

# **Updated Competition Plan**

## **Oakland International Airport (OAK)**

(FY 03-04)



Prepared for  
Federal Aviation Administration

Update submitted by  
Port of Oakland  
Aviation Division  
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# OaklandInternational

FAA Competition Plan

November 25, 2003

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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 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.

The Airport has experienced some delay to construction of new facilities due to the uncertainty of litigation surrounding its Supplemental Environmental Impact Report (SEIR). OAK now has the highest gate utilization of any airport listed in Smith Barney's 2003 Hub Factbook. This Updated Competition Plan outlines the ways in which the Port plans to accommodate growth of incumbent airlines and new entrants in the interim period until new facilities come on-line.

This document is an update to the original Oakland International Airport Competition Plan dated September 7, 2000 and approved by the FAA on February 14, 2001. It supersedes the previous update submitted October 1, 2001 and approved by the FAA on May 31, 2002.

## **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 Airport has a total of 24 gates. Terminal 1 has sixteen domestic gates, (two of which are equipped to access the international Federal Inspection Area) and Terminal 2 has eight domestic gates. Both international gates operate as domestic gates when necessary. Currently, all but three gates at Oakland International are preferentially assigned with long-term agreements

that are cancelable by either party on 30 day's notice. Preferential assignment is available to carriers on the basis of availability and minimum operational requirements. The three remaining non-preferentially assigned gates include both international-capable gates in Terminal 1.

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

OAK's Airside Operations Department monitors gate usage and makes all day-to-day aircraft assignments to optimize gate capacity.

On a weekly basis Airside Operations analyzes each airline's flight schedules to determine gate space availability, then it assigns secondary-use flights to maximize efficiency for each carrier.

On a 24 hour / 7 day per week basis, Airside Operations monitors actual gate usage from its Operations Center. In the event of irregular operations resulting from weather, mechanical delays, unscheduled arrivals, and other circumstances, the Airside Operations Duty Supervisor has the authority to re-assign any aircraft to any available gate at the request of an impacted airline.

Additionally, the Airside Operations Department holds a monthly "Gate Use Meeting". This forum is open to all airlines operating at the Airport and addresses the full spectrum of issues relating to gate use including schedule adherence, complaints of irresponsible use, maintenance, and the Airport's own gate use policies. Issues identified at these meetings are formally recorded in "minutes" and shared among all airlines. Airside operations then works with other Airport departments and airlines to resolve issues and follows up with reports on status at subsequent monthly gate use meetings.

At this time, the Airport is preparing to adopt revisions to its Airport Rules and Regulations that are specifically targeted at improving gate utilization. The proposed revisions clearly establish timelines for the submittal of airline gate-use schedules that will help enable Airside Operations to secondarily assign flights between the operations of other airlines on preferentially assigned gates. They also provide universal guidelines for the amount of time that any aircraft may spend on a gate, with parking times based upon aircraft size and international/domestic origin & destination. Finally, these proposed Rules and Regulations will allow the Airport to levy penalties against those airlines that fail to fulfill their responsibilities under the gate assignment rules.

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

No difference.

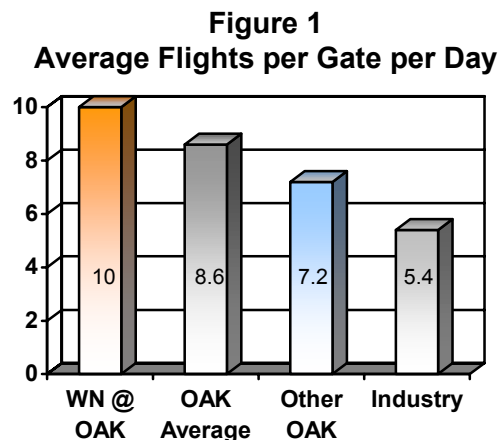
**D. Has the PFC competitive assurance #7 operated to convert previously exclusive-use gates to preferential-use gates or has it caused such gates to become available to other users?**

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 September 2003 approximately 1,435 flights per week were scheduled to depart from Oakland International. With 24 gates, Airport-wide average utilization per gate was 59.8 flights per week and 259.1 per month.

When looking only at OAK's 22 domestic gates, that utilization increased to 65.2 flights per week and 282.5 per month.



Source: SalomonSmithBarney 2003 Hub Factbook

Figure 1 above compares OAK's gate utilization with the US average for Large Hub airports. According to SalomonSmithBarney's 2003 Hub Factbook, Oakland International Airport has a higher average gate utilization rate than any other major hub airport in the United States.

**F. Policy regarding "recapturing" gates that are not being fully used.**

The Port recaptures underutilized gates by exercising its right to cancel an airline's operating permit on 30-days notice and to assign a preferential use gate to another airline or redesignate it for common use. The Port of Oakland has executed identical, standardized Airline Operating Agreements with each commercial and cargo airline operating at OAK. In addition, the Port has executed essentially identical Space and Use Permits with each commercial airline operating at OAK, with the only substantive difference being exact spaces and aircraft gates occupied and assigned. The excerpts below detail the

policies as set forth in the 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 preferential gate assignment 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 entry-level criterion for assignment of preferential gate status. Further, the Airport’s rates and charges create an economic disincentive for any airline to use a gate with preferential status for a low frequency operation. Under Port Ordinance No. 3634 – Schedule “A” – Rates and Charges, the CY 2003 charge for a loading bridge on a preferential use basis is \$18,558 per month and the charge for secondary use of a loading bridge is \$.77 per enplaning passenger. A carrier with three operations per day can save \$149,426 per year by not having a “preferential gate” (analysis below).

