

FMAA Board Presentation

**Environmental Impact Statement (EIS)
Conducted for the Friedman Memorial
Replacement Airport
in the Wood River Region of South
Central Idaho**

October 7, 2008



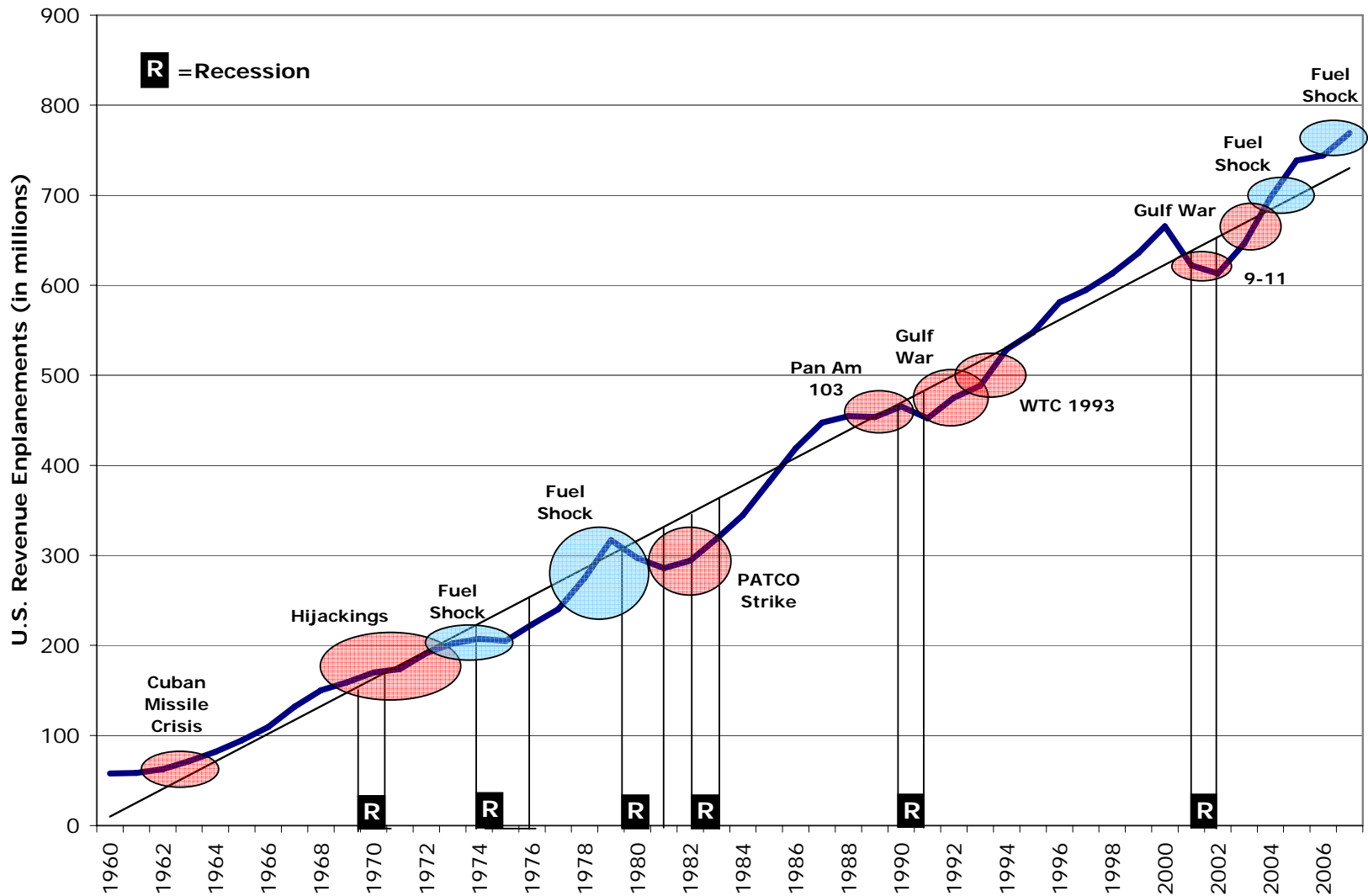
**Federal Aviation
Administration**



