AGENDA STAFF REPORT

Control: 26001601

MEETING DATE:	08/25/2026
LEGAL ENTITY TAKING ACTION:	Board of Supervisors
BOARD OF SUPERVISORS DISTRICT(S):	District 5
SUBMITTING AGENCY/DEPARTMENT:	John Wayne Airport
DEPARTMENT CONTACT PERSON(S):	Charlene Reynolds, 949-252-5183 Eric Freed, 949-252-5043

SUBJECT: John Wayne Airport Capacity Allocations for 2027 Plan Year

CEO CONCUR	**COUNTY COUNSEL REVIEW**	**CLERK OF THE BOARD**
Concur	No Legal Objection	CONSENT CALENDAR 3 Votes Board Majority

Budgeted: N/A	**Current Year Cost:** N/A	**Annual Cost:** N/A
Staffing Impact: No		**Sole Source:** No
Current Fiscal Year Revenue: N/A	**Funding Source:** N/A	**County Audit in Last 3 years:** No
Levine Act Review Completed? Yes		

Prior Board Action: 10/14/2025 #1, 7/23/2024 #7

RECOMMENDED ACTION(S):

1. Authorize the Airport Director to allocate Class A and Class E Average Daily Departures and Seat Capacity to Qualified Commercial Passenger and Commercial Cargo Air Carriers and Passenger Capacity to Qualified Commuter Passenger Air Carriers for the 2027 Plan Year (January 1, 2027, through December 31, 2027), as reflected on Attachments A and B, and in a manner consistent with the terms of the Phase 2 Commercial Airline Access Plan and Regulation.

2. Authorize the Airport Director to withdraw Seat Capacity during the 2027 Plan Year as necessary to ensure compliance with the million annual passenger limitation at John Wayne Airport, consistent with Section 6 of the Phase 2 Commercial Airline Access Plan and Regulation, and reaffirm the County's sole and exclusive discretion to require mandatory withdrawals of operational capacity in any form if it determines that such action is appropriate for compliance with the million annual passenger limitation or for any other reason under Section 6.

3. Authorize the Airport Director to allocate or reallocate any additional Regular or Supplemental Average Daily Departures and any necessary associated Seat Capacity, which may become available during the 2027 Plan Year, in a manner consistent with the terms of the Phase 2 Commercial Airline Access Plan and Regulation.

4. Authorize the Airport Director to allocate additional Supplemental Seat Capacity to Qualified Commercial Passenger Air Carriers during the 2027 Plan Year if it is determined that such allocations can be made without jeopardy to the million annual passenger limitation of the 1985 Settlement Agreement, as amended, and the Phase 2 Commercial Airline Access Plan and Regulation.

5. Authorize the Airport Director to waive Section 5.1.1 of the Phase 2 Commercial Airline Access Plan and Regulation and allocate up to 29 Remain Overnight positions for Commercial Air Carrier use during the 2027 Plan Year, pursuant to Section 5.1.1, as reflected in Attachment A, and provide authority to withdraw the additional two Remain Overnight positions for safety or operational purposes, as required.

6. Authorize the Airport Director to allocate Passenger Capacity and Remain Overnight positions and authorize the Airport Director to allocate any additional Supplemental Passenger Capacity and Remain Overnight positions to Qualified Commuter Carriers during the 2027 Plan Year if it is determined that such allocations can be made without jeopardy to the million annual passenger limitation.

SUMMARY:
Approval of the proposed allocation of Regulated Average Daily Departures, Seat Capacity, Remain Overnight Capacity and Passenger Capacity to scheduled Commercial Passenger Air Carriers, Commercial Cargo Carriers and Commuter Passenger Air Carriers will provide John Wayne Airport with the necessary authority to ensure compliance with the County's Phase 2 Commercial Airline Access Plan and Regulation for the 2027 Plan Year.

BACKGROUND INFORMATION:

Community Impact Assessment
The 2027 allocation recommendations have been made in the context of carefully balancing the needs of the Orange County community for adequate commercial air transportation facilities and the desire of the local community for environmentally responsible air transportation operations at John Wayne Airport (JWA). In addition, the allocation recommendations further reflect the experience of the County of Orange (County) in the management and operation of JWA and addressing the public concerns resulting from operation of the Airport.

Regulatory Structure
Consistent with the 1985 Settlement Agreement, as amended, and the Phase 2 Commercial Airline Access Plan and Regulation (Access Plan), regulation of a maximum number of Average Daily Departures (ADDs) is one of two principal restraints imposed by the County to control aircraft noise in residential areas around JWA. Limitation on the maximum number of ADDs has been an element of the County's regulation of JWA since 1972. The Board of Supervisors (Board) previously approved capacity allocations on October 14, 2025, and July 23, 2024.

