

MEMORANDUM

Date: May 14, 2003

To: Honorable Matt Gonzalez President, Board of Supervisors
And
Members of the Board of Supervisors

From: San Francisco International Airport Airline Liaison Office

cc: San Francisco Airline Airport Affairs Committee

Re: Funding For Airfield Development Program (ADP)

This letter is written on behalf of the Airlines serving San Francisco International Airport (SFO) to respectfully request that the Board Of Supervisors approve the release of the reserve ADB funding for the current fiscal year as well as approve additional "minimum" funding for Fiscal Year 2003/04 to enable Airport Staff to:

- 1) complete key scientific studies and NOAA Panel Review efforts; and,
- 2) provide minimal staffing to continue key agency relationships.

From the Airlines' perspective, these funds are necessary to preserve the integrity and value of the technical and environmental studies that are not time sensitive and are not significantly affected by passenger traffic and aircraft operations. If the Board of Supervisors does not approve this funding, a significant portion of the investments made to date will be lost and will have to be regenerated in the future at a higher cost if it becomes necessary to proceed with this project.

As the Board prepares for its deliberations regarding these items at its May 8th meeting, the Airlines respectfully submit the following comments for the Board's consideration:

- First, from the Airlines perspective, the timing of the need for reconfiguration of the Airfield at SFO can be deferred as a result of the decline in aircraft operations at SFO, however, it should not be canceled at this time.

- Secondly, the Airlines believe, given the economic crisis confronting the Airline industry ADP related expenditures can and should be sharply reduced but not completely stopped.
- Third, in recent weeks, Airline Representatives have participated directly in discussions with Airport Staff to review *and* discuss in considerable detail the status of all ongoing ADP related activities. The purpose of these discussions was to identify those analyses that should be suspended versus completed. More specifically, the Airlines agree that the Airport should proceed with the following tasks through the end of Fiscal Year 2003/04:
 - Completion of studies, analyses and reports that support NOAA Panel II;
 - Complete environmental consequences sections associated with resources unaffected by number of operations and passenger volumes. These sections include: Geology, Hydrodynamics and Hydrology, Water Quality, Biology, Threatened and Endangered Species, Wetlands, Floodplains, Wild and Scenic Rivers, Farmlands, and Visual Resources;
 - Finalize preliminary engineering studies associated with the alternatives identified by the FAA in January 2003;
 - Complete habitat utilization and habitat valuation activities that have been ongoing with the Multi-Agency Task Force for the last three years;
 - Complete the conceptual designs of potential habitat mitigation; and,
 - Complete the analysis of the No-Runway Construction Alternatives.

In addition to the technical studies identified above, the Airlines also agree that Airport Staff should continue limited activities as noted below:

- Monitor the actions of each of the agencies with regard to a future runway reconfiguration project;
 - Ensure that the project is included in any future air quality State Implementation Plan (SIP) and transportation master plans;
 - Work with the FAA to ensure that the project is included in their long range planning;
 - Monitor BCDC, RWQCB and other agency actions to ensure that the project is accommodated; and,
 - Monitor SFO traffic trends and forecasts to determine when work on the project should resume.
- Fourth, the Airlines do not support continuation of payments by the Airport related to the Option Agreement entered into by the Airport for a tract of land at Skaggs Island.
 - Fifth, the Airlines do not agree or disagree at this time with the Airport Director's recommendation that the environmental studies and preliminary engineering work be re-started again when, for a twelve month period of time, passenger traffic at SFO

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reaches or exceeds 33 million and/or aircraft operations reach 360,000. From the Airlines' perspective, further discussions are required to determine when it may be appropriate to re-start such activities, but acknowledge some capacity measure may be useful to use to tickle further discussions.

- Finally, from the Airlines' perspective, failure to approve the release of reserve funding for the current fiscal year as well as approve additional funding for next fiscal year will preclude the Airport from completing the documentation of in-progress work that is currently underway and otherwise eligible for partial reimbursement by the FAA.

In closing, the Airlines respectfully request that the Board of Supervisors approve: 1) the release of \$3.7 million in reserve funds for the current fiscal year; and, 2) \$1.9 million in additional funding for Fiscal Year 2003/04. If you have any questions regarding this matter, please contact Greg Casto of the Airline Liaison Office at 650-821-3912.