Aviation Activity Forecast and Economic Analysis

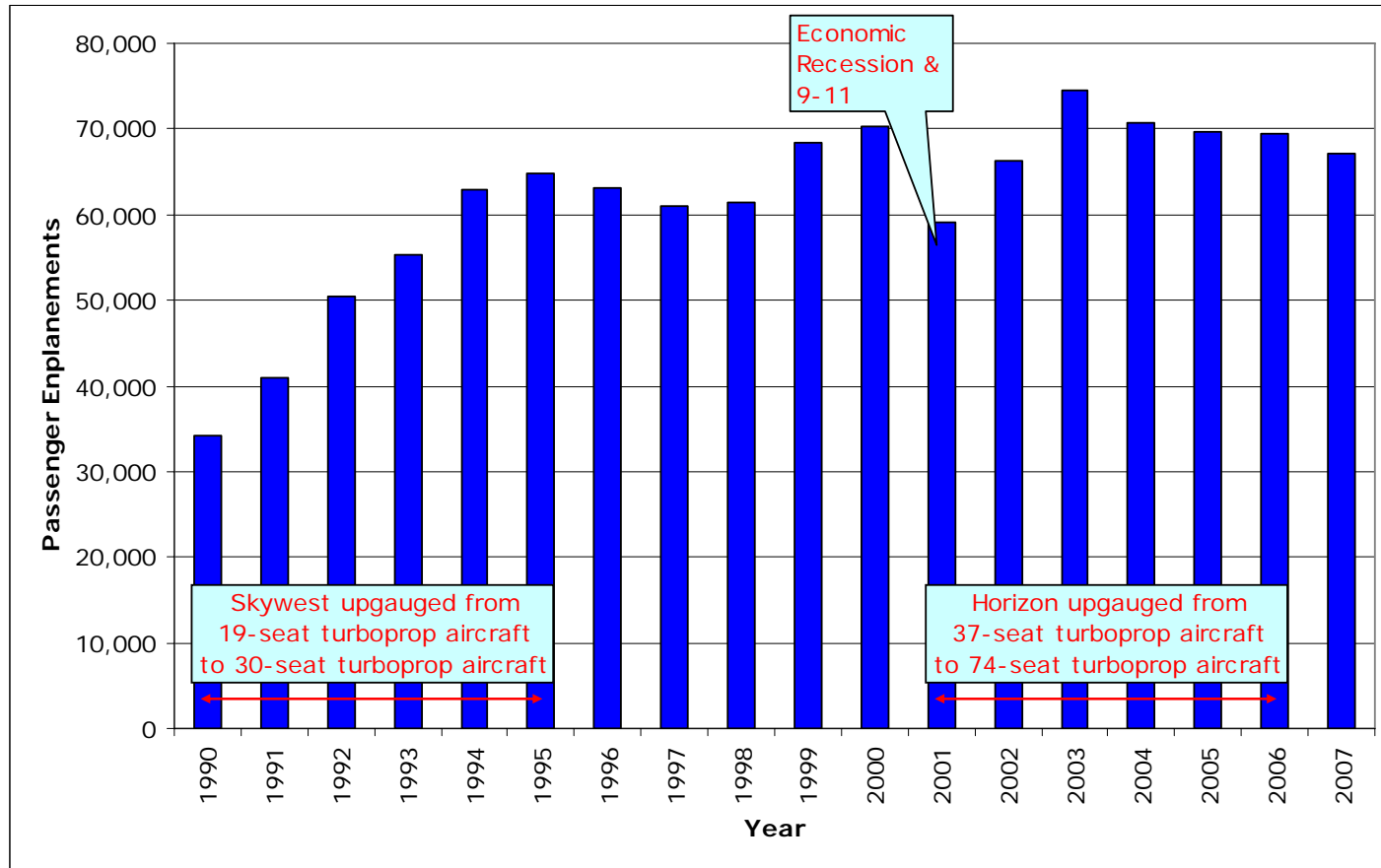
- ✦ Historical Activity:
 - ✦ Enplaned Passengers
 - ✦ Aircraft Operations
- ✦ Stakeholder Interviews
- ✦ Passenger Forecast
- ✦ Aircraft Operations Forecast
- ✦ Economic Impact of Replacement Airport

