SOUTHWEST AIRLINES CO.

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July 8, 2014

Ms. Lea Choum
John Wayne Airport
3160 Airway Avenue
Costa Mesa, CA 92626

Re: Southwest Airlines Comments regarding Draft EIR No. 617 ("Draft EIR")

Ms. Choum:

Southwest Airlines appreciates the opportunity to comment on the John Wayne Airport Settlement Agreement Amendment Draft Environmental Impact Report No. 617. We continue to strongly support Alternative B and believe it balances the present and future demand for air service at SNA with the potential impacts on the surrounding areas.

The SNA Airline Airport Affairs Committee ("AAAC"), comprised of the airlines serving SNA, proposed Alternative B over a year ago after numerous discussions with the Airport and other County representatives. The AAAC's efforts in developing this alternative were to recognize the noise and environmental concerns of those communities surrounding the Airport, while also attempting to meet the projected air service demands of those same communities.

The Proposed Project in the Draft EIR appears to demonstrate few significant environmental or noise advantages compared to Alternative B, particularly in the first two phases of the proposed term. In regard to Phase 3, which does not begin for more than a decade, we urge the County to carefully weigh the economic benefits and convenience to the surrounding communities of additional SNA service against the *potential* environmental and noise impacts – which we feel are overstated. In particular, the Draft EIR notes that quieter, lower emitting aircraft technology will likely be developed over the next decade. We want to ensure that the County recognizes this technology development and does not unnecessarily restrict the airlines from meeting the air service demands of the communities surrounding SNA.

As history has shown over the last 20 years since Southwest Airlines commenced service at John Wayne Airport, airlines continue to enhance service to SNA, predominantly with larger, more fuel efficient, and quieter aircraft. The demand for increased service is shown by ever-increasing load factors. Over the proposed term of the extension, there's no doubt enhancements to fuel efficiency, which will decrease emissions, will be achieved, and engine noise performance will continue to improve, which will allow the airlines to increase service to SNA and mitigate environmental or noise effects all at the same time.

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We encourage the County of Orange to reconsider and approve Alternative B. Southwest Airlines acknowledges that the Settlement Agreement is crucial to the operation of John Wayne Airport, and we are committed to continuing to work with you during this process. Thank you for your consideration. 1 cont.

Yours truly,

Barry S. Brown

cc: Alan Murphy, Director John Wayne Airport
Courtney Wiercioch, Deputy Director Public Affairs, JWA
Eric Freed, Manager Access & Noise, JWA
Gary Kelly, SWA Chairman, President & CEO
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Larry Pitts, SWA SNA Station Manager
SNA AAAC

Response to Comment Received from
Southwest Airlines Company
Dated: July 8, 2014

Response 1: The County of Orange acknowledges your support for Alternative B. However, it should be noted that Alternative B does result in greater impacts than the Proposed Project. As discussed in the Draft Environmental Impact Report ("EIR"), impacts would be greater with Alternative B than with the Proposed Project in the following environmental resources areas:

- Both the Proposed Project and Alternative B would have significant unavoidable air quality impacts. However, the Proposed Project would result in less air pollutant emissions than Alternative B for all criteria pollutants. In addition, Alternative B would exceed the South Coast Air Quality Management District's ("SCAQMD's") threshold for PM_{10} in Phase 2 and $PM_{2.5}$ in Phases 2 and 3, whereas in these phases, the Proposed Project would be below the SCAQMD thresholds for these pollutants (see Table 4.1-8 [page 4.1-29] and Table 4.1-10 [page 4.1-33] in the Draft EIR). Both the Proposed Project and Alternative B would result in less than significant impacts for cancer risk, cancer burden, and chronic non-cancer risk for all receptors and for acute non-cancer risk for residents and other sensitive receptors. Both the Proposed Project and Alternative B would have a significant acute non-cancer health risk impact for workers; however, the Alternative B would have a higher maximum estimated incremental risk for each of these categories compared to the Proposed Project (see Table 4.1-23 [Health Risk Assessment From Operations, page 4.1-62] of the Draft EIR).

