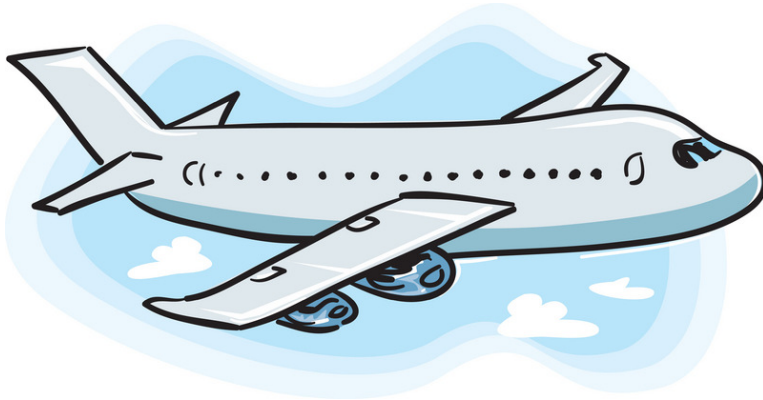


August- September 2011 Update- All things Aviation:



If you'd like additional information, please contact the City of Newport Beach.

JWA Posts June –August 2011 Statistics

Commercial traffic at JWA appeared flat for the periods of June-August 2011 and YTD shows about a 1.0% decrease in commercial traffic when compared to 2010.

June: JWA reported that in June of 2011, airline passenger traffic at John Wayne Airport decreased in June 2011 as compared to June 2010. In June 2011, the Airport served 749,815 passengers, a decrease of 2.9% when compared to the June 2010 passenger traffic count of 772,155. Year to date, the number of passengers shows a decrease of 1.2%.

July: At the same time airline passenger traffic at John Wayne Airport decreased in July 2011 as compared to July 2010. In July 2011, the Airport served 784,927 passengers, a decrease of 1.0% when compared to the July 2010 passenger traffic count of 792,532. Meanwhile commercial aircraft operations have decreased 1.2%, when compared to the levels recorded in July 2010.

August: Airline passenger traffic at John Wayne Airport increased in August 2011 as compared to August 2010. In August 2011, the Airport served 802,534 passengers, an

increase of 0.1% when compared to the August 2010 passenger traffic count of 802,065; Commercial aircraft operations decreased 0.4%. At the end of August YTD commercial traffic is down 1.0% compared to 2010. A guesstimate only but commercial traffic appears to be on course for approximately 8.6 MAP+. As part of JWA's attempt to increase its numbers, on September 21, JWA announced that United Airlines will offer four-day-a-week service from John Wayne Airport to the Mammoth Yosemite Airport beginning December 16, 2011 and extending through April 15, 2012.