National Historic Aviation Trends



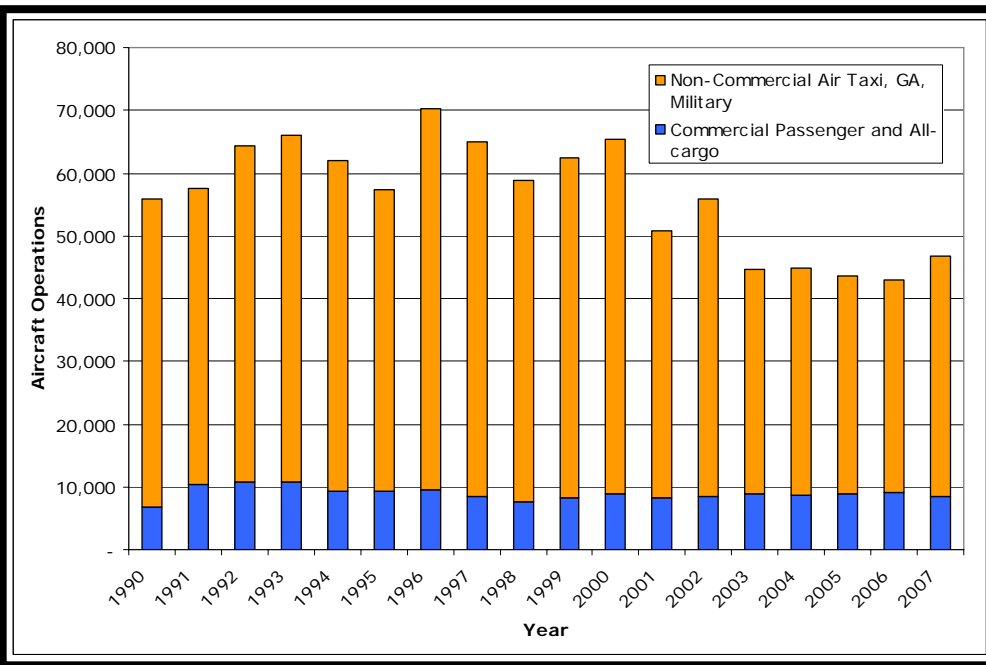
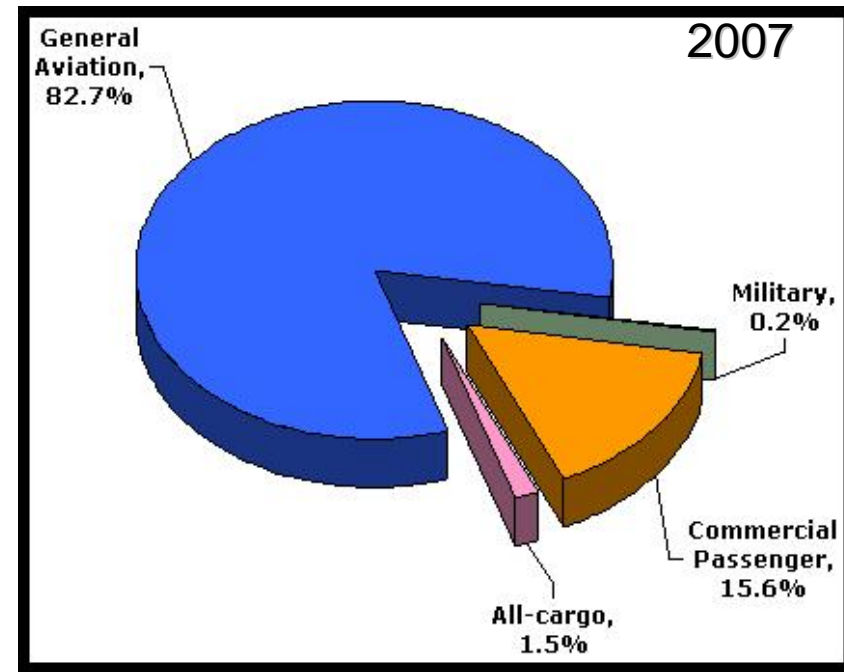
Historical Enplanements

