

SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY

P.O. BOX 82776, SAN DIEGO, CA 92138-2776
619.400.2400 WWW.SAN.ORG

DEPT. OF TRANSPORTATION
DOCKETS

2008 MAR -3 P 4: 20

March 3, 2008

Docket Operations
U.S. Department of Transportation
West Building, Ground Floor, Room W12-140
Routing Symbol M-30
1200 New Jersey Avenue, S.E.
Washington, D.C. 20590

RE: Policy Regarding Airport Rates and Charges
Docket No. FAA-2008-0036

As the operator of San Diego International Airport (SAN), an airport identified in the Federal Aviation Administration (FAA) report titled "Capacity Needs in the National Airspace System, 2007-2025 (FACT 2)," as one requiring additional capacity beyond what is currently planned, the San Diego County Regional Airport Authority has a significant interest in the proposed amendment to the FAA's Policy Regarding Airport Rates and Charges ("proposed amendment"). While it is important to seek solutions to congestion at our nation's airports, we believe that there are flaws with the concept of "congestion pricing" as outlined in the proposed amendment.

In the Discussion of Proposals section of the proposed amendment, it is stated that:

By raising the costs of the congested facilities, the airport operator would provide an incentive for current or potential aircraft operators to (1) adjust schedules to operate at less congested times (if they exist); (2) use less congested secondary or reliever airports to meet regional air service needs; or (3) use the congested airport more efficiently by up-gauging aircraft.

While it is possible that higher rates and charges imposed during periods of congestion *may* have the effects listed in the quotation above, we believe that at many airports, and specifically at SAN, it is unlikely that these results will be achieved. In the case of item (1), there are many cases wherein the carrier simply cannot adjust its schedule due to the necessity of meeting banks in hub cities. In the case of SAN, carriers only have certain departure windows during the day to meet connecting flights at their hubs. By the time departures from SAN begin at 6:30 a.m., our travelers have missed at least two connection



SAN DIEGO
INTERNATIONAL
AIRPORT

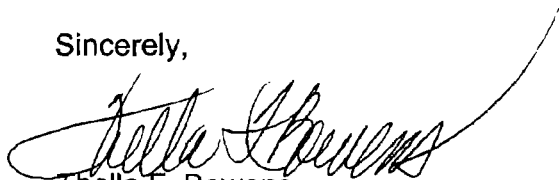
Docket No. FAA-2008-0036
Comments of San Diego County Regional Airport Authority
March 3, 2008
Page 2 of 2

banks at the east coast hubs. Therefore, demand for the third or fourth afternoon banks will always be high. Airlines recognize this fact and will continue to plan flights during peak times despite additional costs. Increased rates and charges for flights during those hours (which typically are the most congested) would simply be absorbed into the carrier's operating budget and likely passed on to passengers. In the case of item (2), there are no less-congested secondary or reliever airports available to jet carriers at SAN. Finally, regarding item (3), while some carriers have the ability to up-gauge aircraft, many low cost carriers operate only one type of aircraft and do not have the ability to increase aircraft size.

Finally, we believe that a major flaw with the proposed amendment is its effect on low cost carriers. These carriers now represent a significant percentage of traffic at airports like SAN (and a large portion of aviation traffic throughout the country). As noted in the paragraph above, many of these carriers do not have options to up-gauge aircraft. In addition, many routes are operated on thin margins. Any additional rates and charges imposed during periods of congestion could make such marginal routes unprofitable. While network carriers can absorb such additional charges into their system, many low cost carriers could not. This leads us to the conclusion that the proposed amendment would put low cost carriers at a competitive disadvantage.

We appreciate the efforts of the Department to relieve congestion at our nation's airports. However, it is imperative that we seek solutions that are fundamentally fair and effective.

Sincerely,



Thella F. Bowens
President/CEO