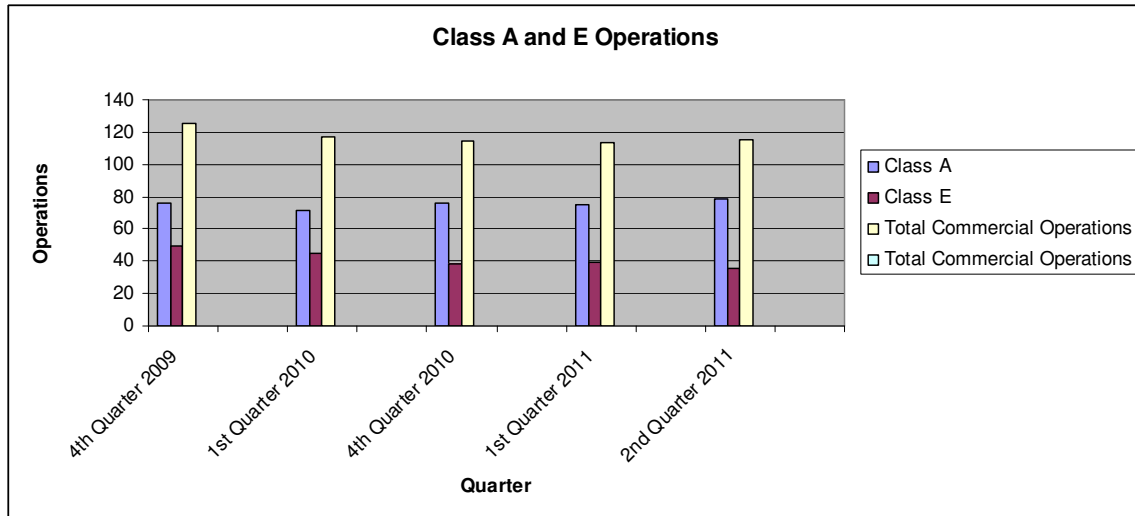
SCAG Reduces Regional Estimates

On a somewhat related matter, the Southern California Association of Governments (SCAG) reports that there may be 130 million to 146 million people a year looking for a flight into or out of Southern California by 2035, but that's still at least 20 million fewer passengers than what the Southern California Association of Governments had expected when the agency crafted its last forecast for air travel in the area. SCAG's Aviation Technical Advisory Committee was expected to meet next to determine its final forecast recommendations on Sept. 22nd. Initially in 2001, SCAG predicted 167 MAP would be served by local airports in 2025, an estimate which has been currently reduced to 146 MAP by 2035.

In the first half of 2001, the six airports in the Southern California region - LAX, SNA, ONT, BUR, LGB and PSP - saw 43,246,934 passengers. In the first half of 2011, 10 years later, the total was down by 5.7 percent to 40,773,889.

The ADDs

Recently a number of persons have asked about the number of departures or Average Daily Departures (ADD) at the airport. Pursuant to the JWA Settlement Agreement the number of Class A, ADD departures is established at 89, which is 85 Class A plus 4 Cargo flights of which 2 may be applied to the Class A Commercial if not fully utilized by the Cargo Carriers. The following is a break down of the recent data regarding the number of ADDs (Average Daily Departures) at JWA. This data includes the recent information released by JWA for the second quarter of 2011:



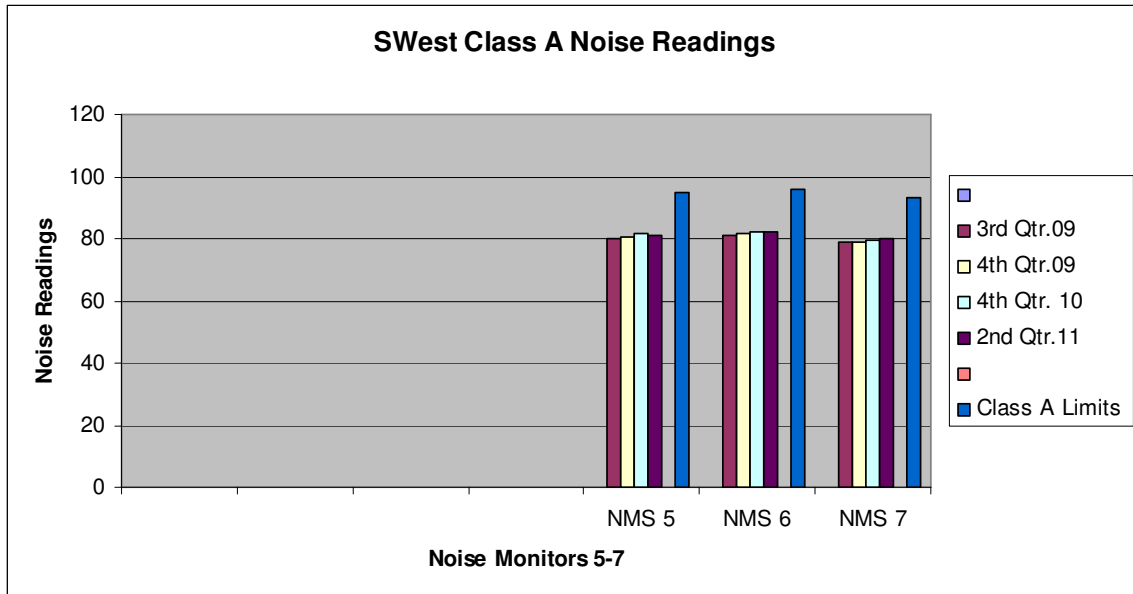
	4th Qtr. 2009	1st Qtr 2010	4th Qtr 2010	1st Qtr 2011	2 nd Qtr 2011
Class A	75.73	71.76	75.77	74.7	78.97
Class E	49.55	45.04	38.45	39.12	35.95
Total:	125.28	116.81	114.22	113.82	114.92