There are presently two defined classes of ADDs, Class A and E. The class of aircraft permitted the highest relative single event noise level is Class A. Based on the 1985 Settlement Agreement, as amended, the County is authorized to allocate up to 95 Class A ADDs through December 31, 2030. The quietest class of aircraft is Class E. The County is authorized to allocate up to 14 permanent Class E ADDs; however, the absolute number of maximum Class E Authorized Departures is not directly regulated by the County. Instead, the maximum number of Class E Authorized Departures is limited by the million annual passengers (MAP) limitation at the Airport, which is the second principal restraint, under the 1985 Settlement Agreement, as amended, and the Access Plan.

The Access Plan identifies both Regular and Supplemental capacity allocations. The principal difference is that Regular ADDs are allocated on a long-term basis, while Supplemental ADDs are allocated on a short-term basis. The Regular ADDs form the foundation for commercial operations at JWA, while the Supplemental ADDs are allocated each Plan Year to maximize operational capacity while maintaining flexibility to ensure that the total passenger service level remains within the MAP limitation.

Attachment A identifies the specific ADD, Seat Capacity, and RON allocations for Qualified Air Carriers recommended by JWA for the 2027 Plan Year. The recommended Passenger Capacity and RON allocations to Qualified Commuter Carriers for the 2027 Plan Year are set forth in Attachment B.

New Entrant Allocations

The Access Plan provides that potential new entrant Air Carriers and Commuter Carriers have priority on the Air Carrier and Commuter Carrier waiting list based upon the dates when the County first received their written requests of interest to commence service at JWA. In Plan Year 2021, the Airport allocated capacity to three new entrant Air Carriers (Allegiant, Sun Country and Air Canada), followed by Breeze Airways in Plan Year 2023. No new entrant Air Carriers were allocated capacity in Plan Years 2024 and 2025. The accommodation of new entrants is particularly important in light of federal law and FAA's historical interest in and encouragement of policies that facilitate the ability of air carriers to gain access to airports to ensure competition among air carriers and increased travel opportunities for the flying public.

Based on the requests for the initiation of new entrant service in connection with the 2027 Plan Year, the Airport is requesting authorization to allocate one Class A ADD to Aeromexico as a new entrant Air Carrier. Aeromexico proposes to initiate service at the Airport in the first quarter of 2027. The Airport is only able to allocate one of the two Class A ADDs requested by Aeromexico. Therefore, Aeromexico will be placed at the top of the Airport's Incumbent Reallocation Priority List to receive its second requested Class A ADD, if one becomes available in future Plan Years.

Associated Operating Group Provisions

The Access Plan allows carriers to declare annually an Associated Operating Group (AOG) for purposes of conducting operations at JWA. AOGs are formed by carriers interested in sharing capacity among AOG members. Alaska/Horizon and Delta/WestJet have requested to operate as members of two separate AOGs during the 2027 Plan Year. In addition, new entrant Aeromexico is requesting to operate as a member of the Delta/WestJet AOG in Plan Year 2027.

The historical purpose for these provisions is to ensure against a group of Affiliated Carriers gaining an advantage over competitors solely because of the way in which they have chosen to organize themselves for business purposes. The recommended allocation to Alaska/Horizon and Delta/WestJet/Aeromexico reflects AOG provisions of the Access Plan, and is set forth in Attachment A.

Allocation of Permanent Class E ADDs

The Access Plan allows an allocation of up to 14 permanent Class E ADDs by means of a trade-out voluntarily undertaken by the Air Carriers. Specifically, one Class A ADD can be traded for two new permanent Class E ADDs. Currently, Southwest operates all 14 permanent Class E ADDs through December 31, 2030, as set forth in Attachment A.

Allocation of Class A ADDs Currently Under Direct County Control

The County currently has three Class A ADDs within its control. In recent Plan Years, JWA has requested authorization to allocate County-controlled Class A ADD capacity on a permanent or supplemental basis. In order to maintain the MAP limitation at the Airport, JWA is unable to allocate additional County-controlled Class A ADDs to the Commercial Passenger Air Carriers on a regular permanent or supplemental basis for use during the 2027 Plan Year.

Allocation of Class A Departures for Commercial Cargo Operations

The Access Plan provides the County with the ability to allocate up to four Commercial Cargo Class A ADDs and the discretion to allocate up to two of these four Commercial Cargo Class A ADDs to passenger carriers when not requested for cargo operations at JWA. This capacity, however, may only be allocated on a supplemental basis for one Plan Year in any year where Commercial Cargo Carriers have not requested those ADDs.

FedEx and UPS have each requested one Cargo Class A ADD, which are recommended for allocation to them through December 31, 2027. In order to maintain the MAP limitation, JWA is unable to allocate two additional Cargo Class A ADDs to the Commercial Passenger Air Carriers for use during the 2027 Plan Year.

