



SAN DIEGO

INTERNATIONAL AIRPORT

LET'S GO.

January 12, 2018

Mr. Elliott Black
Director, Office of Airport Planning and Programming
Federal Aviation Administration
800 Independence Avenue, SW
Washington, DC 20591

Re: San Diego International Airport's 2nd Competition Plan Update

Dear Mr. Black:

On May 24, 2014, the Federal Aviation Administration ("FAA") approved the San Diego International Airport Competition Plan ("SDIACP") as submitted by the San Diego County Regional Airport Authority ("Airport Authority"), owner and operator of San Diego International Airport ("SDIA"). On March 14, 2016, the Airport Authority filed an update to the SDIACP which was approved by FAA on July 18, 2016. The Airport Authority is now filing this second update to the SDIACP.

The Airport Authority would like to inform the FAA that there have been no material changes in status or new or significantly amended lease agreements since the SDIACP was filed and approved in 2014. Additionally, since the SDIACP was submitted and approved, the Airport Authority has not had to file a competitive access report as required by 49 USC § 47107(s).

Due to increased international traffic, SDIA is currently engaged in an effort to expand Federal Inspection Station ("FIS") gate capacity and flexibility. This involves moving FIS processing from the current Gates 20, 21, and 22 in Terminal 2 East to Gates 47, 48, 49, 50 and 51 in Terminal 2 West. The process is phased over a two-year period and should be fully completed by summer of 2019. Relocation of the FIS gates has resulted in some current and planned future airline relocations. The Airport Authority has consulted with the airline users throughout this process. Despite the FIS project, SDIA has not had any changes in scheduled gate operations that impacted secondary gate users. No gate assignment changes have been made after a second priority user has changed scheduled operations.

Based on the FAA's concern expressed in the initial approval, the Airport Authority has not enforced the provision requiring destination information for airlines requesting new gate privileges as outlined in the Airport Authority's current airline operating and lease agreement. The Airport Authority intends to remove this provision upon completion of a future airline operating and lease agreement; however airlines will still be required to state whether they will need use of the FIS facilities. The current airline operating and lease agreement expires on June

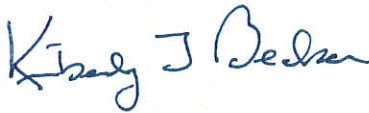
31, 2018; however, we expect to extend this agreement for up to one year as we negotiate the terms of a new agreement that will support execution of our Airport Development Plan. We intend to share a draft of the new airline operating and lease agreement with you prior to its execution.

Upon approval of this second update to the SDIACP, we will update our competition plan page on our website with the second update and your letter. This action will ensure compliance with the provision for public availability of special airport financial reports. This information can be found at: <http://www.san.org/Airport-Projects/Competition>.

As the FAA is aware, SDIA is a single-runway facility which added ten new gates to Terminal 2 in 2013. Moving forward, the Airport Authority will look at additional options to rebuild and expand the current number of gates available to air carriers. Consistent with the intent to provide information on our competition plan, the Airport Authority will carefully analyze all proposals related to gate usage and lease arrangement. It is our intent to maximize the usage and flexibility of any new capacity so as to provide the community with a multitude of options for new services as we move our airport forward. This is an important step for SDIA in light of the overall space limitations of our facility and knowing that any decisions made will have significant impacts on service and service patterns for San Diego.

The Airport Authority has taken pride in the ability to accommodate a variety of new air service by both incumbent and new entrant airlines in the last few years. Such service is a benefit to both our visitors and San Diego residents. We look forward to the FAA's approval of this second update to the SDIACP. Should you have questions or concerns regarding this submission, please contact me at (619) 400-2444 or Kbecker@san.org or Hampton Brown at 619-400-2876 or orhbrown@san.org.

Sincerely,



Kimberly J. Becker
President / CEO

KJB/HB/ka

c: Amy Gonzalez, General Counsel
Scott Brickner, Vice President, Finance & Asset Management
Kathy Kiefer, Senior Director, Finance & Business Management
Hampton Brown, Senior Director, Air Service Development