

# Competition Plan

Oakland International Airport (OAK)



Prepared for  
Federal Aviation Administration

Submitted by  
Port of Oakland  
Aviation Division  
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# OaklandInternational

FAA Competition Plan  
September 7, 2000

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## 1) Overview

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 approximately 66% of the daily non-stop domestic capacity at OAK, this market share has declined from 70% just 12 months ago. This change comes not because of service reductions at Southwest, but because of new entrants and expansions of service by other carriers at OAK.

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 are competing vigorously to handle new airlines. Oakland International is nearly an ideal setting to foster airline competition.

## 2) Availability of Gates and Related Facilities

### **A. Number of gates available at the airport by lease arrangement, i.e., exclusive, preferential, or common use.**

Oakland International currently has 12 domestic gates and two international gates in Terminal 1, and 8 domestic gates in Terminal 2 for a total of 22 gates. Both international gates operate as domestic gates when necessary. Currently, all but three gates at Oakland International operate on a preferential basis on month to month permits. Preferential status is available to carriers on the basis of availability and minimum operational requirements. The three remaining non-preferential use gates include both International/ domestic gates and one domestic gate in Terminal 1 which are used as assigned by Airport Operations.

### **B. Gate-use monitoring policy.**

OAK's Airside Operations department monitors and assigns all gate usage. On a weekly basis, all flight schedules are analyzed and mapped to determine availability of space.

**C. Differences, if any, between gate-use monitoring policy at PFC-financed facilities, facilities subject to PFC assurance #7, and other gates.**

No difference.

**D. Has the PFC competitive assurance #7 operated to convert previously exclusive-use gates to preferential-use gates or has it caused such gates to become available to other users?**

Oakland has not offered exclusive gates to airlines. OAK offers only preferential-use permits to airlines, which are revocable upon 30-days written notice, based upon availability and minimum use requirements.

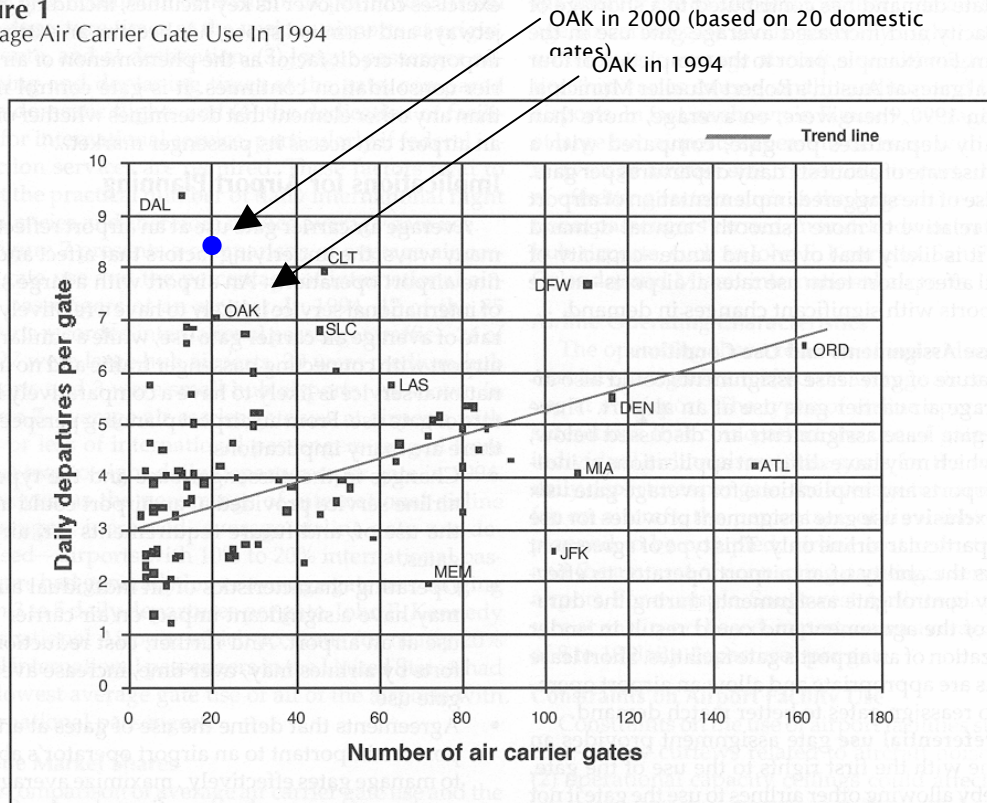
**E. Gate Utilization (departures/gate) per week and month.**

