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February 7, 2002

Ms. Mary Soderstrum
Deputy Director
Rhode Island Airport Corporation
2000 Post Road
Warwick, Rhode Island
02886-1533

**Re: City of Warwick Comments - T.F. Green Airport Master Plan and EIS
"Forecasts of Aviation Demand dated September 10, 2001"**

Consistent with the Airport Master Planning process, the City of Warwick hereby submits, it's comments regarding the draft document entitled; Chapter II Forecasts of Aviation Demand dated September 10, 2001, for the record.

As previously state, the City Warwick respectfully requests a complete revision of *Chapter II* to include at a minimum, post September 11th passenger figures both local and regional, changes in regional capture areas, airline industry trends, market share and forecast modifications. Once the updated information is received the City reserves the right to once again comment on the changes.

Second, the City of Warwick requests the consultant include several additional forecasts based on potential new destinations driven by future market demand over the next 20 years.

The City offers the following recommendations and modifications:



The City of Warwick is committed to the promotion of fair housing and equal program access regardless of age, race, sex, national origin or physical handicap.



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1. Amend all pertinent sections of Chapter II entitled "*Forecasts of Aviation Demand*"

This Chapter of the Master Plan is the heart of the plan and is the foundation from which decisions are fashioned. Therefore, it is imperative that the information contained within this document be up to date and accurate.

The City of Warwick has reviewed the technical information within Chapter II entitled "*Forecasts of Aviation Demand*" dated September 10, 2001. The City finds the technical data and information provided within this chapter were based on assumptions and data prior to the tragic events of September 11, 2001. Most industry professionals concede, that the events of September 11, 2001 have had a profound and lasting effect on the airline industry and traveling public.

Security issues and safety concerns are of paramount importance both as factors of passenger choice and as defining factors in air travel. Technical indicators point out a significant and sustained decrease in business travel as well as an overall decrease in passenger traffic at major-hub airports. Curiously, the decrease in passenger traffic has not been as great at smaller regional or feeder type airports such as T.F. Green. The impact of this phenomena must be examined, addressed and incorporated within this chapter. The City believes that T.F. Green Airport may actually encounter growth in catchment area as a result of this tragedy. In fact, recent data has shown a 5% increase in passenger growth at T.F. Green from the Massachusetts catchment area after 9/11. The growth in catchment area may be a direct result of the elevated concern over safety which may prove to be a new factor in passenger choice.

A recent travel industry survey ranks T.F. Green Airport among the best airports in the United States even before safety became a preeminent issue and factor in passenger choice. The addition of the prevailing sense that T.F. Green Airport is "more safe" than Boston/Logan will likely serve to increase passenger traffic through gains in market share.

The Master Plan must also address new trends in the airline industry such as increased flight delays from additional security. Larger hub airports already experiencing record flight delays prior to 9/11 must now grapple with additional security related flight delays making smaller regional facilities more attractive. This trend may alter historic travel patterns, service areas and catchment areas thereby altering forecast assumptions and market share analysis.

The Master Plan must also fully address the fiscal health of the largest air carriers as they may impact forecasted data if airline bankruptcies occur. The extended closure at Reagan National Airport has had a significant adverse impact on the second largest air carrier at T.F. Green evoking the possibility of airline bankruptcies. The Master Plan must address the impact of such an occurrence both on a local and regional basis. The forecast must consider the expanding role of feeder airports after 9/11. Safety concerns, security and airport delays cannot be ignored in the forecasts for they will remain important variables in passenger choice now and into the immediate future.

The City is firm in its recommendation that this chapter include the most relevant and up to date data available since 9/11. The resultant updates requested by the City should be included in the chapter and summarized in a separate section of the Master Plan.

2. Develop a "Scenario 5" Infrastructure Growth Scenario

Develop the *reciprocal* to the first scenario entitled "Existing Role." A variant of scenario (4) "Some Level of Facility Improvement", this new scenario (5) would forecast passenger growth, operations and capacity given terminal, airfield and off airfield infrastructure improvements such as runway 16/34 extension, additional gates, baggage handling and offsite parking facilities. The primary questions are; If airfield improvements were made what years would landside, airfield and terminal capacity be met? How many annual passengers and airline operations would the facility accommodate comfortably?

A new scenario (5) should include the same forecast assumptions but expand upon the infrastructure improvements. The goal is to achieve a maximum range within the capacity constrained forecast that more accurately reflects the infrastructure recommendations presented to date. The corresponding forecasts of scenario (5) within the capacity constrained section should be graphically depicted against the results of scenario (1) in order to provide a maximum and minimum range for data reference useful in future planning.

3. Amend Forecasts to Include Impact of New Service to "Hot Markets" as well as International Service.

To protect the City of Warwick this 20-year master plan must include all probable forecasts including flights to new service destinations and hot markets including international destinations. Since the market drives the airline industry no one person can either predict the future or discount service to markets especially over a 20 year time period.