GA Jets: 34.01 37.3 39.56 35.7 37.07

Not included as not regulated by the JWA Settlement Agreement

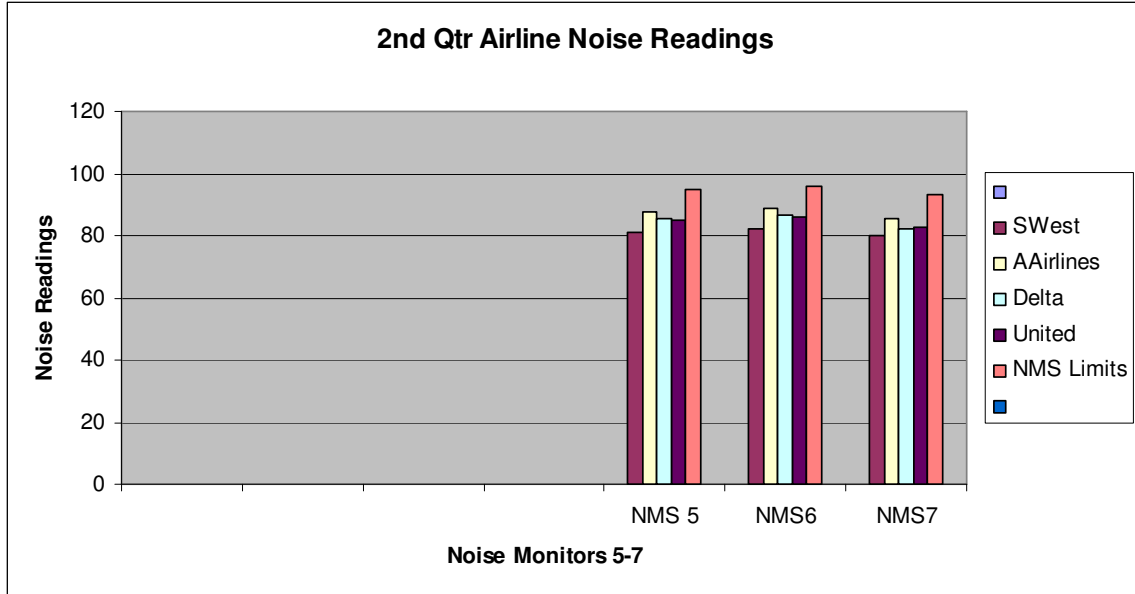
Noise Readings Released for 2nd Quarter

JWA released the noise reports for the second quarter of 2011. What follows is a comparison of Southwest Airlines at noise monitors 5, 6, and 7.



Class A SWest	NMS 5	NMS 6	NMS 7
3rd Qtr.09	80	81.2	78.7
4th Qtr.09	80.7	81.7	78.8
<u>4th Qtr. 10</u>	81.8	82.4	79.4
2nd Qtr.11	81.1	82.2	79.9
Class A Limits	94.6	96.1	93