- The Proposed Project would result in lesser impacts to the ecologically sensitive Upper Newport Bay than Alternative B. The Proposed Project, Phase 3 would result in 70 flights (Class A and Class E) prior to noon on the average day peak month, compared to 82 flights with Alternative B, Phase 3 (see Table 4.2-2 [Flight Frequency During Morning Hours for the Average Day Peak Month Under the Proposed Project], on page 4.2-20 and Table 4.2-6 [Flight Frequency During Morning Hours for the Average Day Peak Month Under Alternative B], on page 4.2-28 in the Draft EIR). The morning hours are the highest peak activity for sensitive bird species when noise can interrupt bird calls and song patterns. Additionally, the Proposed Project would result in fewer acres (274 acres with the Proposed Project, Phase 3) of the Upper Newport Bay being exposed to noise levels of 60 Community Noise Equivalent Level ("CNEL") than would Alternative B (317 acres with Alternative B, Phase 3) (see Table 4.2-3 [Acreage of Upper Newport Bay Affected by Noise Levels Greater Than 60 CNEL], on page 4.2-22 in the Draft EIR).

- Both the Proposed Project and Alternative B would result in an increase in greenhouse gas ("GHG") emissions as compared to the existing conditions. The GHG emissions for the Proposed Project would be 15 percent less than the corresponding "No Action Taken" GHG emissions, but would be less

than the 28.5 percent reduction identified by the California Air Resources Board ("CARB") in the 2008 Scoping Plan to ensure consistency with AB 32's requirement to achieve 1990 emission levels by 2020. However, the total annual emissions for the Proposed Project, Phase 3 would be 59,774 metric tonnes of carbon dioxide equivalent per year ("$MTCO^2e$/year") compared to the 101,570 $MTCO^2e$/year for Alternative B, Phase 3 (see Table 4.3-2 [Proposed Project Greenhouse Gas Emissions], page 4.3-24 and Table 4.3-4 [Alternative B Greenhouse Gas Emissions], page 4.3-26 in the Draft EIR).

- With the Proposed Project, fuel deliveries would need to start earlier than the current conditions (i.e., 11:30 PM), but could still be accommodated in the evening hours. With Alternative B, given the number of additional tanker truckers that would be required, it is anticipated that fueling would need to commence during daytime hours. Though safety procedures would reduce the risk of upset, Alternative B would require establishment of refueling schedules during the day in order to avoid conflict with other refinery customers and delivery schedules (see pages 4.4-13 and 4.4-16 in the Draft EIR).

- With the Proposed Project, there would be no impacts associated with on-site land uses, whereas Alternative B would result in potentially significant impacts in Phases 2 and 3 because the projected operations would exceed the existing capacity of number of gates, international terminal capacity, fuel storage capacity, and automobile parking (see Table 4.5-3 [Gate Schedule Analysis Results for John Wayne Airport], on page 4.5-24; Table 4.5-4 [Projected Turns Per Gate John Wayne Airport], on page 4.5-25; Table 4.5-5 [John Wayne Airport Projected Enplanements per Gate with a Passenger Loading Bridge], on page 4.5-26; Table 4.5-6 [Projected International Daily Flights John Wayne Airport], on page 4.5-27; Table 4.5-7 [Average Daily Fuel Capacity and Trucking Requirements], on pages 4.5-28 and 4.5-29; and Table 4.5-8 [Projected Parking Demand by Million Annual Passengers], on page 4.5-30 in the Draft EIR).

- The number of noise-sensitive uses exposed to noise levels in excess of 65 CNEL would be greater with Alternative B than with the Proposed Project. In addition to a noise impact, this is considered a land use compatibility impact. Alternative B, Phase 3 would expose an additional 134 residences to noise levels in of 65 CNEL or greater, compared to 77 residences with the Proposed Project, Phase 3. Land Use incompatibility due to interior noise levels in excess to the 45 CNEL standard would also be greater with Alternative B—an additional 61 residences for Alternative B compared to 44 as a result of the Proposed Project (see Table 4.5-9 [Land Uses Within Community Noise Equivalent Level Contours], on pages 4.5-33 and 4.5-34 in the Draft EIR).

- Alternative B is inconsistent with the City of Newport Beach General Plan Policy N 3.8 because of the substantial increase in the number of flights and Million Annual Passengers ("MAP") that would be allowed. Since the

City of Newport Beach is a Responsible Agency for purposes of CEQA and required to approve the Settlement Agreement extension, this was found to be a significant impact and no mitigation is feasible. The Proposed Project was found to be consistent with the applicable plans and policies (see Table 4.5-10 [Goals and Policies Consistency Analysis], on page 4.5-61 of the Draft EIR).