## Comparison of OAK's Preferential and Secondary Use Loading Bridge Charges

### Primary Use, Loading Bridge

Rate/Charge	Operations / Day	Cost / Day	Cost / Year
\$ 18,558.00 /Mo.	N/A	\$ 610.06	\$ 222,696

### Secondary Use, Loading Bridge

Rate/Charge	Operations / Day	Cost / Day	Cost / Year	Annual Difference
\$ 0.77 /Enp. PAX				
	1 Operation Per day	\$ 68.99	\$ 24,423	\$ 198,273
	2 Operations Per day	\$ 137.98	\$ 48,846	\$ 173,850
	3 Operations Per day	\$ 206.98	\$ 73,270	\$ 149,426
	4 Operations Per day	\$ 275.97	\$ 97,693	\$ 125,003
	5 Operations Per day	\$ 344.96	\$ 122,116	\$ 100,580
	6 Operations Per day	\$ 413.95	\$ 146,539	\$ 76,157
	7 Operations Per day	\$ 482.94	\$ 170,962	\$ 51,734
	8 Operations Per day	\$ 551.94	\$ 195,385	\$ 27,311
	9 Operations Per day	\$ 620.93	\$ 219,809	\$ 2,887
	10 Operations Per day	\$ 689.92	\$ 244,232	\$ (21,536)

Assumption 1: B 737-300 Operation with 70% Load Factor  
 Assumption 2: Assumed 97% completion factor for annual service.  
 Source: Port Ordinance 1149 – Schedule "A" – Rates and Charges

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

The Port does not enter into long-term use and lease agreements, and it can cancel airline operating agreements on 30 days' notice if and airline does not meet minimum gate usage requirements.

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.

In 2002 OAK continued its extraordinary growth trend with an 11.0% increase in passenger volume, and with load factors averaging 73% among all carriers. Today, the undersized terminal building complex remains essentially the same facility (365,650 sf) that existed in 1985, when Terminal 2 opened to Air Cal and PSA.

OAK's Phase I Terminal Expansion Program will add five net new gates, ten new Southwest ticketing positions, a multi-story parking garage, expanded security checkpoints, and other enhancements. In the interim, OAK is focusing on making new space available in two ways:

1. Maximize utilization of assets already in place

Oakland International is deploying cutting edge facility utilization technology with common use ticketing equipment (CUTE) at ticket counters and gates. OAK is installing this equipment and emulating each airline's respective reservation system in both terminals. Upon 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.

Currently, the CUTE facilities already installed include twelve departure gates, four outbound baggage belts, 47 ticketing positions, six common use Airline Ticket Offices, and two outbound baggage make-up areas.

2. Build new facilities

In 1998, OAK's management designed and built seven Airline 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 completely occupied.



In 1999 Oakland International designed and built another seven airline offices for new entrant carriers. These seven offices are leased and occupied by new entrant carriers that commenced service at OAK in 2000.

Demand in 2001 remained strong. To accommodate additional airlines, the Port built out the last remaining space in the Terminal 1 concourse to create another six offices. To accommodate the growing needs of new and incumbent carriers, a series of modular buildings were added near the terminal buildings. At present, two airlines and two ground handlers are operating from these facilities located on the AOA, with additional modular facilities planned as needed.

In 2002, a new suite of ticket counter space was completed, with six adjoining airline ticket offices. These additional twenty positions are CUTE and presently assigned to international airlines and large charter carriers.

In 2002, with demand remaining strong over 2001, OAK undertook a number of relatively small projects to increase the capacity of the terminal building complex, including: construction of new Airline Ticket Office space for Aloha (in a location that the Airport reclaimed from United Airlines' baggage make-up space), construction of a large shell to house a new in-line EDS screening function for Southwest's outbound baggage function, adding three and two new security checkpoint lanes in Terminals 1 and 2 respectively, relocating a ground handler (Ogden/Menzies) to a trailer to provide additional airline ramp offices, overseeing the FAA-funded construction of a CTX 2500 enclosure near the Terminal 1 ticket counters, and converting four of America West Airline's 8 ticket counter positions to CUTE equipment in order to accommodate new entrant Allegro Airlines. Additionally, OAK completed major roadway project including a new entrance and departure underpass, speeding traffic into and from the terminal building complex.

In 2003 demand continues to remain strong, with a 10.4% increase in first and second quarter passenger traffic over 2002. A number of relatively small projects were also undertaken to increase the capacity of the terminal building complex including: relocating JetBlue's operations to eight former international ticket counter positions, relocating Aloha operations (to reduce congestion between United and Delta ticketing areas), building five new baggage service offices in Terminal 1, adding a new Southwest ticketing service counter to supplement its existing 24 positions, adding a sixth security checkpoint in Terminal 2, replacing two obsolete jetbridges

in T-1, adding over \$1.5 million in improvements for Customs and INS operations, replacing and enlarging two baggage carousels in T-1, adding a third curb and roadway lanes in front of the terminals, and reconfiguring the entrance roadway to add lanes to relieve curbside congestion.

Within the past year, Oakland International has been able to accommodate new airlines with as little as one month's notice. For those airlines that contacted OAK while in their advanced planning stages (pre-decision), that lead-time was as much as five 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 seeking to expand or initiate service at OAK.