SkyWest handled 67% of 2007 passengers, up from 30% in 1990



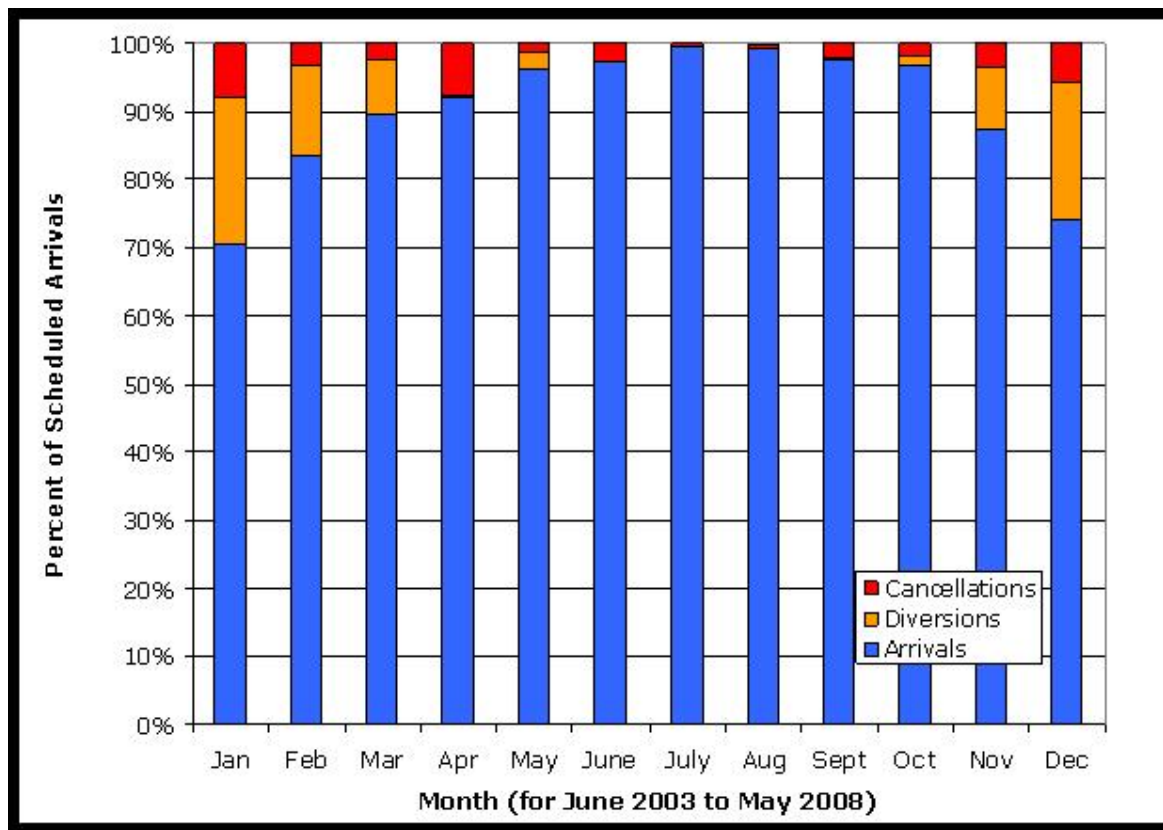
Historical Aircraft Operations

Operations at the airport are dominated by non-commercial flights



Flight Cancellations and Diversions

Diversions account for 14.7% and cancellations account for 4.6% of all winter arriving flights (November-March)



