The hours of operation of the FIS facility will be established in the MOU between the City and CBP. The basis for the hours of operation within the MOU will come from the proposed flight schedules of airlines requesting to use the facility and within the confines of the Noise Ordinance.

32. How would this facility accommodate the General Aviation flights that need customs clearance? Would they also be parking in the commercial parking positions, and go access the FIS facility from there?

General Aviation flights requiring customs clearance will be required to call ahead to confirm hours of operation and the availability of CBP Officers. It is anticipated that arriving international general aviation flights will park in the commercial parking positions for inspection and clearance prior to repositioning to one of LGB's Fixed Base Operators (FBO). The Study estimated that approximately two flights per week of General Aviation use would utilize the FIS.

If you have any questions or require additional information, please contact me at (562) 570-2605.

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