Oakland International experienced growth in 2001 that surpassed the Port's ability to expand facilities. During two independent disputes in 2001, the Port mediated negotiations between a new entrant carrier and an incumbent airline with excess capacity. In both instances, service was inaugurated with minimal disruption to existing operations

In 2002, in response to the international and charter carriers' complaints about disparate ticket counter allocation in T-1, OAK mediated a mutually acceptable solution among four carriers (Mexicana, Allegro, Ryan, and North American) based on specific departure times and passenger volumes.

In 2003, America West Airlines requested additional facilities to operate an additional Las Vegas flight during a peak time. Airside operations met with America West to find a number of operational solutions for the addition of the flight which inaugurated service November 3rd.

The Port of Oakland has not denied access to any carrier requesting facilities to serve Oakland International Airport within the last 24 months.

**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
ASA (DL)	DFW & SLC	May-03	Jun-03	2 Months
Mesa Air	DEN	Aug-02	Oct-02	2 Months
Miami Air	Mexico	Jun-03	Jun-03	1 Month

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.

### **3) Leasing and Subleasing Arrangements**

The Port of Oakland does not lease space to airlines under long-term agreements. All airlines at Oakland International operate under long-term agreements that are cancelable by either party on 30 day's notice, 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 OAK.

#### **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 unabated service expansions from existing and new entrant carriers, the Airport strongly encourages new entrants to examine the economic benefits of partnering with an incumbent carrier for startup operations. Traditionally, new service at OAK begins 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 handle 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 catering providers. At a new entrant airline's request, the Airport introduces the airline to station managers of incumbent carriers that may be interested in providing services, thereby initiating the evaluation and/or negotiation process for ground handling.

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

The Port of Oakland has executed identical, standardized Airline Operating Agreements with each commercial and cargo airline operating at OAK. In addition, the Port has executed essentially identical Space and Use Permits with each commercial airline operating at OAK, with the only substantive difference being exact spaces and aircraft gates occupied and assigned. The excerpt below details the Port's policy:

*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).**

Oakland International's Space and Use Permit contains provisions precluding incumbent carriers from charging more than 25% above the standard airport rates and charges. See above (C.) for specific detail.

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

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.

When an airline complains to the Airport General Manager about receiving unfair treatment from the airline that handles its flights (ticket counter, ramp service or both), the Port negotiates and uses its contractual leverage with the primary tenant to help resolve conflict between both parties. Because all airline agreements are cancelable upon 30-days notice, the Port has the ability

reorganize facility allocation if there is an irreconcilable difference and such change is needed. All airlines operating at OAK under the Space/Use Permit have agreed not to charge more than 125% of the actual charges that the airline pays the Port (see above 3C).

The following narrative provides four instances of expressed conflict between incumbent and new entrant carriers that engaged in tenant / subtenant agreements.

1. Conflict began because the incumbent airline provided allegedly poor customer service to passengers while handling the entrant's flights. Although the new entrant carrier's frequency did not economically support utilizing independent staff, it expressed a concern that the poor service given by the incumbent carrier was damaging the good reputation and strong image the carrier was seeking to engender. In the end, the Port convinced both carriers to share eight ticketing positions and approved of the entrant operating with its own contracted customer service agents, instead of the incumbent's customer service agents.
2. The second instance involved a carrier that entered into a sub-occupancy agreement to inaugurate service with two daily frequencies. After twelve months in the market, the "entrant" expressed its desire to expand service and thus increase its ticket counter space requirements. The incumbent carrier claimed that additional space was unavailable. The Port then provided the "entrant" two common use positions and converted two adjacent ticketing positions into common use positions with preferential rights for the "entrant" and an adjacent carrier.
3. A third instance involved a mainline carrier that was reluctant to give up two ticketing positions to accommodate a new entrant. The Port was able to convince the mainline carrier that it possessed excess ticket capacity by providing an analysis of ticket and baggage make-up utilization for all carriers. Further the OAK provided the incumbent carrier a copy of last year's approved Competition Plan, explaining that the Port had an affirmative duty to make best efforts to accommodate new entrants. The incumbent carrier acquiesced, and the Port made minor capital improvements and installed CUTE equipment.
4. A fourth instance involved an incumbent carrier that reduced service in the year following the September 11<sup>th</sup> attacks. OAK revoked one of that carrier's preferential gate assignments, and ultimately assigned that gate to a new entrant carrier in 2003.

**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.**

Upon confirmation that an independent contractor has obtained a contract with an airline already serving OAK, the Port of Oakland actively promotes the services of the ground handler to all airlines interested in new service, and those already serving OAK that are interested in pursuing a new provider. All ground handlers are listed in the airport's Airline Entry Package.

OAK in 1994 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 to perform into-plane fueling. Fueling on the airport's North Field for general aviation is provided by the airport's three FBOs: Business Jet Center Oakland, Kaiser Air, and Million Air.

In-flight catering at OAK is provided by one independent operator (LSG Sky Chefs), which operates from the Airport's only on-Airport catering facility. Southwest, which has 61% of OAK passengers, has its own in-flight catering operation, managed from its own proprietary facility.

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

The Port has well-established informal procedures for the resolution of disputes among the air carriers regarding the use of airport facilities, 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.