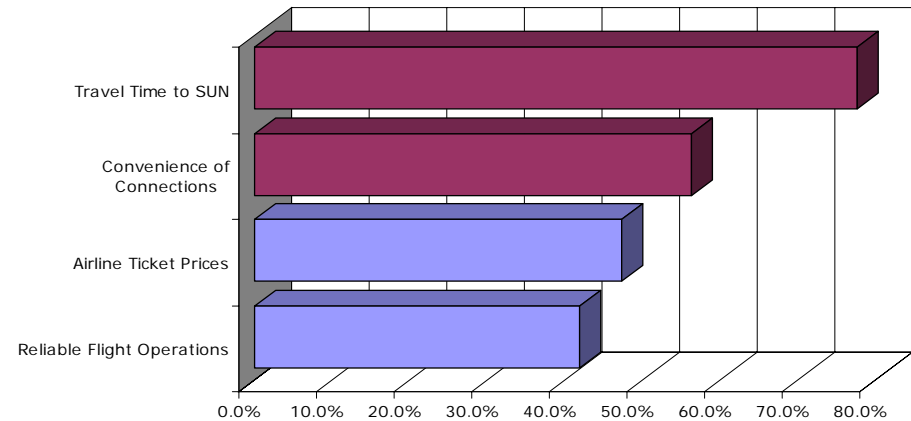
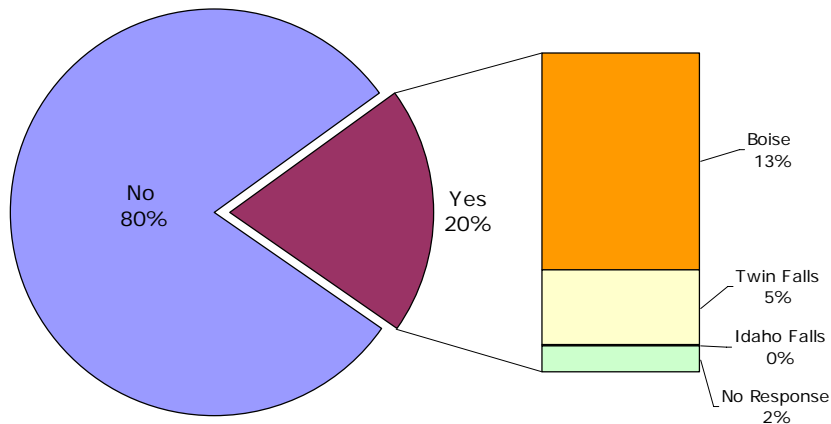
Stakeholder Interviews

- ✦ Passengers
- ✦ Airlines
- ✦ FBO and Selected Pilots
- ✦ Local Employers



Passenger Interview Highlights

- Only 20% of passengers considered using another airport in the region
- Boise passengers cited cost and diversions as the primary reasons for not using FMA
- Passengers ranked travel time to the airport as the most important factor in choosing FMA

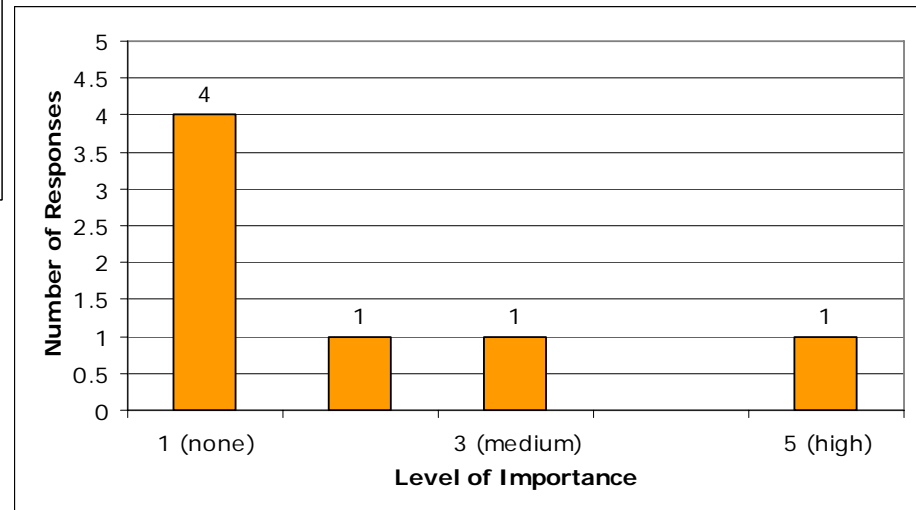


Airline Interview Highlights

- Airlines cited aircraft restrictions as most important in their routing decisions