Noise Readings for Various Commercial Carriers 2nd Quarter 2011

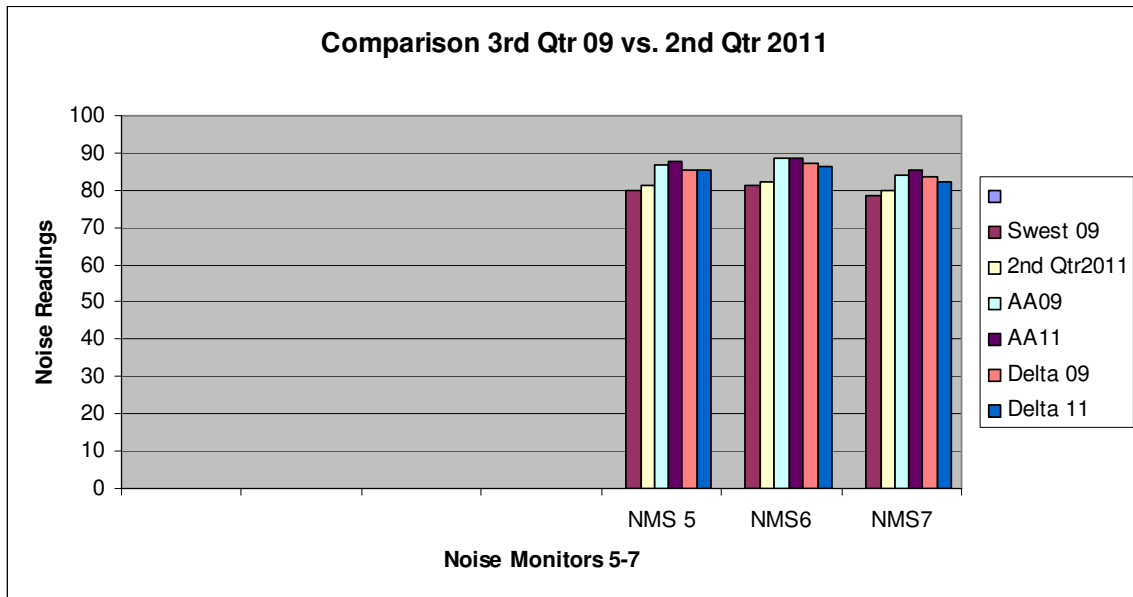


Airline 2nd Qtr. 2011

	NMS 5	NMS6	NMS7
SWest-7377	81.1	82.2	79.9
AAirlines-7378	87.8	88.8	85.3
Delta-A319	85.5	86.5	82.2
United-A320	84.7	86.2	82.6
NMS Limits	94.6	96.1	93

Airline Comparisons vs. 2nd Quarter 2011

The following is data comparing the second quarter of 2011 against the 3rd quarter of 2009 for Southwest; Delta and American. The data reflects the greatest number of departures for that particular carrier's aircraft.



2011 vs. 2009	NMS 5	NMS 6	NMS 7
SWest 09-7377	80	81.2	78.7
2nd Qtr 2011	81.1	82.2	79.9
AA09-738	86.9	88.7	84.1
AA11-738	87.8	88.8	85.3
Delta 09-7377	85.2	87	83.4
Delta 11-A319	85.5	86.5	82.2

Helistop at 3132 Airway Avenue:

The proposal by Leading Edge Aviation Services to establish a private-use helistop on an existing building at 3132 Airway Avenue in Costa Mesa was the subject of the Costa Mesa Planning Commission meeting of August 8. The Planning Commission by a vote of 3-1 recommended denial of the project. At the meeting of September 6, the matter was continued to the first meeting in November for further action.

LAX Continues to Rebound

Passenger traffic at LAX was up by 6.65 percent in July over the same month in 2010. Year to date, the airport has handled 5.63 percent more passengers. Meanwhile at LA/Ontario airport, July traffic was down 9.64 percent and minus 4.31 percent for the year to date. Meanwhile negotiations continue to stall as the city of Ontario has made an "attractive and generous" cash offer to buy Ontario International Airport from the city of Los Angeles, but four months later the city has yet to hear anything from the office of LA's mayor. It's one of the latest efforts by the city of Ontario to regain control of the airport that has shrunk in size by a third since 2007. Passenger traffic at Ontario airport had seemed to be leveling off. Between 2007 and 2009, 2.3 million fewer passengers used the airport, a 32 percent drop. Traffic dropped again in 2010 but it was less than 2 percent. This year, there was little change in the first three months compared to the same time last year. But traffic has dropped each month since and in both June and July the number of travelers using Ontario airport dropped by nearly 10 percent compared to the same month a year prior.

US Airlines Expected to Cut Number of Seats in 4th Quarter of the Year

US airlines are expected to cut the number of seats for sale by 0.5 per cent in the fourth quarter compared with the year-ago period, the Air Transport Association trade group stated August 24, 2011. Bookings at the carriers are "holding their own" midway through the third quarter, and a sluggish economy is not materially weakening demand, ATA chief economist John Heimlich told reporters. "Things are better and holding up reasonably well," Heimlich said. The forecast for airline capacity is based on schedules from carriers. US airlines have been battered in recent years by a weak global economy that has hobbled travel demand. Carriers have managed the downturn with capacity cuts and mergers, such as the 2010 marriage of United Airlines and Continental Airlines to form United Continental Holdings Inc.