When an airline complains to the Airport General Manager about a dispute regarding airport facilities (ticket counter, holdrooms, gates, etc.), the Port negotiates and uses its contractual leverage with the involved airlines to help resolve conflict between both parties. Because all airline agreements are cancelable upon 30-days notice, the Port has the ability reorganize facility allocation if there is an irreconcilable difference and such change is needed.

## 4) Patterns of air service

### A. Number of Markets Served

In November 2003, Oakland International had service to 29 non-stop domestic markets and seven non-stop international/scheduled charter markets.

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

#### Domestic

Market	Code	09/01		09/00		Market	Code	09/01		09/00	
		Dep/Day	Carriers	Dep/Day	Carriers			Dep/Day	Carriers	Dep/Day	Carriers
Albuquerque, NM	ABQ	2	1	2	1	Long Beach, CA	LGB	6	1	9	1
Atlanta, Georgia	ATL	4	2	1	1	Los Angeles, CA	LAX	28	2	32	2
Boise, Idaho	BOI	1	1	1	1	Nashville, TN	BNA	1	1	1	1
Burbank, California	BUR	14	1	14	1	New Orleans, LA	MSY	1	1	1	1
Chicago, IL (Midway)	MDW	3	1	3	1	New York, NY (JFK)	JFK	6	1	7	2
Chicago, IL (O'Hare)	ORD	4	1	3	1	Ontario, California	ONT	14	1	14	1
Dallas, TX (DFW)	DFW	7	2	6	2	Orange County, CA	SNA	13	2	14	2
Denver, Colorado	DEN	6	1	5	1	Phoenix, Arizona	PHX	12	2	12	2
Detroit, MI	DTW	0	0	1	1	Portland, Oregon	PDX	11	2	11	2
Honolulu, Hawaii	HNL	1	1	1	1	Reno, Nevada	RNO	5	1	6	1
Houston, TX (Intcntl)	IAH	3	1	3	1	Salt Lake City, Utah	SLC	8	2	7	2
Kahului, Hawaii	OGG	1	1	1	1	San Diego, CA	SAN	15	1	15	1
Kansas City, MO	MCI	2	1	2	1	Seattle, Washington	SEA	14	2	14	2
Kona, Hawaii	KOA	1	1	1	1	Spokane, WA	GEG	1	1	1	1
Las Vegas, Nevada	LAS	12	2	12	2	D.C. (Dulles)	IAD	4	2	4	2

#### International / Charter

Market	Code	Dep/Wk.	Carriers	Market	Code	Dep/Wk.	Carriers	Dep/Wk.	Carriers
Cancun, Mexico	CUN	3	1	CaboSanLucas, MX	SJD	2	1	2	1
Guadalajara, Mexico	GDL	12	1	Tijuana, Mexico	TIJ	0	0	4	1
Hawaii	HI	6	1	Zacatecas, Mexico	ZCL	3	1	3	1
Leon-Guanajuato, MX	BJX	1	1					0	0
Puerto Vallarta, MX	PVR	2	1					2	1

<b>Domestic</b>		2003		2002				2003		2002	
		<u>1-Sep</u>		<u>1-Sep</u>				<u>1-Sep</u>		<u>1-Sep</u>	
<b>Market</b>	<b>Code</b>	<b>Dep/Day</b>	<b>Carriers</b>	<b>Dep/Day</b>	<b>Carriers</b>	<b>Market</b>	<b>Code</b>	<b>Dep/Day</b>	<b>Carriers</b>	<b>Dep/Day</b>	<b>Carriers</b>
Albuquerque, NM	ABQ	2	1	2	1	Long Beach, CA	LGB	6	1	7	1
Atlanta, Georgia	ATL	4	2	1	1	Los Angeles, CA	LAX	28	2	33	3
Boise, Idaho	BOI	1	1	1	1	Nashville, Tennessee	BNA	1	1	1	1
Burbank, California	BUR	14	1	14	1	New Orleans, LA	MSY	1	1	1	1
Chicago, IL (Midway)	MDW	3	1	3	1	New York, NY	JFK	6	1	7	2
Chicago, IL (O'Hare)	ORD	4	1	3	1	Ontario, California	ONT	14	1	14	1
Dallas/Fort Worth, TX	DFW	8	2	6	2	Orange County, CA	SNA	13	2	14	2
Denver, Colorado	DEN	5	1	7	1	Phoenix, Arizona	PHX	12	2	12	2
Detroit, Michigan	DTW	0	0	1	1	Portland, Oregon	PDX	11	2	11	2
Honolulu, Hawaii	HNL	1	1	1	1	Reno, Nevada	RNO	5	1	6	1
Houston, TX	IAH	3	1	3	1	Salt Lake City, Utah	SLC	8	2	7	2
Kahului, Hawaii	OGG	1	1	1	1	San Diego, CA	SAN	15	1	15	1
Kansas City, MO	MCI	2	1	2	1	Seattle, Washington	SEA	14	2	14	2
Kona, Hawaii	KOA	1	1	0	0	Spokane, Washington	GEG	1	1	1	1
Las Vegas, Nevada	LAS	13	3	12	3	Washington, DC	IAD	4	2	4	2

**International /  
 Charter**

<b>Market</b>	<b>Code</b>	<b>Dep/Wk.</b>	<b>Carriers</b>	<b>Dep/Wk.</b>	<b>Carriers</b>	<b>Market</b>	<b>Code</b>	<b>Dep/Wk.</b>	<b>Carriers</b>	<b>Dep/Wk.</b>	<b>Carriers</b>
Cancun, Mexico	CUN	3	1	2	1	Cabo San Lucas, MX	SJD	2	1	2	1
Guadalajara, Mexico	GDL	14	1	7	1	Tijuana, Mexico	TIJ	0	0	4	1
Hawaii	HI	6	1	3	1	Zacatecas, Mexico	ZCL	2	1	3	1
Leon-Guanajuato, MX	BJX	2	1	0	0						
Puerto Vallarta, MX	PVR	3	1	2	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 provided an Airline Entry Package. This three-ring binder, continually updated, includes copies of all policies, agreements, and rates and charges that are applicable to air service at OAK.

