



*Los Angeles
World Airports*

**2010
AVIATION ACTIVITY ANALYSIS
REPORT**

JULY 2011

**AVIATION ACTIVITY ANALYSIS
LAX PLAN COMPLIANCE REVIEW
June 2011**

Purpose of This Study

Per Section 7 Subsection G, Monitoring and Reporting, of the Los Angeles International Airport Specific Plan, Los Angeles World Airports (LAWA) is required to prepare and submit an annual Aviation Activity Analysis Report to the Board of Airport Commissioners, the Department of City Planning, Los Angeles Department of Transportation, and the City Council. This report is to include an "analysis that identifies the current number of passengers, volume of air cargo and aircraft operations at LAX". The report is also to compile aviation activity statistics for other airports in the Los Angeles region and the proportion of regional aviation activity served at each of these airports for monitoring and reporting purposes.

The following is an updated version of the fifth Aviation Activity Analysis to be completed and submitted since the Los Angeles City Council's approval of the LAX Plan and Mitigation Monitoring and Reporting Program in December 2004.

Summary and Conclusions

An analysis of LAX and regional air traffic activity for January through December 2010 led to the following conclusions:

- Passenger volume at LAX totaled 59 Million Annual Passengers (MAP) in 2010, a 4.51% increase compared to the previous year.
- Cargo volume at LAX increased 15.8% in 2010 compared to 2009 to approximately 1.93 Million Annual Tons.
- Commercial aircraft operations (landings and takeoffs) at LAX increased about 3.5% in 2010 to 540,211 from 521,943 operations in 2009. Commercial operations have declined 28% from the level of 748,077 observed in 2001.

LAX Air Traffic Activity

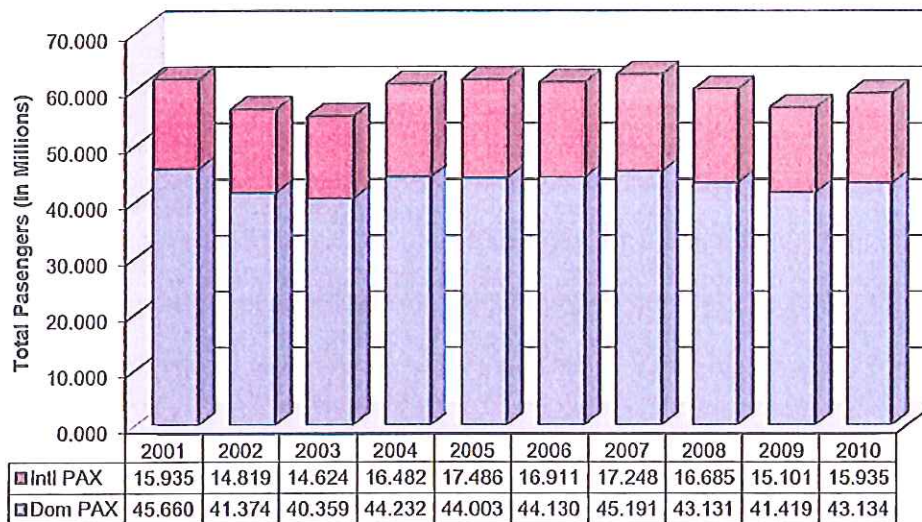
LAWA reports air traffic activity on a monthly basis throughout the year. Reports are generally available within 30 days of the end of the reporting month and are posted each month on the LAWA web site (www.lawa.org). This information is a consolidation of the individual airline reports submitted to LAWA each month as required by LAWA's airline operating agreements. These reports were used as the source of data for the following analysis.

The attached December 2010 reports titled "Traffic Comparison Report (TCOM)" and "Volume of Air Traffic (VOAT)" provides passenger, cargo and aircraft operations activity statistics for Los Angeles International Airport for the Calendar Year 2010.

LAX Passenger Volume

As shown in the attached reports, passenger volume totaled 59 Million Annual Passengers (MAP) in 2010, a 4.5% increase compared to the previous year. LAX passenger volume reached its peak in 2000 at 67.3 MAP. The terrorist attacks of September 11, 2001 greatly impacted the air travel industry over the last decade. Since then, high fuel prices and poor economic conditions worldwide have limited growth. However, in the last quarter of 2010, most airlines saw a profit as a result of a changed aviation business model that included consolidated airlines, more efficient routes, and new sources of income from new passenger fees. Thus, LAX passenger levels were only 2.5 MAP below 2001 levels. LAX passenger traffic would still need to increase by approximately 12% to reach the previous peak passenger level of 67.3 MAP.