In August 2000 approximately 1,180 flights per week are scheduled to depart from Oakland International. With 22 gates, our Airport average utilization per gate is 53.6 flights per week and 232.3 per month.

When looking only at OAK's 20 domestic gates, that utilization increases to 59 flights per week and 255.7 per month.

Figure 1 below compares OAK's relative number of gates and gate utilization with other medium hub airports in the nation.

**Figure 1**  
 Average Air Carrier Gate Use In 1994



Source: Handbook of Airline Economics, *Aviation Daily*

## F. Policy regarding “recapturing” gates that are not being fully used.

The Port of Oakland has sent for execution a new, standardized Airline Operating Agreement and a new standardized Space and Use Permit to each commercial and cargo airline operating at OAK. Policies under the new agreements will not be substantively changed as they relate to the recapturing of gates. The excerpts below detail the policies as set forth in the new Airline Space and Use Permit and Airline Operating Agreement:

*Space identified as “Preferential” in paragraph A-1 shall be preferential use space, of which Airline shall have first priority of use for its own aircraft operations. The Port shall retain the right to schedule the use of this space on a second priority use basis to other airline operators. Port also reserves the right to require the removal of an aircraft from any preferential use space at any time that is more than one (1) hour before or after the aircraft’s scheduled departure time, provided that the Port shall provide a space on the Airport to park such aircraft.*

-Excerpt from Airline Space/Use Permit sec. A7-(C).

*This Agreement, as approved by the Port Attorney, shall become effective upon execution by the parties hereto and continue until the earlier of (i) the termination of this agreement by Port pursuant to Article 10 of this Agreement, (ii) the cancellation of this Agreement by either party on thirty (30) days’ prior written notice to the other party...*

-Excerpt from Airline Operating Agreement – Art. 4 -  
Term

These two provisions conjunctively enable the Airport to revoke an airline’s privilege to use preferentially a gate with 30 days prior notice, or, alternatively, to use a gate with a one hour notice for that day.

Generally, the Airport uses four or five turns per day minimum usage as the criterion for assignment of preferential gate status. Further, the Airport’s rates and charges create a significant economic disincentive for any airline to use a gate with preferential status for less than four operations per day.

The Port, in June 2000, revoked an airline’s preferential gate privileges with a 30-day notice when that gate was not being used by that airline for at least four aircraft turns per day.

**G. Use/lose or use/share policies for gates and other facilities.**

Because there are no leases or lease and use agreements for airline gates and other facilities at OAK, the airport has no “use it or lose it” provisions.

**H. Plans to make gates and related facilities available to new entrants or to air carriers that want to expand service at the airport; methods of accommodating new gate demand by air carriers at the airport (common-use, preferential-use, or exclusive-use gates); and length of time between when an air carrier initially contacts the airport and could begin serving it.**

OAK is focusing on making new space available in three ways. First, the airport is looking for ways to maximize utilization of the assets already in place. Secondly, the airport is building new facilities to accommodate the growth in requests for capacity in ticket counters and back office space. Finally, the airport is in the planning and design phase of an Airport Development Program that will add 12 gates to our current facilities. These are interim capacity additions at existing facilities to bridge the excess demand from new entrant carriers before completion of the full terminal expansion program which is not expected to be completed until 2007.