<b>OAK Airline Entry Package</b>	<b>Table of Contents</b>
1.	Cover Letter
2.	Maps
3.	General Information About Oakland International Airport
4.	Start to Finish
5.	Pre-Operations Questionnaire
6.	Required Documents
7.	Office of Equal Opportunity
8.	Rates and Charges
9.	Regular (Forms)
10.	Agreements
	→ Airline Operating Agreement
	→ Space Use Agreement
	→ Irrevocable Letter of Credit
11.	World Airport Rankings
12.	OAK Airport Statistics
13.	OAK Airport Development Plan

Port of Oakland staff is developing revised Airport Rules and Regulations governing aircraft jet-bridge and gate usage. New rules, such as these, should enable OAK to increase the number of daily aircraft turns per gate by requiring carriers with preferential gate assignments to move aircraft that are not imminently scheduled for departure. Port staff anticipates adoption of these rules by ordinance in early 2004.

- 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?**

All airlines are notified in writing at the same time as gates become available for preferential assignment. Written notification includes an estimated date of availability for each opening.

Each carrier is required to submit its preferential gate assignment request in writing to the Port for consideration. The request must provide current schedule information and any planned schedule additions.

Preferential gate decision criteria include:

- Gate availability
- Current schedules and needs
- Confirmation of service expansion
- Demonstrated inability to maintain service level without preferential gate

**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.**

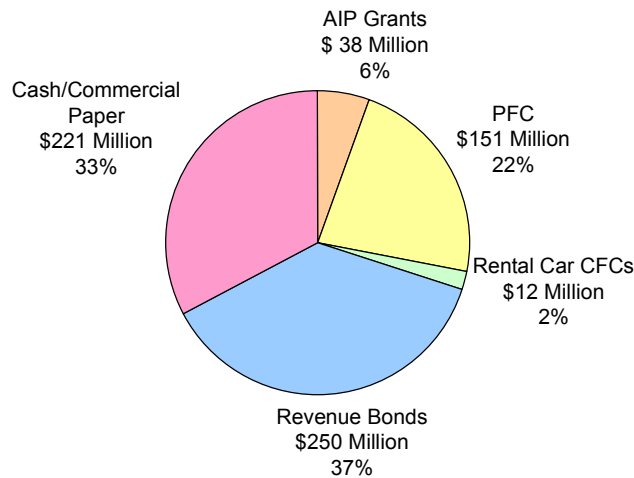
Port of Oakland staff is developing revised Airport Rules and Regulations governing aircraft jet-bridge and gate usage. New rules, such as these, should enable OAK to increase the number of daily aircraft turns per gate by requiring carriers with preferential gate assignments to move aircraft that are not imminently scheduled for departure. Port staff anticipates adoption of these rules by ordinance in early 2004.

## 6) Financial Constraints

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

Based on OAK's Capital Improvement Program, \$672 million (2001-2012) is expected to be funded as follows:

**Oakland International Airport  
\$672 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	Paging System Upgrade	\$150,000
8	MUSE Common Use Gate System	\$1,500,000
10	Restroom Expansion in Terminals 1 & 2	\$5,000,000
10	T1 Ticket Counter Expansion	\$10,000,000
11	T1 Gate Improvements	\$7,000,000
13	Security Checkpoint Enhancements	\$3,000,000
13	Expansion of MUSE System Phase 3	\$6,000,000
Total:		\$43,200,000

## **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 any MII or "no further rates and charges" clauses in its 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.

There presently are two gates that are not assigned preferentially to any airline at Oakland International, and are operating as true common use gates. Both of these gates are capable of accommodating international arrivals, and are also CUTE-enabled.

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 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 begin construction in early 2004, and be completed by 2009-2011. Phase I will add five common use gates to the airport's total by Spring 2006. This Phase I project is expected to be funded as described in the pie chart shown above (6A).

The Port will continue to use Common Use Terminal Equipment (CUTE) in the facilities that it constructs. CUTE technology makes it possible for the Port to quickly and efficiently shift gates from preferential to common use in the future. It also facilitates the accommodation of competing airlines at gates that remain assigned for preferential use.

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

Yes. Continental Airlines and Mexicana Airlines have both served the Airport for more than three years without preferential assignment to a gate. Oakland International Airport's Airside Operations department works closely with all carriers to assign gate usage, and the common use facilities have not created an impediment to either airline's schedule.