T.F. Green Airport has grown tremendously over the last 6 years. However, there are still several "hot markets" that are not serviced by T.F. Green. It is imperative that the 20 year master plan include forecasting of potential new destinations driven by market demand. Chapter II must include forecasting for new service destinations including the ten top market not currently served by T.F. Green. In addition, forecasts must include service to City's which serve as a gateway to the Caribbean and Europe. International service via the gateway cities must be a part of the forecasting within the Master Plan.

As discovered in the last Master Plan, failure to address a range of forecast scenarios can have widespread detrimental impact on the host community. The Master Plan must address all forecasts including those driven by market changes which appear improbable today. The fundamental element of planning is to fully address and analyze what may today appear improbable rather than relying on a premise based beliefs or probability.

4. Amend II.2-1 Census 2000 Catchment Area Population by County

The table includes information and data based on pre-9/11. Recent data suggest a significant shift in catchment area away from Boston/Logan to the regional airports. Since 9/11 T.F. Green has experienced 5% increase in passenger traffic from the Massachusetts catchment area.

The recent increased shifts in catchment area from Boston to T.F. Green must be clearly and adequately addressed and graphically reflected within the master plan as a (-)/(+) percent by county since 9/11. Amending this information is vital for accurate passenger forecasting at T.F. Green.

5. Amend II.2-5 Recent T.F. Green Traffic Activity by Airline

The Airline industry was directly and adversely impacted by the events of 9/11. It is reported that losses sustained by some airlines may result in bankruptcies. How would a bankruptcy of a major airline impact T.F. Green and how would that change the role of the facility?

Amend this section to include an analysis dedicated to the impacts and ramifications of a major airline bankruptcy at T.F. Green Airport. Address the financial impact on RIAC, air fares, passenger growth and operations. Would the destinations served by the bankrupt carrier be picked up by another carrier or would they be permanently lost?

6. II.3.1 Forecasts of Comparative Growth, U.S. and New England - *The Boston Market*

This section requires a complete revision to reflect the new issues surrounding the impact of additional flight delays related to security after 9/11. It is no longer valid to assume, as is stated within this section, that air fares, convenience and long term habit are the only choice based concerns driving passenger travel from Boston.

In fact it may be argued that some factors cited in the section may have been replaced in terms of importance with more urgent concerns such as safety and security.

Summary of required updates:

- II.1 Introduction
 - II.1.1 Forecasting Issues and Trends - *(include increased capture area, etc.)*
 - National Economy - *(Economic impact 9/11, etc.)*
 - Airline Industry - *(potential bankruptcies, amend rate of growth, etc.)*
 - II.1.2 Current and Recent T.F. Green Air Service - *(increased role of airport post 9/11)*
 - II.1.3 Sources of Information - *(amend include post 9/11 forecasts, catchment increases, etc.)*
 - II.1.4 Augmented Market Share- *(increased flights from catchment areas, service to hot markets, international service, etc)*
 - Ten Percent Ticket Sample - *(consider future service to Caribbean gateway cities, international)*
- II.2 Historical Review of Air Traffic and Economic Trends- *(changes from 9/11, airlines fiscal stability)*
 - II.2.1 Factors Influencing Growth at T.F. Green - *(Add "Safety, Security" growth mechanisms, etc.)*
 - (Increased capture area and market share)*
 - Airline Deregulation - *(competition, bankruptcies)*
 - II.2-1 Census 200 Catchment Area Population by County - *(increase post 9/11)*
 - II.2-5 Recent T.F. Green Traffic Activity by Airline - *(reflect impact of loss of major air carrier)*
 - II.2.2 Current and Recent T.F. Green Air Service- *(post 9/11 data, introducing new service to hot markets)*
- II.3 Existing Role - *(expand to include issue of larger role for regional feeder airports due to security concerns)*
 - II.3.1 Forecasts of Comparative Growth, U.S. and New England - *(include calculation of increased service to new markets, Boston/Logan reaching capacity)*
 - II.3-2 Hypothetical Timing of new Low-Fare Destinations - *(include potential international service and Caribbean, gateway cities and Europe)*
 - II.3.3 Forecasts of Passenger Demand - *(Increases in demand from market share gains from Logan post 9/11)*
- II.4 Augmented Market Share Scenario - *(include forecasts; new destinations, international flights)*
- II.5 Capacity Constrained Scenarios - *(add scenario 5 including 34 extension and infrastructure improvements)*
- Appendix B Forecast Assumptions - *(change assumptions to reflect post 9/11 trends and datum)*

I believe the aforementioned revisions are necessary to ensure the Airport Master Plan will be an effective planning into the future. If you should have any questions please feel free to contact me.

Sincerely,



Mark Carruolo
Planning Director

c: Scott Avedisian, Mayor