Figure 1
LAX Annual Passengers in Millions
2001-2010



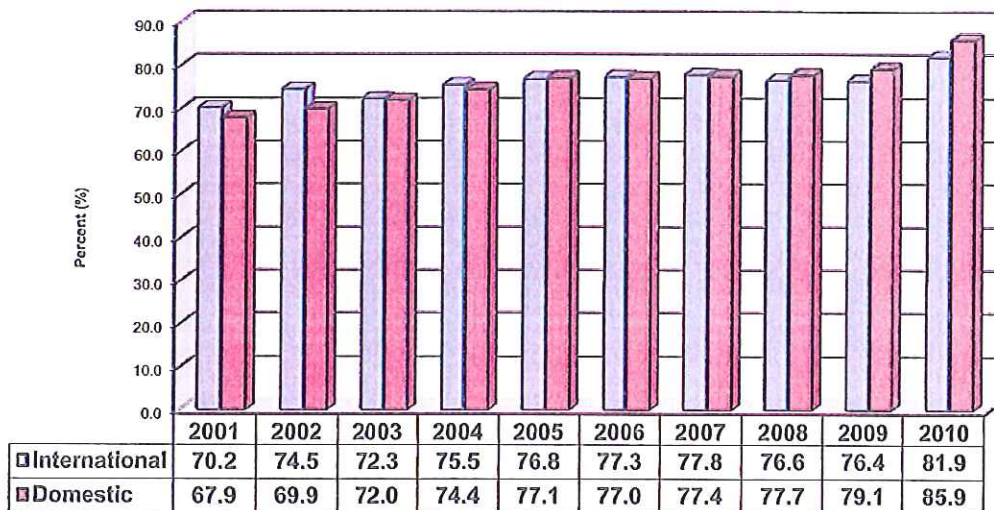
Data Source: RAMS

In 2010, international passengers increased by 5.53% compared to 2009 to 15.9 MAP. The percentage share of international passengers has increased slightly over the last 10 years from about 26% in 2001 to 27% in 2010.

A number of national and regional factors have impacted growth at LAX. Extreme fuel price increases and the poor global economic environment continued in 2010 and impacted the cost of operating flights. Airlines continued to reduce both the number of flights to existing markets and the number of markets they served. These factors increased load factors, reduced operating costs and increased the productivity of route systems. On the passenger side, ticket prices increased, the number of discounted seats available was reduced, and the airlines added fees for previously free services. All of these changes made travel less affordable and reduced the overall demand for air travel.

Load factors (the percentage of seats filled per aircraft) have risen significantly at LAX over the last decade. Figure 2 - "LAX Load Factors 2001-2010," below shows the change in load factors at LAX since 2001. Load factors reached a high, averaging of 84.17 in 2010. To the extent that existing seats are fully utilized, future passenger growth will be limited without expansion of service.