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

Oakland International does not have exclusive agreements with airlines. Of the 16 gates in Terminal 1, all will be converted to CUTE within the next 18 months. Carriers with preferential assignments will retain their preferential status. Currently, there are thirteen gates preferentially assigned in Terminal 1. All gates in Terminal 2 are preferentially assigned 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, during the summer, 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 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
2000	OAK	99	18,480	171,290	\$ 176.89	1,229	2%
		AA	29,260	345,600	\$ 238.82	1,599	4%
		AQ	4,600	109,300	\$ 267.59	2,387	1%
		AS	14,060	916,590	\$ 93.59	578	9%
		DL	12,060	159,950	\$ 232.98	1,917	2%
		HP	5,890	348,760	\$ 160.89	1,311	4%
		UA	54,240	1,024,680	\$ 216.37	1,245	10%
		WN	291,430	6,652,550	\$ 91.33	556	67%
	Total		435,880	9,864,640	\$ 119.77	739	100%
2000	SFO	99	157,240	979,770	\$ 286.29	2,032	4%
		AA	297,170	2,439,850	\$ 291.59	1,844	11%
		AS	20,620	662,210	\$ 114.75	710	3%
		CO	113,110	1,052,970	\$ 301.28	2,208	5%
		DL	219,820	1,869,330	\$ 249.73	1,914	8%
		HA	20,600	268,210	\$ 208.02	2,424	1%
		HP	16,960	736,350	\$ 144.91	1,244	3%
		N7	3,800	400,570	\$ 109.32	784	2%
		NW	145,070	1,164,200	\$ 240.99	1,939	5%
		TW	95,090	665,600	\$ 210.24	2,198	3%
		TZ	4,130	550,850	\$ 162.79	2,223	2%
		UA	728,800	9,728,340	\$ 235.76	1,316	42%
		US	165,770	1,140,710	\$ 259.92	2,437	5%
		WN	53,510	931,070	\$ 99.10	791	4%
	Total		2,050,600	22,956,090	\$ 231.85	1,569	100%
2000	SJC	99	27,090	221,830	\$ 255.63	1,682	2%
		AA	177,270	2,982,980	\$ 217.22	1,183	27%
		AS	11,600	944,570	\$ 104.04	653	9%
		CO	17,200	288,480	\$ 299.61	2,128	3%
		DL	30,910	468,160	\$ 249.29	1,662	4%
		HP	6,370	536,400	\$ 170.31	1,141	5%
		NW	21,970	185,760	\$ 267.48	1,943	2%
		TW	25,960	202,810	\$ 210.96	2,086	2%
		UA	77,520	1,189,990	\$ 273.58	1,390	11%
		WN	139,900	4,030,810	\$ 89.08	489	36%
	Total		536,100	11,067,860	\$ 169.67	988	100%
2000	SMF	99	15,750	159,360	\$ 197.56	1,461	2%
		AA	33,670	261,980	\$ 249.25	1,946	3%
		AS	10,440	445,860	\$ 115.09	656	6%
		CO	4,820	86,440	\$ 203.93	1,989	1%
		DL	28,220	426,810	\$ 199.76	1,505	6%
		HP	10,360	622,270	\$ 148.44	1,009	8%
		NW	16,630	166,060	\$ 217.51	1,909	2%
		TW	18,580	184,470	\$ 207.36	2,041	2%
		UA	70,720	1,230,710	\$ 200.67	1,280	16%
		WN	147,330	3,978,270	\$ 89.06	561	53%
	Total		356,540	7,562,320	\$ 134.75	923	100%

Source: US DOT Origin and Destination Survey



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

Date	Origin	Carrier	Zero-Fared	Total Passengers	Avg Fare	Trip Length	MktSh
2002 OAK		99	25,940	167,010	\$ 159.15	1,506	1%
		AA	41,170	543,000	\$ 182.02	2,055	5%
		AQ	3,150	198,800	\$ 227.57	1,892	2%
		AS	14,310	890,160	\$ 94.60	582	8%
		B6	980	609,900	\$ 145.57	1,969	5%
		CO	12,300	244,460	\$ 197.48	2,048	2%
		DL	26,790	280,900	\$ 191.14	2,145	2%
		HP	6,470	407,800	\$ 145.36	1,327	4%
		UA	60,770	743,500	\$ 208.80	1,821	6%
		WN	637,790	7,340,800	\$ 88.74	604	64%
	Total		830,240	11,519,540	\$ 114.97	963	100%
2002 SFO		99	110,130	634,000	\$ 251.54	2,089	4%
		AA	302,710	1,999,400	\$ 225.16	1,894	13%
		AS	17,880	620,600	\$ 110.53	676	4%
		CO	99,360	665,200	\$ 254.88	2,269	4%
		DL	201,310	1,147,720	\$ 206.97	1,962	8%
		F9	3,450	206,310	\$ 173.77	1,344	1%
		HA	21,690	186,370	\$ 215.67	2,443	1%
		HP	12,910	721,670	\$ 131.18	1,176	5%
		N7	6,960	332,790	\$ 95.37	841	2%
		NW	106,500	830,110	\$ 202.91	1,907	5%
		TZ	4,520	563,180	\$ 160.11	2,241	4%
		UA	712,310	6,350,010	\$ 212.02	1,501	42%
		US	158,050	803,490	\$ 201.06	2,429	5%
			Total		1,766,890	15,172,440	\$ 202.47
2002 SJC		99	25,080	180,210	\$ 207.45	1,789	2%
		AA	180,080	2,370,510	\$ 160.83	1,346	26%
		AS	16,120	862,670	\$ 105.80	665	9%
		CO	15,600	223,740	\$ 210.29	2,070	2%
		DL	32,510	363,720	\$ 187.90	1,628	4%
		HP	7,780	448,620	\$ 150.00	1,209	5%
		NW	28,330	297,650	\$ 197.78	2,024	3%
		UA	77,450	753,910	\$ 215.69	1,727	8%
		WN	297,710	3,668,170	\$ 84.82	499	40%
			Total		681,060	9,228,780	\$ 133.87
2002 SMF		99	17,740	149,580	\$ 176.86	1,586	2%
		AA	45,370	482,660	\$ 185.68	1,966	6%
		AS	13,980	482,150	\$ 115.29	665	6%
		CO	7,120	145,770	\$ 188.06	2,009	2%
		DL	40,480	445,870	\$ 173.16	1,670	6%
		F9	1,280	102,380	\$ 165.93	1,412	1%
		HP	10,820	600,300	\$ 129.45	1,105	7%
		NW	14,240	210,410	\$ 184.31	1,916	3%
		UA	74,020	882,080	\$ 193.41	1,605	11%
		WN	351,250	4,435,440	\$ 85.82	568	55%
	Total		578,890	8,008,490	\$ 122.15	982	100%

