On December 15, 2021, Delta Air Lines (Delta) informed Long Beach Airport (Airport) that Delta would be relinquishing three Supplemental Air Carrier flight slots. On January 14, 2022, the Airport provided correspondence to the established Supplemental Air Carrier Flight Slot Waiting List (Waiting List) of the availability of the relinquished flight slots to incumbent and new entrant air carriers. Pursuant to the protocol outlined in Section 4 of the City Council Resolution No. RES-18-0176 (Allocation Resolution), the Airport is required to reallocate available flight slots within 30 days to interested air carriers. Therefore, the air carriers on the Waiting List had until February 1, 2022, to submit written requests to the Airport Director. Prior to awarding the three Supplemental Air Carrier Flight Slots, the Waiting List contained four air carriers in the following order:

1. Hawaiian Airlines
2. Southwest Airlines
3. American Airlines
4. Swoop

Two of the three incumbent air carriers on the Waiting List, Southwest and American Airlines, submitted requests for additional flight slots. Southwest Airlines requested all three available flight slots, while American Airlines requested one slot. A potential new entrant, Swoop, requested one flight slot.

Pursuant to the Allocation Resolution protocol, the flights slots were awarded sequentially in increments of one, to each of the air carriers on the Waiting List, and restarting the same list until the air carriers had their specific requests fulfilled or until all three flight slots had been awarded. Based on the Waiting List order, Southwest Airlines was awarded one flight slot and American Airlines was awarded one flight slot. Swoop was awarded one flight slot but declined it, so the flight slot was then awarded to Southwest Airlines.
The Allocation Resolution awards a new entrant two flight slots, if available. If only one flight slot is available, the new entrant is placed at the top of the waiting list until the new entrant can be offered a second slot. Based on this protocol, the Waiting List is now as follows after the flight slots were awarded:

1. Swoop
2. American Airlines
3. Hawaiian Airlines
4. Southwest Airlines

Although Swoop declined the first flight slot, it is still entitled to priority on a second slot pursuant to the Allocation Resolution procedures.

The table below lists the air carriers, and the number and type of flight slots that each air carrier has been allocated, following the reallocation of the three Supplemental Air Carrier flight slots.

<table>
<thead>
<tr>
<th>Air Carrier</th>
<th>Permanent Flight Slots</th>
<th>Supplemental Flight Slots</th>
<th>Total Flight Slots</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Airlines</td>
<td>3</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Delta Air Lines</td>
<td>9</td>
<td>0</td>
<td>9</td>
</tr>
<tr>
<td>Hawaiian Airlines</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Southwest Airlines</td>
<td>26</td>
<td>11</td>
<td>37</td>
</tr>
<tr>
<td>UPS</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>41</strong></td>
<td><strong>12</strong></td>
<td><strong>53</strong></td>
</tr>
</tbody>
</table>

Potential new entrant, Swoop, is a Canadian ultra-low-cost air carrier specializing in direct flights to leisure markets utilizing Boeing 737-800 series aircrafts. In the case of Long Beach, Swoop’s business model utilizes Canadian airports with United States (U.S.) Preclearance (Preclearance) programs that clear passengers through U.S. Customs Border and Protection (CBP) inspections, which occur prior to the departure of aircraft.

Preclearance, a well-established program that began in the 1950’s between the U.S. and Canada, is a bilateral agreement with participating countries stationing U.S. CBP personnel at designated foreign airports to inspect travelers prior to boarding U.S.-bound flights. Preclearance passengers require no further CBP or Transportation Security Administration (TSA) inspection upon U.S. arrival and can proceed directly to their connecting flight or local destination. Passengers returning to their originating
country will clear customs upon their arrival at the foreign airport. Air carriers using this model can access less expensive U.S. domestic airports and establish new air service to desirable U.S. destinations. Preclearance information is available at cbp.gov/travel/preclearance.

Swoop’s use of U.S. CBP Preclearance at Canadian airports provides travelers an enhanced passenger experience by completing and clearing customs prior to boarding U.S.-bound flights. The proposed U.S. destination at the Airport does not require any additional facilities or infrastructure improvements to accommodate CBP Preclearance operations, since passengers are cleared prior to arrival. As with all flights out of the Airport, departing passengers bound for Canada would clear TSA screening prior to boarding their aircraft. Upon arrival in Canada, travelers would proceed through Canadian inspection.

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

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