



U.S. Department
of Transportation
**Federal Aviation
Administration**

Office of Airport Planning
and Programming

800 Independence Ave., SW.
Washington, DC 20591

APR 30 2018

Ms. Kimberly J. Becker
President and CEO
San Diego County Regional Airport Authority
P.O. Box 82776
San Diego, CA 92138

**Subject: San Diego International Airport (SAN)
FAA Review of 2018 Competition Plan Update**

Dear Ms. Becker:

Thank you for submitting the above-referenced Competition Plan Update for SAN. This update was required because SAN is a Covered Airport.¹ This is SAN's second Competition Plan Update.

The Federal Aviation Administration (FAA) has reviewed SAN's Competition Plan Update. In the Competition Plan Update, San Diego County Regional Airport Authority (Authority) states that it is currently expanding SAN's Federal Inspection Services (FIS) gate capacity and flexibility by moving FIS processing from three gates in Terminal 2 East to five gates in Terminal 2 West. Additionally, the Authority states that it has continued not to enforce the provision in its current Airport Operating and Lease Agreement (Agreement) requiring destination information for airlines requesting new gate privileges, a provision the Authority has indicated that it intends to remove from the next Agreement. Both of these actions promote competition. Therefore, we find SAN's Competition Plan Update to be in accordance with the applicable statutory requirements.²

The Authority has now filed (and the FAA has approved) an initial Competition Plan and two Competition Plan Updates. Accordingly, no further Competition Plan Updates will be required unless certain circumstances arise.³ The most common of these circumstances would be if the airport executes a new or significantly amended Agreement, including an amendment due to the use of Passenger Facility Charge financing for gates.

¹ As defined in FAA Order 5100.38D ("Airport Improvement Program Handbook," Appendix X), Covered Airports are medium or large hub airports where one or two air carriers control more than 50 percent of the passenger boardings. Based on calendar year 2016 data, two air carriers accounted for more than 50 percent of enplanements at SAN.

² Section 155 of the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR 21), Pub. L. No. 106 181, (April 5, 2000), 49 U.S.C. §§ 40117(k) and 47106(f).

³ See FAA Order 5100.38D, "Airport Improvement Program Handbook," Appendix X.

Your Competition Plan Update indicates that your current Agreement expires on June 31, 2018, and the Agreement is expected to be extended for up to one year as you negotiate a new Agreement. As stated above, execution of a new Agreement is a circumstance that would require a Competition Plan Update. As we said in our July 18, 2016, letter, we encourage you to share a draft of your new lease and use agreement with us before it is executed. Many airports find our feedback beneficial before lease and use agreements are finalized.

Please be aware that this letter does not constitute the FAA's approval of any agreement or any specific provisions thereof, which remain subject to all applicable Federal law and regulations.

Please also note that, under Section 134 of the FAA Modernization and Reform Act of 2012, Pub. L. No. 112-95 (February 14, 2012), Congress eliminated the need for airports to include data on airfare levels and patterns of air service in Competition Plans. Thus, we will no longer require this information in any further updates to the SAN Competition Plan.

We also encourage you to review the pro-competitive actions taken by individual airports summarized in our Highlights of Reported Actions to Reduce Barriers to Entry and Enhance Competitive Access, which we have posted on our Internet website at <https://www.faa.gov/airports/aip>.

As you may know, the Secretary of Transportation is required by law⁴ to review implementation of Competition Plans from time to time to verify each Covered Airport implements its Plan successfully. In connection with our review, we may determine that it would be useful to visit your airport or hold a teleconference with airport officials. We will contact you if we decide to visit SAN in connection with its Competition Plan.

If you have any questions regarding this letter or the FAA's review of your Competition Plan Update, please contact Mr. Joe Hebert, Manager, Financial Analysis and Passenger Facility Charge Branch, at (202) 267-8375.

Sincerely,



Elliott Black
Director, Office of Airport Planning and Programming

cc: Mark McClardy, Director, FAA Airports Division, Western Pacific Region
Arlene Draper, Manager, FAA Airport Planning and Programming Branch,
Western Pacific Region
Dave Cushing, Manager, FAA Los Angeles Airports District Office

⁴ 49 U.S.C. § 40117(k)