The cuts are apparently as a result of high fuel prices and an uncertain economy. Recent cuts announced are:

Delta said last week that it will reduce available seats up to 5% from October through December compared with the last three months of 2010, and cut them by 2% to 3% in 2012 compared with this year.

American made reductions on Tuesdays, Wednesdays and Saturdays by up to 4% starting in August. Last week, it said it would cut available seats for the final three months of the year by roughly 0.5%.

United and Continental, which merged, say the combined airline continues "to refine its capacity plans," and reductions likely will be 2% to 3% for domestic flights for the year. Airlines say they must be careful not to fly with more seats than they can fill at a time when fuel costs are high and fretful travelers could postpone trips because of a still struggling economy.

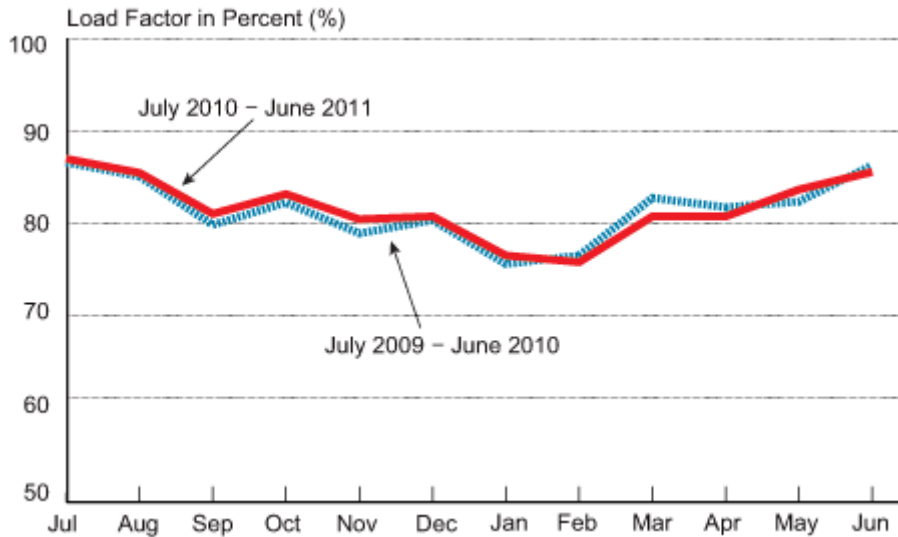
Airlines Report Record August Load Factor

US Air reported: Mainline revenue passenger miles (RPMs) for the month were 5.6 billion, up 1.2 percent versus August 2010. Mainline capacity was 6.4 billion available seat miles (ASMs), down 1.3 percent versus August 2010. At the same time mainline passenger load factor was a record 87.4 percent for the month of August, up 2.2 points versus August 2010.

Meanwhile Delta also reported an increase in overall load factors to 86.9 percent or 0.4 higher than the prior year. International traffic increased 1.9 percent year over year on a 1.8 percent increase in capacity, and load factor increased to 87.5 percent. Domestic traffic decreased 1.8 percent year over year on a 2.6 percent decrease in capacity. Domestic load factor increased 0.7 points to 86.5 percent.

The foregoing seems to represent a couple of trends: International traffic continues to rise, while domestic falls; and carriers by cutting routes and capacity have increased load factors and therefore their RPMs.

In addition you will find a chart of the Passenger Load Factor on all US Scheduled Airlines (Domestic and International for July 2009- June 2011:



Temporary FAA Reauthorization

It appears that Congress has temporarily put some of its differences aside and approved an extension of the FAA Reauthorization. The House passed by voice vote the short term transportation reauthorization extension bill on September 13 which provided for "clean" extensions of surface transportation programs (for six months) and aviation programs (for four-and-a-half months).

The Senate approved the bill on the 15th and it was signed by the President on the 16th. The bill avoids another partial shutdown of the FAA.