- Driving time to key destination is secondary as long as “local” airport is closer than competing airports



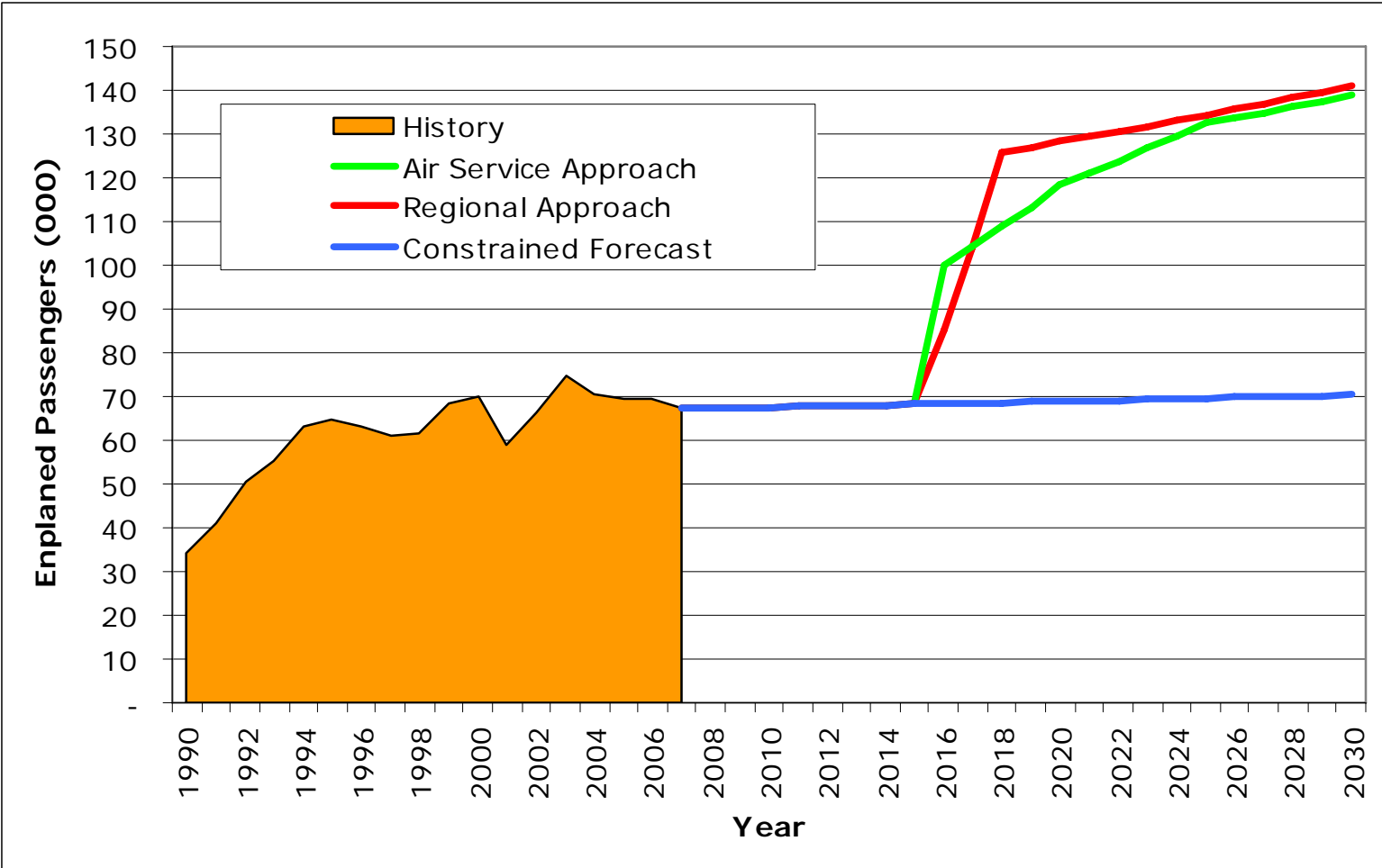
Local Pilot and Local Business Interview Highlights