Oakland International is deploying cutting edge facility utilization technology with common use ticketing equipment (CUTE) facilities at counters and gates. OAK presently is in the middle of implementation of the equipment and emulation of each airline’s respective reservations system. At completion, all airlines operating at OAK will use identical check-in and gate CUTE equipment, while the system’s software translates each air carrier’s reservations system (e.g. Sabre) to operate seamlessly from any station. This provides maximum flexibility in assigning gates, even on a per flight basis, thereby increasing the opportunity for competition. The Port of Oakland is financing all costs associated with installation and maintenance of the CUTE equipment and software using PFC revenues.

Currently, the CUTE facilities already installed include 5 departure gates, 4 outbound baggage belts, 19 ticketing positions, 4 common use offices, and 2 baggage make-up areas.

Starting in 1998, OAK's management designed and built new airline ticket office space for existing and new entrant international carriers. Initially, there were seven General Manager offices and common-use outbound operational facilities for international operators who generally operate between two and five flights per week. This capacity has since been almost completely occupied, in part by the occupancy of a new entrant domestic carrier in June 2000. Thus, the airport is in the design process of building out additional office space and converting a storage area into new International ticket counters.

In 1999 Oakland International also designed and built seven airline offices for new entrant carriers. To date, five of these offices already are leased and occupied by new entrant carriers that have commenced service at OAK in 2000.

Within the past year, Oakland International has been able to accommodate new airlines with as little as two months notice. For those airlines that contacted OAK while in their advanced planning stages (pre-decision), that lead-time was as much as 5 months.

**I. How are complaints of denial of reasonable access by a new entrant or an air carrier that wants to expand service resolved?**

The airport strives to accommodate any airline looking to expand or initiate service in Oakland. With the high rate of utilization at OAK, carrier demand occasionally exceeds the airport's supply of available gates and ticket offices. On the rare occasion that an airline claims there is not reasonable access to facilities, airport management and airline management meets with that airline's management to examine the situation and work together to find a mutually beneficial solution.

**J. Number of carriers in the past year that have requested access or sought to expand, how were they accommodated, and the length of time between any requests and access.**

Airline	Destination	First Contact	Inaugural Flight	Elapsed Time
Aloha	HNL/OGG	7-Dec-99	14-Feb-00	2.25 Months
American	LAX	10-Apr-00	1-Aug-00	3.7 Months
Continental	HOU/EWR	14-Jan-00	14-Jun-00	5 Months
JetBlue	JFK	7-Jun-00	3-Aug-00	2 Months
SATA	TER	4-Jan-00	6-Jun-00	5 Months

In each case of new service, the airline and airport have worked together to ensure all operational requirements were fulfilled before

startup. The above time spans are not necessarily indicative of the amount of time required to start service at OAK. Different airlines require different lead times for new service. Oakland International can efficiently add a carrier with two to three months of lead-time. In the past year, there have not been any major disagreements between the airport and startup/expanding airlines that have in any way jeopardized the inauguration of service. All new entrants that have started service within the past six months have chosen to be handled by an incumbent carrier to take advantage of significant cost savings.

### 3) Leasing and Subleasing Arrangements<sup>1</sup>

#### **A. Is a subleasing agreement with an incumbent carrier necessary to obtain access.**

No. The Port of Oakland does not require new entrant carriers to reach a sub-tenant arrangement with an incumbent carrier to begin service. However, due to the unprecedented demand from new entrant carriers, the airport strongly encourages new entrants to examine the economic benefits of partnering with an incumbent carrier for startup operations. In the past year, airlines have begun service at OAK with one or two flights per day in domestic service and one flight per week for international service. With this limited schedule, an airline can often operate more profitably by obtaining ground-handling services from an incumbent that has already made the necessary investment in equipment and may already have staff available to turn the aircraft.

#### **B. How the airport assists requesting airlines obtain a sublease.**

The Port of Oakland's Airline Entry Package contains a comprehensive contact list of on-airport ground handlers, air carriers, and food providers. At the new entrant's request, the airport introduces the airline to General Managers of incumbent carriers that may be interested in providing services to new entrants to begin the evaluation and/or negotiation process for handling.