Figure 2
LAX Load Factors
2001-2010

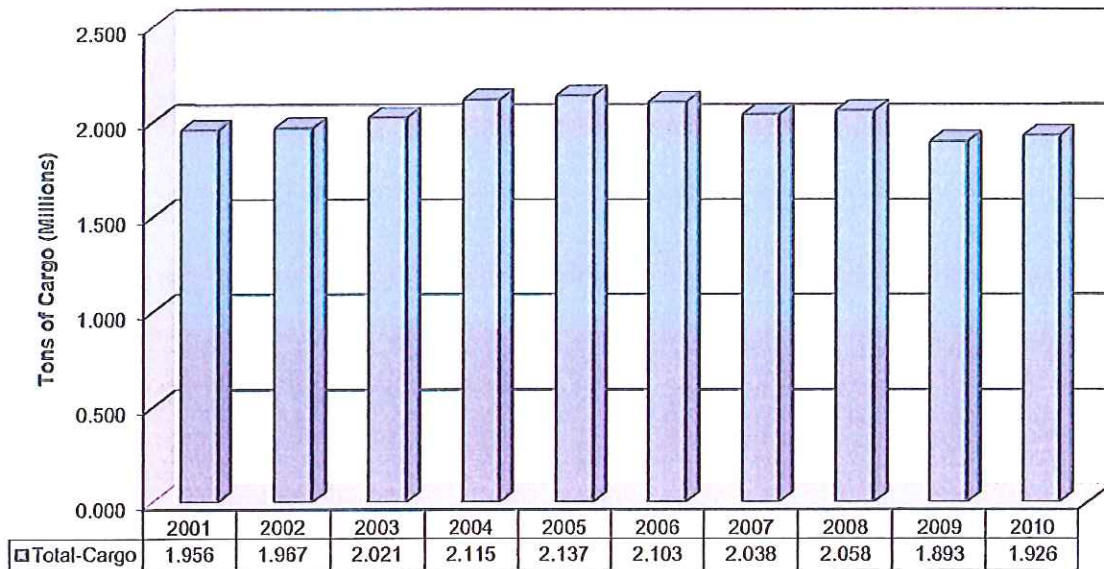


Data Source: U.S. DOT T100 Segment Data

LAX Cargo Volume

As shown on the attached TCOM and VOAT reports, total cargo volume in Calendar Year 2010 decreased 15.7% to 1.9 Million Annual Tons compared to 2009. Figure 3 – “LAX Annual Cargo Tonnage 2001-2010” shows historical cargo volumes for LAX between 2001 and 2010. About 45% of cargo at LAX was international in 2010.

Figure 3
LAX Annual Cargo Tonnage
2001-2010



Data Source: RAMS

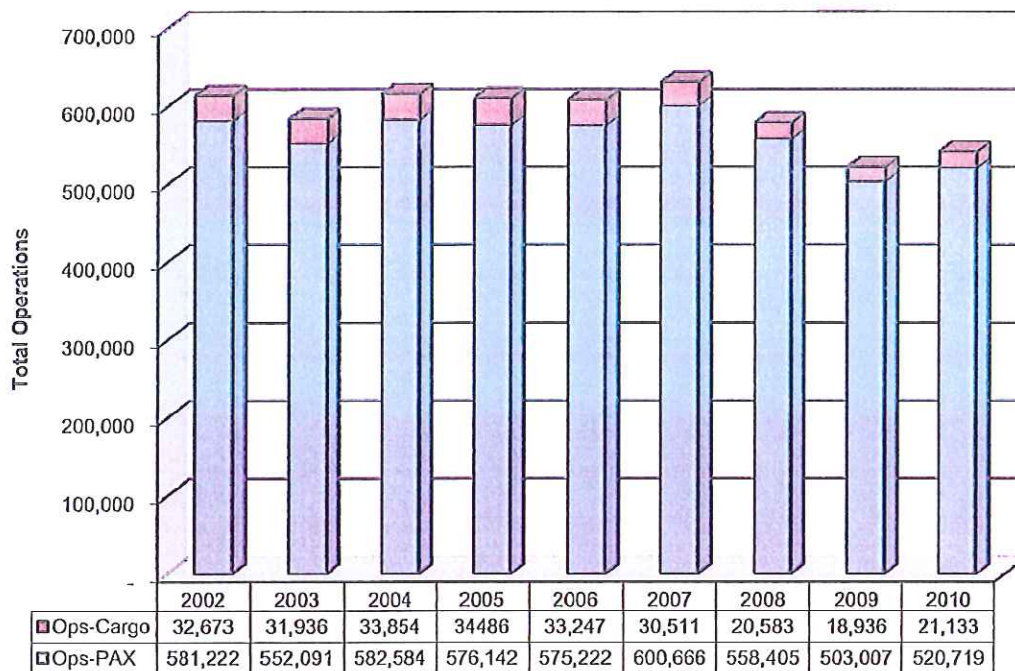
LAX Commercial Aircraft Operations

The number of commercial aircraft operations (landings and takeoffs) at LAX has dropped significantly since 2001 after reaching a peak of 748,077 annual operations in 2000. Commercial operations totaled 541,852 in 2010. In 2010, the number of aircraft operations was 3.8% higher than in 2009.