- The Proposed Project would have a less than significant impact for all phases for noise increases when assessed using FAA and County of Orange thresholds, whereas Alternative B, Phase 3 would have significant noise impacts at NMS 1S and 2S when applying FAA, County of Orange, and Newport Beach thresholds. In accordance with Newport Beach thresholds, Phase 3 of the Proposed Project would result in a significant noise impact at NMS 2S in the City of Newport Beach, whereas Alternative B would have significant noise impacts at NMS 1S and 2S for Phase 2. In addition, Alternative B, Phase 3 would have a significant impact at NMS 3S when the Newport Beach threshold is applied (see Table 4.6-9 [Proposed Project Community Noise Equivalent Levels and Changes in Community Noise Equivalent Levels], page 4.6-46 and Table 4.6-13 [Alternative B Community Noise Equivalent Levels and Changes in Community Noise Equivalent Levels], page 4.6-56 in the Draft EIR.)

- With the Proposed Project, the overall level of service for security protection is not expected to substantially deteriorate. The Transportation Security Administration ("TSA") and the U.S. Immigration and Customs Enforcement ("ICE") levels of service would be comparable to existing service during peak periods because the number of flights and MAP would not exceed the design capacity of the existing terminal facilities. With Alternative B, though safety would not be compromised, during peak periods, there would be an inconvenience to travelers at JWA due to delays. The delays are anticipated because the projected number of international flights per day is above the Federal Inspection Service's ("FIS'") facilities design capacity. With Alternative B, Phases 2 and 3, greater demand would be placed on TSA when gate capacity is exceeded because that is an indicator of the number of passengers needing to go through security screening (see pages 4.7-4 and 4.7-7 of the Draft EIR).

- Alternative B would result in greater traffic impacts when compared with the Proposed Project. Alternative B would impact additional freeway segments (the northbound State Route [SR] 73 onramp from SR-55 northbound) and an additional arterial intersection (Campus Drive and Airport Way). (See Tables 4.8-93 [Freeway Impact Summary], on page 4.8-153 in the Draft EIR and the revised Table 4.8-92 [Intersection Impact Summary], provided in Section 2, Errata of this Responses to Comments document.)

- The Proposed Project would not exceed the wastewater discharge volumes provided for in the 2005 "Will Serve" letter issued by the Orange County Sanitation District ("OCSD"). Alternative B, Phases 2 and 3 would

exceed the OCSD's current allocation for the Airport. Prior to mitigation, without assurances that Alternative B does not exceed capacity, it has been determined that exceeding the allocation already in place for JWA would be a significant impact (see pages 4.9-4 and 4.9-5 of the Draft EIR).

The County also acknowledges your input regarding the conservative underpinnings of the impact analysis presented in the Draft EIR arising from the technology-based assumptions utilized.

Though the Draft EIR conservatively assumes the continuation of the existing fleet mix, the EIR does identify that, given the length of the 15-year planning timeframe for the Proposed Project (2015-2030), it is reasonable to assume that there will be interest in introducing newer and next generation aircraft. These newer aircraft, such as the 737-900ERW, 787, 737-MAX, or comparable aircraft by other manufacturers may be incorporated into the fleet mix at JWA at some point in the future. These newer aircraft may generate less noise and have fewer air emissions compared to the current fleet at JWA. In addition, since these aircraft accommodate more passengers than aircraft in the current fleet, it may be possible to serve more passengers (within the million annual passengers ["MAP"] cap) with fewer operations. The issue of the introduction of newer and next generation aircraft is discussed on pages 1-17, 3-26, 4.1-13, 4.3-16, 4.6-44, and 4.6-80 of the Draft EIR, as well as in the *Capacity Analysis Technical Report* (provided in Appendix F) in the section entitled: "Aircraft in Development that Will Replace Aircraft Currently Operating at John Wayne Airport."

As indicated in the Draft EIR, the timing of changes to the fleet mix at JWA cannot be known at this time and the California Environmental Quality Act ("CEQA") does not allow speculation. In order to be conservative, the environmental analysis presented in this Draft EIR assumes that the Project would maintain the Airport's existing fleet mix, thereby likely presenting a maximum environmental impact assessment of air quality (Section 4.1), greenhouse gases (Section 4.3), and noise (Section 4.6).