#### **C. Airport oversight policies for sublease fees and ground handling arrangements.**

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<sup>1</sup> The Port of Oakland does not lease space to airlines under long-term agreements. All airlines operate under month to month permits and none of the gates at OAK are "exclusive use". The following responses answer the issues raised with respect to agreements reached between the Port and airlines operating at Oakland International.



Currently, the Port of Oakland has sent for execution a new, standardized Airline Operating Agreement to each commercial and cargo airline operating at OAK. Policies will not be substantively changed as they relate to airport oversight of airline fees and ground handling arrangements. The excerpt below details the policy as set forth in the new Airline Space and Use Permit:

***L. Assignment and Subletting.** Airline may not assign this Permit or any of the rights granted to it hereunder or sublet the Assigned Space or any portion thereof except to assign the right to use no more than forty-nine percent (49%) of the Assigned Space to another airline pursuant to a handling agreement, provided that the Airline shall (i) charge the assignee no more than one hundred and twenty-five percent (125%) of the proportionate charges the airline pays the port for such portion of the Assigned Space, (ii) pay the Port a [an] assignment processing fee in the amount indicated in Attachment A, paragraph A-8 to this Permit, (iii) provide the Port with a copy of said assignment, and handling agreement, and (iv) obtain the prior express written consent of Airport General Manager in each instance which may be granted or withheld in the Port's sole discretion.*

-Excerpt from Space/Use Permit Attachment B Section L

**D. Airport policies regarding sublease fees (e.g., no more than 15 percent above the standard airport-determined fee).**

Currently, there are no policies regarding sublease fees. Oakland International's new Space and Use Permit contains provisions precluding incumbent carriers from charging more than 25% above the standard airport rates and charges. See above (C.) Airport oversight policies for sublease fees and ground handling agreements for specific detail.

**E. How complaints by subtenants about excessive sublease fees or unneeded bundling of services are resolved.**

This situation has not yet occurred at OAK. All conflicts between new entrants and incumbent carriers with service agreements are left to be resolved between the two. All airlines operating at OAK under the Space/Use Permit will agree not to charge more than 125% of the actual charges that the airline pays the Port (see above 3C).

**F. How independent contractors who want to provide ground handling, maintenance, fueling, catering or other support services but have been unable to establish a presence at the airport are accommodated.**

Oakland International has a very limited amount of space available for ground handling operators and consequently has not rented any new space to a ground handler in over five years. All new ground handling, maintenance, catering and other support services must establish a relationship with an airline already operating at OAK to begin operation.

OAK has entered into an agreement with a consortium of airlines to maintain and operate OAK's commercial aviation fuel farm and hydrant system. The airline consortium, Oakland Fuel Facilities Corporation, contracts with Swissport (formerly DynAir) to perform into-plane fueling. Fueling on the airport's North Field for general aviation is provided by the airport's single FBO, Kaiser Air.

In-flight catering at OAK is provided by one operator that operates from the airport's only on-airport catering facility.

**G. Are formal arrangements in place to resolve disputes among air carriers regarding the use of airport facilities?**

As the airport retains control over gate assignments, the airport General Manager has the responsibility of giving final determination in resolving disputes about the use of airport facilities.

## 4) Patterns of air service

### **A. Number of Markets Served**

Oakland International has service to 24 non-stop domestic markets and six non-stop international markets. Oakland also serves 53 domestic destinations with same plane (direct) service.

