

## ***A New Direction for the Airport***

I have been critical of the present Board's course of accelerated relocation of the entire airport to a new site. I do not have any illusions about stopping this project, ***NOR DO I WISH TO STOP IT***. This is the largest project in the history of the county, and I understand the implications for our economic future. I don't believe that the advocates of this project are recognizing all of the adverse economic and time losses that the passengers and airport employees in our community are going to have to endure for years before the new airport, as proposed, can succeed in the market. I have examined the engineering report used to justify this project, the selective alternatives, the fast-tracking and overstating of benefits, and the avoidance of environmental safeguards (Environmental Assessment instead of a full Environmental Impact Statement). ***The result is a project being pushed too fast without stating a worthy goal, and the insulting assertion that we are saving money in the process.*** There are other alternatives for phasing the project, which should be considered along with the sensitive environmental conditions in West Bay. The airport, when built, will be ***PERMANENT***, and it should not be sited or built in haste to meet an artificial deadline. ***At the very least, the public must have an opportunity to communicate any concerns and resolve the environmental issues thoroughly and sensitively, not confronting the arrogant "war footing" approach to the schedule.***

I believe that the existing airport has far more value than it can be sold for, and it should continue to operate as long as it is an economic asset for the community, ***not*** be sold to raise a minor fraction of the relocation cost. At least one alternative for the new airport can be built for the amount already expected from federal and state grants.

Let me explain, hopefully for the last time, why I oppose the airport project as presently conceived. ***There is a better way...***

I have met some wonderful people in this cause, and we all came to it with our own concerns. I once knew a lot about airport design, and as I got deeper into reviewing the documents and estimates for the relocation, more and more of that knowledge came back. I have been retired from corporate life for seven years, and it was in the middle of that career when I was involved day-to-day with airport planning. It is a fairly static discipline, because any changes have to be compatible with airports and airplanes all over the world. So far, I have not seen anything notably different from the 1980's when I was active in the field.

When I first got involved, it was just to ask of the advocates, (the Airport Board, who are independent of the public once appointed for four years, the Airport Director, and the Consultant), the real reason for the mad rush to dismantle and move a valuable local asset, far away from its owners and customers, to a sequestered corner of the county. I even suggested the answer, hoping they (the advocates) would discuss it: ***the apparent reason is that a huge developer is willing to donate land for the airport - not just out of generosity, but to begin moving the economic center of the region from Panama City to the west, where the developer's holdings and aspirations lie. This reason is more valid than the aviation need, and a case can be made that Panama City and Bay County will benefit from the move - BUT, let's hear exactly how it affects our interests.*** Surprisingly, that discussion still has not happened (except in private "briefings", closed to the public, to key officials and economic leaders) despite spending \$4.5 million (of \$200 million in public funds expected). Now that the momentum has grown, instead of speaking from that strength, the advocates continue to evade any process that will bring the original question out for public discussion. The latest ploy is to "regionalize" the public planning, making an end run around the the Bay County Planning Commission after co-opting the only legal host for this venture, the **LOCAL** (Panama City/Bay County) airport authority. The first planning meeting on this **LOCAL** project (by legal definition) was held in Chipley on April 27 and chaired by the Department of Community Affairs in Tallahassee. The Bay County Commission and the City of Panama City were not notified of the meeting, but Chairman Mike Ropa was there, requesting that future meetings be held in Bay County. This was a preliminary meeting to explain the Sector Planning process to the Airport, St. Joe, and various agency planners. Subsequently, an abbreviated version of the briefing was presented in a Bay County Commission workshop. Neither of these sessions explained the need for Optional Sector Planning in this case, where no disparate interests must be reconciled - only two interests are present in the area to be "planned" (the Airport and St. Joe), and their interests are mutual rather than conflicting. The Airport has received \$300,000 to prepare a Sector Plan, so perhaps the motive is simply to complete the planning process at public expense. I will return to St. Joe's apparent interests later...

Our airport has two related limitations: a relatively short (but not the shortest airline-used) main runway, and short Runway Safety Areas (or RSA's, the clear space at

each end for overruns and undershoots - "excursions" in the odd vernacular of the FAA). If I were to be designing a new airport today with plenty of land and money, the FAA Design Standards would apply, and I must have at least 6800 feet of runway with 1000 feet of RSA at each end, or 8800 feet of "geometry" with the runway centered between the RSA's.

Many very active and valuable airline airports don't meet these guidelines, because of inherited limitations. The regulations state that any design "acceptable to the FAA Administrator" is in compliance with regulations and safe for both private and airline operations. PFN has a main runway 6304 feet long, with a 140 foot pad and a short slope to the shore as an RSA from the west end to the bay, and an 880 foot RSA from the east end to Highway 390. This design is "acceptable to the Administrator", and no "excursions" into either RSA has occurred in the decades of operations to date. Now, let's look at runway length.

