

U.S. Department of Transportation

Federal Aviation Administration Office of Airport Planning and Programming 800 Independence Ave., SW. Washington, DC 20591

January 17, 2024

Mr. Ivar C. Satero Director San Francisco International Airport P.O. Box 8097 San Francisco, CA 94128

Subject: San Francisco International Airport FAA Review of FY2023 Competition Plan Update

Dear Mr. Satero:

Thank you for submitting the above-referenced Competition Plan Update (Plan Update) for San Francisco International Airport (SFO). FAA Order 5100.38D, Change 1 required this update because SFO is a Covered Airport¹ and recently executed a new Lease and Use Agreement in 2023 (Agreement). This is SFO's fourth Plan Update.²

The Federal Aviation Administration (FAA) has reviewed SFO's Plan Update. In the Plan Update, the City and County of San Francisco (City) describes the following pro-competitive actions taken at SFO in the new Agreement:

- Reserving all remote gates and all gates connected to the Federal Inspection Station as common use, which are not included in the 10 percent common use gate cap;
- Increasing the gate reallocation review period from one month to nine months for the purposes of allocating preferential use gates; and
- Including new procedures for allocating remote aircraft parking positions.

We commend the City for taking these pro-competitive actions. We also acknowledge that SFO has made its Competition Plan publicly-available on the airport's Internet website. Thus, we find SFO's Plan Update generally to be in accordance with the applicable statutory requirements.³

¹ As defined in FAA Order 5100.38D, Change 1 ("Airport Improvement Program Handbook," Appendix W), Covered Airports are those where one or two air carriers control more than 50 percent of the passenger boardings. Based on calendar year 2022 data, two air carriers accounted for more than 50 percent of enplanements at SFO.

² The FAA approved the initial Competition Plan for SFO on October 13, 2000. The FAA approved three plan updates on June 11, 2002, March 29, 2004, and August 8, 2022.

³ Section 155 of the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR 21), Pub. L. No. 106 181, (April 5, 2000), 49 U.S.C. §§ 40117(k) and 47106(f).

In consideration of the pro-competitive policies and practices described in the Competition Plan, and in view of the circumstances described above, the FAA approves SFO's 2023 Competition Plan Update.

The City has now filed (and the FAA has approved) an initial Competition Plan and four Plan Updates. Per FAA policy, no further Plan Updates are required for SFO unless certain circumstances arise.⁴ The most common of these circumstances would be if the airport executes a new or significantly amended lease and use agreement, including an amendment due to the use of Passenger Facility Charge financing for gates. Plan Updates should include the content required by Table W-3 of FAA Order 5100.38D, Change 1, and if such information was not submitted previously, it should be included in the next Plan Update. Also, when appropriate, a public agency should explicitly state there has been no change since the last FAA approval to information previously submitted.

As you may know, the Secretary of Transportation is required by law⁵ to review implementation of Competition Plans from time to time, to verify each Covered Airport implements its Competition Plan successfully. In connection with our review, we may determine that it would be useful to visit your airport or hold a teleconference with airport officials. We will contact you if we decide to visit SFO in connection with its Competition Plan.

If you have any questions regarding this letter or the FAA's review of your Plan Update, please contact David F. Cushing, Manager, Airports Financial Assistance Division at (202) 267-8827 or Dave.Cushing@faa.gov.

Sincerely,

Robert A. Hawks Deputy Director, Office of Airport Planning and Programming

 Mark McClardy, Director, FAA Airports Division, Western-Pacific Region Christopher Schaffer, Acting Manager, FAA Airports Planning and Programming Branch, Western-Pacific Region Laurie Suttmeier, Manager, FAA San Francisco Airports District Office

⁴ See FAA Order 5100.38D, Change 1, Airport Improvement Program Handbook, Appendix W.

⁵ 49 U.S.C. § 40117(k)