Source: US DOT Origin and Destination Survey

[http://ostpxweb.dot.gov/aviation/aptcomp/apt1\\_2002.xls](http://ostpxweb.dot.gov/aviation/aptcomp/apt1_2002.xls)

**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
		<b>Total</b>	<b>21</b>		<b>7,043,060</b>		<b>432</b>	<b>\$ 0.18</b>
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
		<b>Total</b>	<b>28</b>		<b>7,707,610</b>		<b>454</b>	<b>\$ 0.20</b>
1999	SJC	Non-Low-Fare	9	39%	67,980	1%	453	\$ 0.25
		Low-Fare	14	61%	6,605,580	99%	426	\$ 0.18
		<b>Total</b>	<b>23</b>		<b>6,673,560</b>		<b>426</b>	<b>\$ 0.18</b>
1999	SMF	Non-Low-Fare	14	56%	284,900	6%	423	\$ 0.30
		Low-Fare	11	44%	4,551,610	94%	450	\$ 0.17
		<b>Total</b>	<b>25</b>		<b>4,836,510</b>		<b>448</b>	<b>\$ 0.18</b>

			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
		<b>Total</b>	<b>67</b>		<b>1,863,540</b>		<b>1,812</b>	<b>\$ 0.12</b>
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
		<b>Total</b>	<b>173</b>		<b>14,765,290</b>		<b>2,137</b>	<b>\$ 0.12</b>
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
		<b>Total</b>	<b>97</b>		<b>3,438,010</b>		<b>1,919</b>	<b>\$ 0.14</b>
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
		<b>Total</b>	<b>97</b>		<b>2,233,840</b>		<b>1,853</b>	<b>\$ 0.12</b>

			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
		<b>Total</b>	<b>88</b>		<b>8,906,600</b>		<b>721</b>	<b>\$ 0.15</b>
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
		<b>Total</b>	<b>201</b>		<b>22,472,900</b>		<b>1,560</b>	<b>\$ 0.13</b>
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
		<b>Total</b>	<b>120</b>		<b>10,111,570</b>		<b>934</b>	<b>\$ 0.15</b>
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
		<b>Total</b>	<b>122</b>		<b>7,070,350</b>		<b>892</b>	<b>\$ 0.14</b>

Source: U.S. DOT Origin and Destination Survey

			Short-Haul (750 Nonstop Miles or Less)					
Year	Airport	Market Type	City-Pairs	%	Passengers	%	Stage Length	Yield
2000	OAK	Low-Fare	14	74%	7,521,920	100%	434	\$ 0.19
		Non-Low-Fare	5	26%	31,400	0%	438	\$ 0.29
		Total	19		7,553,320		434	\$ 0.20
2000	SFO	Low-Fare	3	12%	2,591,080	35%	484	\$ 0.19
		Non-Low-Fare	22	88%	4,909,960	65%	446	\$ 0.24
		Total	25		7,501,040		459	\$ 0.22
2000	SJC	Low-Fare	14	61%	6,879,440	99%	431	\$ 0.21
		Non-Low-Fare	9	39%	67,640	1%	487	\$ 0.27
		Total	23		6,947,080		432	\$ 0.21
2000	SMF	Low-Fare	11	46%	4,724,400	94%	451	\$ 0.19
		Non-Low-Fare	13	54%	294,680	6%	432	\$ 0.30
		Total	24		5,019,080		450	\$ 0.20

			Long-Haul (Over 750 Nonstop Miles)					
Year	Airport	Market Type	City-Pairs	%	Passengers	%	Stage Length	Yield
2000	OAK	Low-Fare	41	52%	1,388,900	60%	1,900	\$ 0.10
		Non-Low-Fare	38	48%	922,420	40%	1,825	\$ 0.17
		Total	79		2,311,320		1,870	\$ 0.13
2000	SFO	Low-Fare	19	11%	3,454,170	22%	1,774	\$ 0.12
		Non-Low-Fare	153	89%	12,000,880	78%	2,249	\$ 0.14
		Total	172		15,455,050		2,143	\$ 0.14
2000	SJC	Low-Fare	28	26%	974,740	24%	1,871	\$ 0.11
		Non-Low-Fare	79	74%	3,146,040	76%	1,953	\$ 0.17
		Total	107		4,120,780		1,934	\$ 0.16
2000	SMF	Low-Fare	38	39%	1,277,910	50%	1,848	\$ 0.10
		Non-Low-Fare	59	61%	1,265,330	50%	1,865	\$ 0.15
		Total	97		2,543,240		1,856	\$ 0.12

