



PORT OF OAKLAND

November 25, 2003

Ms. Catherine M. Lang
Director, Airport Planning and Programming (APP-1)
Federal Aviation Administration
800 Independence Avenue S.W.
Washington, DC 20591

Dear Ms. Lang:

Attached, you will find two copies of Oakland International Airport's Updated Competition Plan. This document is a revision of Oakland's first Updated Competition Plan submitted October 1, 2001 and approved by the FAA on May 31, 2002.

Oakland International (OAK) is known nation-wide as a leading airport facility that fosters airline competition and accommodates new entrant carriers. Although Southwest Airlines operates over 60% of the daily non-stop domestic capacity at OAK, this market share has declined from nearly 70% in 1999. This change comes not because of service reductions at Southwest, but because of new entrant airlines and expansion of service by other carriers at OAK.

Oakland International's policies and agreements provide the nearly ideal environment to foster airline competition. At OAK, Airport policies create significant financial incentives for incumbent airlines to pursue handling agreements with new entrant carriers, thereby increasing competition. Airlines do not hold leases, there are no exclusive use boarding rooms or gates, and incumbent carriers and ground handlers compete vigorously to handle new airlines.

This Updated Competition Plan specifically addresses the concerns and issues raised in your May 31, 2002 acceptance letter:

1) Gate Availability

a. Monitoring of actual gate usage

Section 2.B. has been expanded to more fully discuss the day-to-day monitoring practices of Oakland International Airport's Airside Operations department.

2) Leasing and subleasing arrangements

a. Dispute Resolution Procedures

The Port has well-established informal procedures for the resolution of disputes among the airlines about facility use issues, which involve the intervention of the Airport General Manager, who has power to cancel airline operating agreements on 30-day's notice so that facilities can efficiently be reallocated. These procedures have, in the past, proven to be adequate. Sections 3.E. and 3.G. discuss this process more fully.

b. Airline Competition Plan on Website

Oakland International Airport has created a page on its website dedicated to its Competition Plan. The plan and correspondence is now available at: www.oaklandairport.com/competitionplan

Sincerely,



Steven J. Grossman
Director of Aviation

cc: SFADO, Senior Staff