

CITY OF LONG BEACH

DEPARTMENT OF PUBLIC WORKS

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May 1, 2002

Mr. Donald J. Carty, Chairman, President, and CEO American Airlines, Inc. P O. Box 619616 Dallas/Ft. Worth Int'l Airport, Texas 75261-9616

Dear Mr. Carty,

My name is Edward K. Shikada, Director of Public Works, for the City of Long Beach, California. City representatives corresponded with your office a year or so ago, with a request to not withdraw your Long Beach/Chicago service from our airport. I am now approaching American Airlines with a different kind of request.

The City of Long Beach has worked tirelessly for many years to create an airport which provides economic and air transport vitality to the City and surrounding areas, while at the same time providing a reasonable, responsible environmental quality of life for those neighborhoods which totally envelop the Airport.

I know that today's major corporations have to focus on growth in earnings and market share, but we are also seeing wonderful examples of corporate priorities that recognize the value of community compatibility, even if it might result in short term performance impacts.

My purpose for writing to you is to ask that American Airlines recognize this value in its treatment of the City of Long Beach and its community.

Please bear with me while I tell our story. The Long Beach Airport is very important to the City and the region. It is a busy general aviation airport, it is the home to manufacturing activities of Gulfstream Aerospace, Mooney Aircraft, Boeing B-717, and Boeing C-17, and as you know, it provides commercial airline service via American Airlines, America West Airlines, and JetBlue Airways.

Because our airport (LGB) is completely surrounded by close-in residential areas, aircraft noise has been a primary issue for the City for the past 30+ years. Efforts to control aircraft noise resulted in an ordinance which was adopted in

AIRPORT BUREAU

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Mr. Don Carty, American Airlines May 1, 2002 Page 2

1981, and which by the mid-1980s was challenged by many airlines (American included). The litigation surrounding efforts to find a reasonable balance between air commerce and community noise exposure ended after 12 years, with a settlement agreement between all parties (once again, American was a participant). The agreement contained, as a goal, conformance with State and federal noise exposure rules/guidelines, and permitted the same level of airline activity which had been permitted by the Federal District Court and 9th Circuit Court of Appeals. It also provided that the allowable 41 daily scheduled airline flights could actually be increased, if the airlines could operate the additional flights within their allotted share of the total, cumulative noise "budget."

For your information, the City was also sued by area homeowners for nearly \$200 million during this period, based on perceived damages related to aircraft noise exposure.

The Airport Noise Compatibility Ordinance that was implemented in 1995, was specifically grandfathered by the federal Airport Noise and Capacity Act which became law in 1991, and the Ordinance contained, as its basis provisions, noise control measures which were recognized as being reasonable by the 9th Circuit Court of Appeals. The City's 2010 Strategic Plan, developed by the community and approved unanimously by the City Council, subsequently reinforced this same long-term direction for LGB – maximize its use within the provisions of the Noise Compatibility Ordinance.

Based on the balance struck by the LGB Airport Noise Compatibility Ordinance, the City mounted efforts to maximize the economic and air transport benefits of LGB, within the limits of the regulation.

The Southern California region has also embraced our efforts and our vision of balanced growth and environmental responsibility, through adoption of the Southern California Association of Governments' 2025 Regional Transportation Plan. The aviation element of this plan shows LGB as accommodating a level of passengers (3+ million annual passengers) consistent with our Noise Compatibility Ordinance.

For the past several years, the City has been tirelessly outreaching to airlines to provide service up to noise-based permitted levels of activity, and has been improving LGB to accommodate the permitted growth.

Our airline outreach efforts have been extensive and are well documented, including efforts to retain service and attract additional service from American

Mr. Don Carty, American Airlines May 1, 2002 Page 3

Airlines (this included a visit to your headquarters a little over a year ago, by City and Convention & Visitors Bureau staff).

Thank you for indulging me regarding this background, however, I think it is important for you to see the genesis of our regulations, and the honest and comprehensive effort with which this City and community have searched and toiled for the reasonable balance which we have achieved.

Returning now for the purpose of my writing to you, and requesting that American's sense of social responsibility be invoked, by you, in a case at hand.

As you may be aware, having had little luck attracting incremental airline service, the City had the fortunate opportunity to solicit service from JetBlue Airways, which agreed to take the remaining 27 of the available 41 daily airline slots.

Recently, however, American Airlines requested four daily airline slots. Although we have all of our 25 daily commuter/RJ slots available (some or all of which were offered to American Airlines), the only slots that we could offer were temporary unused slots. Temporary unused slots are defined as those daily airline slots, which are available until all 41 of the final slot holders are actually operating their slots. We believe that this would not occur until May of 2003. As such, the City offered temporary use of slots until that time.

Communications from your planning staff (Walter Aue, February 22nd, March 22nd, April 9th, and April 18th) strongly indicate American Airlines' intent to challenge the process used by the City to allocate flight slots (the City's Flight Allocation Resolution), and possibly the underlying Noise Compatibility Ordinance.

I understand American Airlines' need to be competitive in the marketplace. However, a challenge of the City's Flight Allocation Resolution and Airport Noise Compatibility Ordinance is not the right thing to do. I have tried to explain why in this letter. As such, I ask that you provide direction, from your perspective, to challenge the flight allocation process if you must, but to allow the City of Long Beach and its surrounding communities to continue implementation of its Airport Noise Compatibility Ordinance, without challenge.

The City's adopted policies and regulations are based on reason, provide a responsible balance between commerce and environmental quality, are supported in federal legislation and case law, and establish the right thing to do.

Mr. Don Carty, American Airlines May 1, 2002 Page 4

Our policy makers, myself, and our staff would be happy to visit you in Dallas, and/or host you in Long Beach, if you would like to engage in discussion on any of the points addressed in this letter. Please feel free to call me at (562) 570-6641 to make arrangements as appropriate.

Your consideration of doing what is right for our City is very much appreciated by the greater Long Beach community.

Yours truly,

Edward K. Shikada Director of Public Works

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