			All Stage Lengths					
Year	Airport	Market Type	City-Pairs	%	Passengers	%	Stage Length	Yield
2000	OAK	Low-Fare	55	56%	8,910,820	90%	662	\$ 0.15
		Non-Low-Fare	43	44%	953,820	10%	1,780	\$ 0.17
		Total	98		9,864,640		770	\$ 0.16
2000	SFO	Low-Fare	22	11%	6,045,250	26%	1,221	\$ 0.13
		Non-Low-Fare	175	89%	16,910,840	74%	1,725	\$ 0.15
		Total	197		22,956,090		1,593	\$ 0.15
2000	SJC	Low-Fare	42	32%	7,854,180	71%	610	\$ 0.17
		Non-Low-Fare	88	68%	3,213,680	29%	1,922	\$ 0.17
		Total	130		11,067,860		991	\$ 0.17
2000	SMF	Low-Fare	49	40%	6,002,310	79%	748	\$ 0.14
		Non-Low-Fare	72	60%	1,560,010	21%	1,594	\$ 0.16
		Total	121		7,562,320		923	\$ 0.15

Source: U.S. 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	
2002	OAK	LF	15	88%	7,768,610	100%	440	\$ 0.19
		NLF	2	12%	11,400	0%	772	\$ 0.20
		Total	17		7,780,010		440	\$ 0.19
2002	SFO	LF	1	5%	730,930	18%	417	\$ 0.19
		NLF	21	95%	3,373,320	82%	493	\$ 0.24
		Total	22		4,104,250		479	\$ 0.23
2002	SJC	LF	13	68%	5,465,180	97%	433	\$ 0.19
		NLF	6	32%	142,690	3%	615	\$ 0.21
		Total	19		5,607,870		438	\$ 0.19
2002	SMF	LF	12	60%	4,987,180	99%	457	\$ 0.18
		NLF	8	40%	51,950	1%	760	\$ 0.20
		Total	20		5,039,130		460	\$ 0.18

			Long-Haul (Over 750 Nonstop Miles)					
Year	Airport	Market Type	City Pairs	%	Passengers	%	Stage Length	
2002	OAK	LF	45	52%	2,648,550	71%	2,189	\$ 0.07
		NLF	42	48%	1,091,120	29%	1,995	\$ 0.12
		Total	87		3,739,670		2,132	\$ 0.09
2002	SFO	LF	15	10%	2,100,900	19%	1,947	\$ 0.10
		NLF	136	90%	8,967,450	81%	2,269	\$ 0.11
		Total	151		11,068,350		2,208	\$ 0.11
2002	SJC	LF	28	28%	1,189,890	33%	2,005	\$ 0.09
		NLF	71	72%	2,431,100	67%	2,067	\$ 0.11
		Total	99		3,620,990		2,047	\$ 0.10
2002	SMF	LF	40	39%	1,617,350	54%	1,883	\$ 0.09
		NLF	63	61%	1,352,120	46%	2,127	\$ 0.10
		Total	103		2,969,470		1,994	\$ 0.09

			All Stage Lengths					
Year	Airport	Market Type	City Pairs	%	Passengers	%	Stage Length	
2002	OAK	LF	60	58%	10,417,160	90%	884	\$ 0.12
		NLF	44	42%	1,102,520	10%	1,983	\$ 0.12
		Total	104		11,519,680		989	\$ 0.12
2002	SFO	LF	16	9%	2,831,830	19%	1,552	\$ 0.10
		NLF	157	91%	12,340,770	81%	1,784	\$ 0.12
		Total	173		15,172,600		1,741	\$ 0.12
2002	SJC	LF	41	35%	6,655,070	72%	714	\$ 0.14
		NLF	77	65%	2,573,790	28%	1,987	\$ 0.11
		Total	118		9,228,860		1,069	\$ 0.13
2002	SMF	LF	52	42%	6,604,530	82%	806	\$ 0.13
		NLF	71	58%	1,404,070	18%	2,076	\$ 0.10
		Total	123		8,008,600		1,029	\$ 0.12

Source: U.S. DOT Origin and Destination Survey

[http://ostpxweb.dot.gov/aviation/aptcomp/apt2\\_2002.xls](http://ostpxweb.dot.gov/aviation/aptcomp/apt2_2002.xls)

## Summary

Oakland International Airport is committed to encouraging and facilitating airline competition. OAK's strategic marketing program identifies those markets that 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 OAK identifies high fare markets that can support low fare competitive service and seeks out low fare carriers to provide that service.

As opportunities to increase service and improve competition arise, the Airport's staff is dedicated to maximizing the use of its facilities for its existing carriers and those expressing an interest in starting service. At this time, the Airport's facilities are approaching maximum capacity. Between now and early 2005, Oakland International Airport's biggest challenge will be to continue providing a high level of service to the passenger base and the airlines that it has worked so hard to attract. Therefore the Airport has tailored its near-term marketing efforts toward business retention. By monitoring the service that it already has, the OAK is focused on identifying and supporting under-performing markets.