- Most pilots, or the aircraft owners, were not in favor of relocating FMA
- When weather is a problem, most will postpone their trip rather than divert to another airport
- Local businesses use, or try to use, FMA as their primary airport
- Winter weather reliability and cost of airfare lead to increased use of Boise and Twin Falls

Passenger Forecast Methodology

- Scenarios
 - Constrained (existing airport)
 - Unconstrained (replacement airport)
- Constrained forecast relies upon analysis of historical traffic
- Unconstrained forecast considered:
 - Reduced leakage to Boise and Twin Falls
 - Airport choice data from stakeholder interviews
 - Potential new air service
 - Level of air service at similar resort areas

Passenger Forecast Results



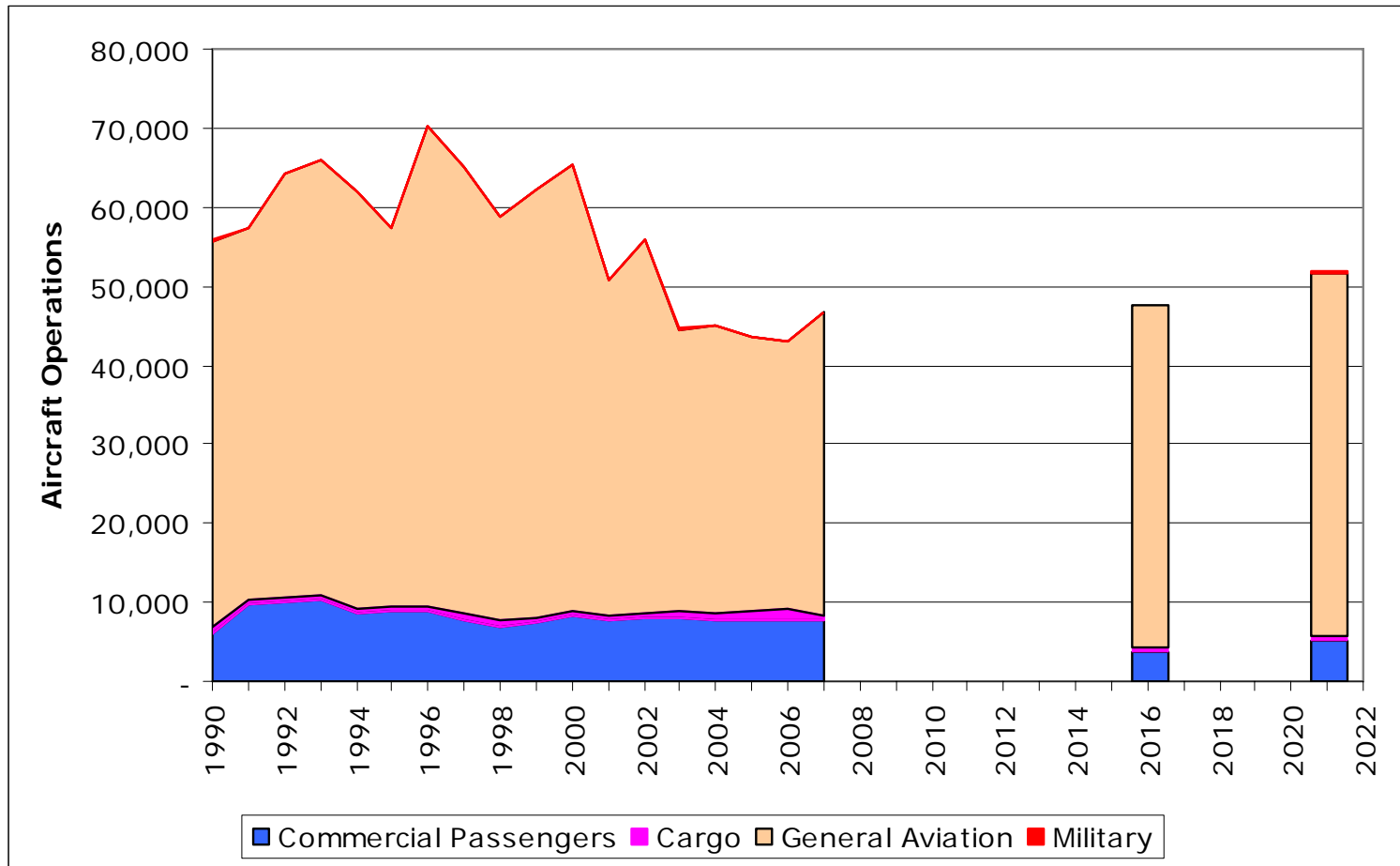
- The regional approach was adopted for all future analyses