Seat Capacity Allocations

A total of 16,487,890 seats were requested by the Air Carriers as part of the 2027 Plan Year allocation process. JWA is requesting to allocate a total of 14,211,518 seats for the 2027 Plan Year. Historically, the number of seats allocated exceeds the MAP limitation because Air Carrier load factors (seats filled vs. seats available) is less than 100 percent.

A total of 12,343,790 seats are recommended for allocation in support of Class A and permanent Class E operations. A total of 1,867,728 seats are recommended for allocation in support of Supplemental Class E operations, as set forth in Attachment A.

Section 6 of the Access Plan outlines provisions which permit the County to withdraw operational capacity at such times, on such conditions, and for such reasons as the County, in its sole and exclusive discretion, determines are appropriate to ensure that the MAP limitation is not exceeded during any Plan Year, or for any other reason.

Air Carrier Remain Overnight (RON) Allocations

A total of 29 RON positions were requested for the 2027 Plan Year. Section 5.1.1 of the Access Plan provides for an allocation of 27 Air Carrier RONs. The Airport is requesting the Board waive the RON limit to accommodate the two additional RONs requested for the 2027 Plan Year.

Passenger Capacity Allocations to Commuter Carriers

Section 3.5.1 of the Access Plan creates a Passenger Capacity set aside for the allocation of 400,000 Authorized Passengers. Two Qualified Commuter Carriers, SkyWest Airlines and Delux Public Charters, LLC (JSX), have requested Passenger Capacity allocations for the 2027 Plan Year. SkyWest has requested an allocation of 154,447 (Delta Connection: 81,760; and United Express: 72,687) passengers. JSX has requested an allocation of 228,082 passengers.

JWA recommends that 154,447 passengers be allocated to SkyWest for use during the 2027 Plan Year. JWA recommends that 147,000 passengers be allocated to JSX for use during the 2027 Plan Year and is discussed below. Therefore, JWA recommends that 301,447 passengers be allocated for Commuter Carrier use during the 2027 Plan Year, as set forth in Attachment B.

JWA requests authority to make supplemental allocations of additional Authorized Passengers during the 2027 Plan Year if Commuter Carrier capacity requests are received and if actual operations during the Plan Year indicate that supplemental capacity allocations would not jeopardize the MAP limitation.

JSX Allocation Conditions
JSX operates at Jay's Air Center Fixed Based Operator (FBO) leasehold, an operational plan that was previously granted in lieu of operating out of the JWA Thomas F. Riley Terminal (Terminal). Pursuant to Section 8.1.7(b) of the Access Plan, JSX was permitted to operate at Jay's Air Center FBO leasehold during the 2025 and 2026 Plan Years. Under Section 8.1.7(b) of the Access Plan, discretion is provided to the Airport Director to permit a Qualified Commuter Air Carrier to conduct passenger operations at the location of an FBO. JSX has previously conducted operations out of ACI Jet's FBO leasehold for the 2018 through 2025 Plan Years.

JSX has again requested to operate at Jay's Air Center FBO leasehold during the 2027 Plan Year. Consistent with its operations during the 2026 Plan Year, JSX may operate at Jay's Air Center FBO leasehold up to 147,000 passengers to allow JWA to monitor traffic conditions and make necessary adjustments to ensure that commercial air freight operations at the property, which are subject to time-sensitive inspections, are not impacted.

RON Allocations to Commuter Carriers
In addition to the 29 RON positions requested for Commercial Air Carrier use, the Access Plan permits up to six RON positions for allocation to Commuter Air Carriers. JSX has requested an allocation of three RON positions for the 2027 Plan Year. JWA requests authority to allocate three RON positions to JSX (located at Jay's Air Center) for use during the 2027 Plan Year.

Compliance with CEQA: The proposed action is a necessarily included element of the project considered in Final Environmental Impact Report (EIR) No. 617 for the JWA Settlement Agreement Amendment Project, certified by the Board on September 30, 2014, which adequately addressed the effects of the proposed action. No substantial changes have been made in the project, no substantial changes have occurred in the circumstances under which the project is being undertaken and no new information of substantial importance to the project, which was not known, or could not have been known, when the Final EIR No. 617 was certified, has become known; therefore, no further environmental review is required.

FINANCIAL IMPACT:
N/A

STAFFING IMPACT:
N/A

REVIEWING AGENCIES/DEPARTMENTS:

N/A

ATTACHMENTS:

Attachment A - Plan Year 2027 Commercial Air Carrier and Commercial Cargo Carrier Capacity Allocation

Attachment B - Plan Year 2027 Commuter Carrier Capacity Allocation