## B. Non-Stop Markets Served and Flight Frequency

### Domestic

<u>Market</u>	<u>Code</u>	<u>Dep/Day</u>	<u>Market</u>	<u>Code</u>	<u>Dep/Day</u>
Albuquerque, NM	ABQ	2	Nashville, TN	BNA	1
Boise, ID	BOI	1	New York, NY	JFK	1
Burbank, CA	BUR	15	Newark, NJ	EWR	2
Chicago, IL	ORD	4	Ontario, CA	ONT	13
Dallas/Fort Worth, TX	DFW	7	Orange County, CA	SNA	12
Denver, CO	DEN	5	Phoenix, AZ	PHX	9
Honolulu, HI	HNL	1	Portland, OR	PDX	11
Houston, TX	IAH	2	Reno, NV	RNO	7
Kahului, HI	OGG	1	Salt Lake City, UT	SLC	3
Kansas City, MO	MCI	2	San Diego, CA	SAN	11
Las Vegas, NV	LAS	9	Seattle, WA	SEA	15
Los Angeles, CA	LAX	36	Spokane, WA	GEG	1

### International

<u>Market</u>	<u>Code</u>	<u>Dep/Wk</u>
Amsterdam, NL	AMS	2
Guadalajara, MX	GDL	3
Morelia, MX	MLM	4
Papeete, PF	PPT	2
Paris, FR	ORY	3
Terceira Island, PT	TER	1

## 5) Gate Assignment Policy

- A. Gate assignment policy and method of informing existing carriers and new entrants of this policy. This would include standards and guidelines for gate usage and leasing, such as security deposits, minimum usage, if any, fees, terms, master agreements, signatory and non-signatory requirements.**

Each airline considering service at Oakland International is given an Airline Entry Package. This binder, continually updated, includes copies of all policies, agreements, and rates and charges that are applicable to air service at OAK.

**-See attached Airline Entry Package**

**B. How announcements are made to tenant air carriers when gates become available. Do all tenant air carriers receive information on gate availability and terms and conditions by the same process at the same time?**

While no formal policy exists, it is OAK management's practice to notify all airlines at the same time should new facilities become available. Due to fast changing circumstances, Oakland International takes immediate action, when necessary, to accommodate airline needs. In August 2000, a letter was sent to every commercial air carrier serving OAK requesting near and mid-term gate requirements before completion of OAK's ADP effort.

**C. New policies that have been adopted or actions that have been taken to ensure that new entrant carriers have reasonable access to the airport and that incumbent carriers can expand their operations.**

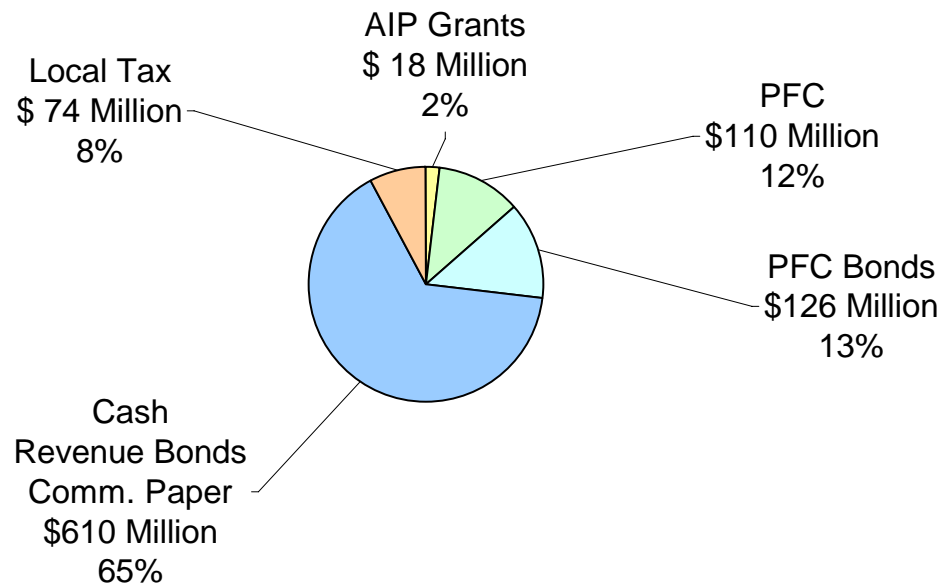
In the new Space / Use agreement for airlines with commercial operations at OAK, incumbent carriers are authorized to charge a 25% premium on rates and charges that can be prorated to a new entrant under a handling arrangement. This policy encourages incumbent carriers to pursue new entrant handling opportunities. The financial advantages that come with economies of scale still make this a more profitable alternative for most new entrant carriers with limited daily service as well as eliminating the front-end capital costs of real estate development, equipment and the hiring of an entirely new team of employees. New entrant carriers can use the resources of incumbent carriers in the short run, until they are able to add enough flight frequency, usually 3-5 flights per day, to warrant an independent operation (i.e. one that can operate profitably). The end result is a more efficient utilization of the capacity at incumbent airline stations and a strong financial incentive to make use of existing space.