Aircraft Operations Forecast

- Under the constrained scenario, passenger aircraft operations would remain in the historical range, although SkyWest has announced its intent to remove the E120 aircraft from the fleet by 2012
- Following the opening of the replacement airport the use of narrowbody aircraft is possible and expected
- Due to larger capacity aircraft, passenger aircraft operations would decline
- General aviation operations are forecast to grow at 1.3% percent per year, in line with national trends
- Total aircraft operations are projected to grow at 0.8% per year from 2007 to 2021



Aircraft Operations Forecast Results



- Although passenger aircraft operations will represent a smaller percentage of the total, total aircraft operations will grow 0.8% per year from 2007 to 2021

Economic Analysis of Replacement Airport

- ✦ Impacts on air service
 - ✦ Allows use of larger, more efficient aircraft
 - ✦ Increased airline competition
 - ✦ New non-stop market(s)
 - ✦ Improved weather reliability
- ✦ Average airfares projected to drop
- ✦ Reduced leakage to Boise and Twin Falls
- ✦ FMA closes and the property is sold

Key Air Service Factor Comparisons

	SUN	BOI	TWF	Benchmark Airports
Average Load Factor	49.9%	72.0%	51.5%	68.5%
Percent Difference		22%	2%	19%
Average Yield	21.69	15.31	24.71	16.91
Percent Difference		-29%	14%	-22%
Average Aircraft Size (seats)	37	88	30	73
Percent Difference		139%	-18%	100%
2003-2007 Net Change				
Average Load Factor	-2%	11%	-7%	8%
Average Yield	30%	15%	40%	20%
Average Aircraft Size	-1%	1%	0%	4%
O&D Passengers	-8%	26%	4%	22%
Seat Capacity	-8%	10%	3%	13%



Direct Economic Benefits

- ✧ Direct Economic Benefits
 - ✧ Consumer – combination of travel cost reduction and stimulated traffic; includes negative impact of increased drive time
 - ✧ Air Transport – increased level of economic activity associated with increased passenger traffic and capacity
 - ✧ Visitor Spending – stimulated travel and tourism spending associated with new passenger demand

Summary of Economic Impact

Summary of Economic Benefits	<u>Direct</u>	<u>Indirect / Induced</u>	<u>Total</u>
Consumer Benefits (mil. \$)			\$2.0
Air Transportation			
Revenue (mil. \$)	\$6.1	\$4.6	\$10.7
Earnings (mil. \$)	\$2.0	\$1.5	\$3.5
Employment	39	80	119
Visitor Spending			
Revenue (mil. \$)	\$11.7	\$9.9	\$21.6
Earnings (mil. \$)	\$3.4	\$3.4	\$6.8
Employment	158	219	377
Total Economic Impacts			
Revenue (mil. \$)	\$17.8	\$14.5	\$32.3
Earnings (mil. \$)	\$5.5	\$4.8	\$10.3
Employment	197	299	496

Questions & Comments



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