Passenger operations have decreased 23% since 2001 compared to a 4.1% decrease in passenger volume. The difference is best explained by the increasing load factors that have occurred at LAX and industry wide. In 2010, airlines continued to trim their schedules substantially to eliminate flights serving thin and unprofitable markets from their route systems. The average number of passengers per passenger operation at LAX increased from 108 in 2009 to 110 in 2010. Figure 4 – “LAX Annual Operations 2001-2010” shows the change in operations at LAX between 2001 and 2010.

In 2010, 22% of the passenger operations served nonstop international markets and 73% were domestic. International operations made up a slightly higher share of passenger operations in 2010 than in 2009 (17.6%). All-cargo operations made up about 4% of total operations and 11% of international operations in 2010. In 2010, all-cargo operations decreased 11% compared to 2009.

Figure 4
LAX Annual Operations
2001-2010

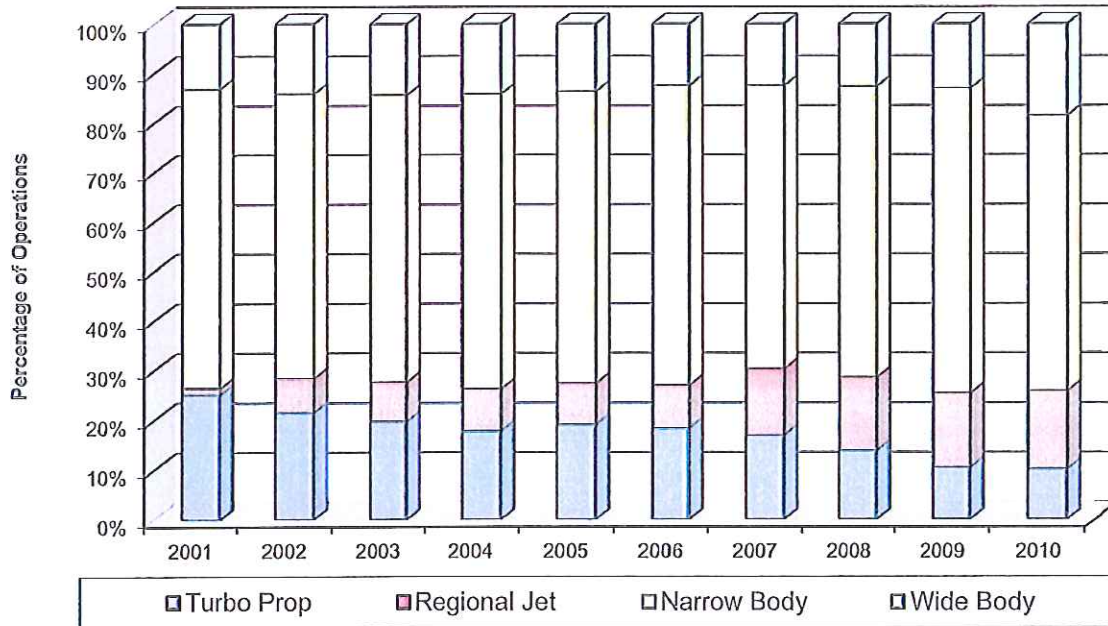


Data Source: Official Airline Guide

The fleet mix or types of aircraft used at LAX changes as airlines seek to match aircraft size to markets and lower operating costs over their route system. As shown on Figure 5 – “LAX – Passenger Operations Fleet Mix Percentage 2001-2010”, the percentage of regional jets in the fleet increased dramatically from 2001 through 2010 with regional jets comprising less than 1% of scheduled operations at LAX in 2001 and 16% in 2010. The share of turboprop aircraft has continued to decline significantly since 2001. In 2001, nearly 25% of LAX passenger operations were turboprop aircraft compared to about 10% in 2010.

The share of wide body and jumbo jet passenger operations of all passenger operations at LAX increased between 2000 and 2002, reaching a peak at nearly 17%. The share has since decreased to approximately 20% of the total in 2010. The share of narrow body aircraft operations in 2010 was a bit higher than in 2009: approximately 60.5% in 2010 compared to 61% in 2009. Narrow body aircraft continue to dominate the fleet at LAX.

Figure 5
 LAX - Passenger Operations Fleet Mix Percentage
 2001-2010



Data Source: Official Airline Guide