



long beach
airport

where the going is easy®

Date: September 18, 2020
To: Thomas B. Modica, City Manager *T.M.*
From: Cynthia Guidry, Director, Long Beach Airport *C.G.*
For: Mayor and Members of the City Council
Subject: Extension of Flight Slot Utilization Requirements Moratorium

In response to the outbreak of the COVID-19 virus (COVID-19), and immediate air travel restrictions, the Long Beach Airport (Airport) notified our airline partners on March 16, 2020, that effective March 1, 2020, the Airport would temporarily suspend the minimum flight slot utilization requirements for Air Carriers through May 31, 2020 (“Moratorium”). The COVID-19 pandemic continued to have significant negative impacts on the aviation industry and, in response, on April 29, 2020, the Airport extended the Moratorium on flight slot utilization requirements to October 24, 2020. As recently as August 2020, our airline partners as a group have only been able to operate and utilize approximately 30 percent of the available 53 Air Carrier flight slots. In addition, average load factors (percent of aircraft seats filled) was approximately 33 percent, which is far below load factors that are profitable to operate.

The demand for air travel continues to be at an all-time low nationwide. Because of the continued impacts of COVID-19, Airport staff does not believe that it would be appropriate for our airline partners or beneficial for the Airport to require the airlines to operate at a capacity that would meet the minimum flight slot utilization requirements outlined in City Council Resolution No. RES-18-0176 (Allocation Resolution). It is entirely possible that the Air Carriers would have to operate empty aircraft after the current October 24, 2020 Moratorium end date, just to meet the minimum flight slot utilization requirements. Section 2(l) of the Allocation Resolution permits the Airport Director to authorize a “waiver” from the minimum utilization requirements. In response to the continued low demand for air travel and very low load factors on the flights that are operating, the Airport Director will be extending the current Moratorium until January 1, 2021. The Airport will continue to monitor this situation both locally and nationally and will report back to the City Council regarding any potential need to further extend the Moratorium period.

Long Beach Airport Extension of Flight Slot Utilization Requirements Moratorium
September 18, 2020
Page 2

With the recent reallocation of 17 flight slots to Southwest Airlines, staff is confident that demand for air travel services will return. Until that time, it is in the Airport's best financial interest to work with our airline partners to provide the needed flexibility for them to best manage their operations. The airlines are eager to serve our passengers and community once again and will aggressively add service as soon as air travel demand improves.

Should you have any questions, please contact me at (562) 570-2605.

CG:RR:RM:KM

CC: CHARLES PARKIN, CITY ATTORNEY
LAURA L. DOUD, CITY AUDITOR
DOUGLAS HAUBERT, CITY PROSECUTOR
LINDA TATUM, ASSISTANT CITY MANAGER
KEVIN J. JACKSON, DEPUTY CITY MANAGER
TERESA CHANDLER, DEPUTY CITY MANAGER
REBECCA GUZMAN GARNER, ADMINISTRATIVE DEPUTY CITY MANAGER
DEPARTMENT HEADS