## 6) Financial Constraints

### A. The major source of revenue at the airport for terminal projects.

Based on OAK's Capital Improvement Program, \$937 million is expected to be funded as follows:

#### Oakland International Airport \$938 Million Capital Improvement Program



### B. Rates and charges methodology (residual, compensatory, or hybrid).

Oakland International operates under a hybrid rate-setting methodology. There are separate cost centers at OAK: Airfield and Taxiways, Terminal Building Complex, Tank Farm and Hydrant System, Cargo, Roadways and Landside, Airline Maintenance Base, and North Field (GA).

OAK has three main commercial air service related cost centers: Terminal Building Complex, Tank Farm/Hydrant Fueling System, and Airfield. All of these cost centers use a residual rate-setting methodology. All other cost centers use a compensatory rate-setting methodology.

**C. Past use, if any, of PFC's for gates and related terminal projects.**

PFC #	Project	Amount
3	Gate 26A Loading Bridge	\$ 350,000
3	Gate 26A Holdroom	\$ 2,470,000
5	Terminal 1 & 2 Connector	\$ 5,400,000
6	International Gate Jetway	\$ 300,000
7	Baggage Claim Improvement	\$ 2,030,000
7	RON Apron	\$ 591,496
8	MUSE Common Use Gate System	\$ 1,500,000
Total:		\$12,641,496

**7) Airport Controls Over Airside and Groundside Capacity**

**A. Majority-in-interest (MII) or "no further rates and charges" clauses covering groundside an airside projects.**

Oakland International does not have MII clauses in airline agreements.

**B. List any capital construction projects that have been delayed or prevented because an MII was invoked.**

Not Applicable.

**C. Plans, if any, to modify existing MII agreements?**

Not Applicable.

8) Whether the airport intends to build or acquire gates that would be used as common facilities.

**A. The number of common-use gates available at the airport today.**

Six gates have already been fully converted with ARINC's MUSE system, employing Common Use Terminal Equipment (CUTE) hardware and software that creates a "shared use" environment at the boarding gates. Oakland International is in the process of installation of ARINC's MUSE system at all boarding gates. By February 2001 all gates in Terminal 1 are slated to be CUTE facilities and Terminal 2 is scheduled for conversion by 2002.

There presently are one domestic and two international gates that are not assigned preferentially to any airline at Oakland International, and are operating as true common use gates.

**B. The number of common-use gates the airport intends to build or acquire and timeline. Intended financing.**

Under the ADP, Oakland International will build 12 new permanent gates, each of which will employ CUTE, to expand the existing capacity at OAK through the addition of a new terminal and concourses. Currently in the planning and design phase, this project is expected to be completed by 2007. The project is expected to be funded by a combination of PFC, AIP, Local Tax, PFC Bonds, and Port Cash/Revenue Bonds as described in the pie chart shown above (6A). As noted in answer 8 (A) above, the airport is in the process of converting existing gates to CUTE by February 2001 in terminal one and 2002 in terminal two.

**C. Are any air carriers that have been serving the airport for more than three years relying exclusively on common use gates?**

No.

**D. Whether common-use gates will be constructed in conjunction with gates leased through exclusive or preferential-use arrangements.**

Of the 12 gates in Terminal one, all will be converted to CUTE. Carriers with preferential assignments will retain their preferential

status. Currently, there are 9 Gates with preferential-use permits in the terminal. All gates in Terminal 2 are assigned preferentially to Southwest Airlines.

In the future, all additional gates and ticket counters built at Oakland International will employ CUTE technology.

**E. Whether gates being used for international service are available for domestic service.**

OAK's two international gates can be and are used for both international and domestic operations.

**F. Do air carriers that only serve domestic markets now operate from international gates?**

Yes. Continental Airlines operates two flights every day to Houston and one to Newark from an international gate. In addition, United Airlines operates one domestic flight per day from the same gate.



## 9) Airfare Comparison

**Table 1: Airport Competition Plan - Fare Data, Airport-Carrier Summary**  
**Airport Data Summarized by Carrier**

Year	Airport	Carrier	Zero-Fared	Total Passengers	Avg Fare	Trip Length	MktSh
1999 OAK		99	13,470	161,830	\$163.50	1,089	2%
		AA	27,270	259,170	\$255.44	1,869	3%
		AS	9,100	912,130	\$87.51	580	10%
		DL	10,580	155,790	\$222.17	1,952	2%
		HP	7,060	288,520	\$142.59	1,223	3%
		UA	55,330	992,000	\$198.99	1,205	11%
		WN	195,800	6,133,760	\$84.22	531	69%
		Total	318,700	8,906,600	\$108.12	702	100%
1999 SFO		99	172,150	1,016,910	\$264.93	1,966	5%
		AA	331,060	1,944,200	\$275.04	2,027	9%
		AS	15,160	662,690	\$102.99	683	3%
		CO	117,910	1,109,560	\$253.18	2,201	5%
		DL	214,100	1,737,780	\$232.34	1,834	8%
		F9	2,080	178,180	\$189.16	1,362	1%
		FF	-	146,760	\$144.34	2,587	1%
		HA	5,950	189,660	\$204.39	2,435	1%
		HP	52,210	708,630	\$130.54	1,230	3%
		NW	135,500	1,090,180	\$219.41	1,947	5%
		QQ	7,010	272,460	\$58.14	355	1%
		TW	113,640	601,720	\$190.50	2,144	3%
		TZ	1,660	492,260	\$150.86	2,212	2%
		UA	803,650	10,369,730	\$203.58	1,203	46%
		US	162,910	933,750	\$253.67	2,390	4%
WN	37,990	829,810	\$91.59	751	4%		
Total	2,179,750	22,472,900	\$206.17	1,500	100%		
1999 SJC		99	24,320	221,010	\$244.36	1,585	2%
		AA	160,990	1,711,760	\$234.68	1,455	17%
		AS	8,260	910,460	\$91.50	650	9%
		CO	12,840	201,310	\$244.55	2,085	2%
		DL	26,520	393,270	\$215.04	1,496	4%
		HP	6,230	449,120	\$160.00	1,133	4%
		NW	22,950	159,140	\$242.15	1,939	2%
		QQ	27,310	1,040,740	\$72.92	398	10%
		TW	24,910	177,920	\$194.89	2,062	2%
		UA	77,670	1,132,600	\$238.46	1,319	11%
		WN	94,160	3,707,890	\$80.36	461	37%
Total	486,220	10,111,570	\$144.61	897	100%		
1999 SMF		99	15,770	159,080	\$187.26	1,383	2%
		AA	40,930	264,670	\$232.76	1,942	4%
		AS	7,780	452,130	\$104.82	634	6%
		DL	26,610	425,980	\$186.48	1,415	6%
		HP	10,460	551,920	\$142.72	962	8%
		NW	15,170	148,790	\$206.63	1,919	2%
		TW	19,900	172,340	\$186.53	1,997	2%
		UA	75,090	1,240,290	\$184.15	1,208	18%
WN	98,270	3,632,150	\$81.00	513	51%		
Total	312,130	7,070,350	\$125.66	862	100%		

Source: US DOT Origin and Destination Survey

Table 2 - Airport Competition Plan - Fare Data, Market Summary  
**Summarized information by airport market**  
**for all O and D routes with an average of 10 or more PAX/day**

			Short-Haul (750 Nonstop Miles or Less)					
Year	Airport	Market Type	City-Pairs	%	Passengers	%	Stage Length	Yield
1999	OAK	Non-Low-Fare	7	33%	35,000	0%	460	\$ 0.26
		Low-Fare	14	67%	7,008,060	100%	432	\$ 0.18
		Total	21		7,043,060		432	\$ 0.18
1999	SFO	Non-Low-Fare	23	82%	3,029,220	39%	507	\$ 0.20
		Low-Fare	5	18%	4,678,390	61%	420	\$ 0.20
		Total	28		7,707,610		454	\$ 0.20
1999	SJC	Non-Low-Fare	9	39%	67,980	1%	453	\$ 0.25
		Low-Fare	14	61%	6,605,580	99%	426	\$ 0.18
		Total	23		6,673,560		426	\$ 0.18
1999	SMF	Non-Low-Fare	14	56%	284,900	6%	423	\$ 0.30
		Low-Fare	11	44%	4,551,610	94%	450	\$ 0.17
		Total	25		4,836,510		448	\$ 0.18

			Long-Haul (Over 750 Nonstop Miles)					
Year	Airport	Market Type	City-Pairs	%	Passengers	%	Stage Length	Yield
1999	OAK	Non-Low-Fare	32	48%	689,080	37%	1,751	\$ 0.17
		Low-Fare	35	52%	1,174,460	63%	1,847	\$ 0.09
		Total	67		1,863,540		1,812	\$ 0.12
1999	SFO	Non-Low-Fare	155	90%	10,940,630	74%	2,185	\$ 0.13
		Low-Fare	18	10%	3,824,660	26%	2,002	\$ 0.12
		Total	173		14,765,290		2,137	\$ 0.12
1999	SJC	Non-Low-Fare	71	73%	2,662,670	77%	1,988	\$ 0.15
		Low-Fare	26	27%	775,340	23%	1,682	\$ 0.11
		Total	97		3,438,010		1,919	\$ 0.14
1999	SMF	Non-Low-Fare	68	70%	1,364,580	61%	1,955	\$ 0.13
		Low-Fare	29	30%	869,260	39%	1,692	\$ 0.10
		Total	97		2,233,840		1,853	\$ 0.12

			All Stage Lengths					
Year	Airport	Market Type	City-Pairs	%	Passengers	%	Stage Length	Yield
1999	OAK	Non-Low-Fare	39	44%	724,080	8%	1,689	\$ 0.18
		Low-Fare	49	56%	8,182,520	92%	635	\$ 0.14
		Total	88		8,906,600		721	\$ 0.15
1999	SFO	Non-Low-Fare	178	89%	13,969,850	62%	1,821	\$ 0.13
		Low-Fare	23	11%	8,503,050	38%	1,131	\$ 0.14
		Total	201		22,472,900		1,560	\$ 0.13
1999	SJC	Non-Low-Fare	80	67%	2,730,650	27%	1,950	\$ 0.15
		Low-Fare	40	33%	7,380,920	73%	558	\$ 0.16
		Total	120		10,111,570		934	\$ 0.15
1999	SMF	Non-Low-Fare	82	67%	1,649,480	23%	1,690	\$ 0.14
		Low-Fare	40	33%	5,420,870	77%	649	\$ 0.14
		Total	122		7,070,350		892	\$ 0.14

Source: U.S. DOT Origin and Destination Survey

## **Summary**

In 1999, 99.5% of those passengers flying to or from OAK in short haul markets with an average of 10 or more passengers per day, had an opportunity to fly using low -fare service on Southwest Airlines.

Oakland International's strategic marketing program identifies those markets which currently or potentially could support non-stop service. Once those markets are identified, the airport focuses on attracting airlines that might have interest in entering one of the individual markets with competitive service and economical fares.

Similarly, the airport identifies high fare markets that can support low fare competitive service and seeks out low fare carriers to provide that service.

It is the goal of OAK to be the "best value" airport in the Bay Area.