Private airplanes and airliners have varying runway length requirements based on their "performance", and part of "performance engineering" is calculating the airplane performance needed to operate from a given runway, or, from the airplane performance, to decide if a given runway is suitable for the flight. The reason it takes engineers to do this is that airplane performance can vary markedly based on weight, fuel load, air temperature, flap/slat settings, and unexpected limitations such as one of the engine thrust reversers being inoperative. After the airplane configuration is known, crew qualifications may further limit performance (some pilots are not qualified to fly into all the conditions their airplane is capable of flying, until they are trained and demonstrate proficiency).

Why is all this complexity needed to to argue whether PFN has a future? ***Because the misleading "sound bites" being publicly stated by "relocation advocates" would have you believe that the FAA requires a certain design for airports and PFN does not meet these requirements - therefore, PFN must be expanded or abandoned.*** The issue is much more complex, and most of it comes from airplane performance complexity. After all, a 6304 foot runway is a fixed object, having no variation except surface conditions (wet or dry, no snow here!).

The vast majority of private aircraft are comfortable on 6304 feet. The problem is the airliners and their performance, which is overwhelmingly adequate, but bumps into the 6304 feet for some flight lengths. What are the limits? It depends on where I am going, and how well I have sold all my seats. In turn, that depends on the "service pattern" and "market conditions" which frame the schedule. Is it surprising that most people say: ***"I don't care about all that stuff - the consultant was paid \$2.5 million to study this and make a recommendation. They must be neutral and correct, so let's relocate!"***

**"All that stuff"** is pretty simple: the dominant service pattern from Panama City today is north on a short flight, change airplanes, proceed to destination. All the regional jets and most of the smaller mainline jets can fly that pattern from a 6300 foot runway, and they have been doing it off and on for over 30 years. (National Airlines 727-100 early in the '60's, then Southern/Republic/Northwest DC-9's. Finally, Delta 737's as recently as 1995.) Even today, airline charters and irregular operations land here. So, when you hear "runway too short", listen very carefully carefully: he didn't say "too short to support the specific airplane," just "too short for FAA guidelines if I were building a **new** runway". As an engineer with years of airport development experience, I can suggest at least two ways to expand 500 feet and be "acceptable to the Administrator" for a reasonable sum. If we don't really need 6800 feet before relocation, then that debate does not need to occur. If we want to compare expansion vs. relocation, the expansion alternatives now being used to cost-justify the the relocation are simplistic and not tailored to the site at PFN, causing huge intrusions into the community which are irresponsible, costly, and disruptive. Instead of using every foot of available space, the runway is just thrust into Forest Park, apparently to drive up property acquisition costs and fears.

What about the future and its service patterns? First, I agree with the passenger forecast, which goes from 170,000 enplaned today (say 500 per day), to 323,000 in year 2020 (say 900 per day). Panama City has about **24 flights** per day, about half the flights and most of the passengers are to Atlanta. How many flights will it take to handle 323,000 passengers in 2020? Mobile, Alabama has 400,000 passengers and ... **25 flights!**

In Mobile, 12 flights are "mainline" jets, 13 are regional jets, and overall they are 50 percent full (or empty, if you are the airline). I think the people of Mobile will soon see their mainline jet service decline, and regional jets take over some of their flights. It happened in Panama City, Tallahassee, Daytona, Gainesville, Montgomery, Augusta, Sarasota, and many other small to medium markets, and as more regional jets are delivered, it is starting to happen in larger markets as airlines "tune" (French for "restrict") their capacity to match the demand.

An airline can make big money flying small planes full, and lose BIGGER money flying larger planes half-full. That is why the large airlines bought up the regionals almost overnight. The regional jet (or "RJ") finally brought the jet flying experience to small airliners, and both passengers and airlines embraced them. RJ's are the future of small to medium markets such as Panama City, with rare exceptions where a low-fare/low-pay carrier has larger airplanes which can only be filled at a low price. Unfortunately for PFN, one of those exceptions is Ft. Walton/Okaloosa Airport (VPS - for "Valparaiso"), which has two AirTran flights to be filled before the "tuning" can occur. If that continues and PFN is moved 30 miles closer to VPS, the "leakage" (passengers willing to drive to VPS) from PFN to VPS can only increase, until AirTran either saturates or learns to "tune" its capacity.

So what is the future? Again, I agree with the consultant's data, **which says that about FOUR mainline jets can be expected in the schedule about 2020, the end of time allowed to spend FAA funds for forecasting.** Where will the mainline jets go? The consultants said "maybe to a Northwest Airlines hub" (Northwest hubs are further than Atlanta, my predicted destination). What if they (and I) are 100 percent wrong, and **EIGHT** mainline jets are needed? Up to five have already operated here, both to Memphis and to Atlanta. Do we need a \$250 million new airport to launch **THREE** more jets than ever before? I leave that answer to you.

It is not intuitive, but PFN's short runway does **not** necessarily inhibit bigger-jet service. A high-volume operation to a nearby low-fare hub (AirTran/Atlanta, Southwest/Birmingham, Delta/Atlanta - bigger Delta planes would have some discounting to fill empty seats) has better prospects **if the R-jets cannot "leap-frog" to Washington, Cincinnati, Canada, and New York from a longer runway, bypassing the low-fare hub and "skimming" growth traffic at high fares.**

There is one "wild card" in the future – over half of Bay County has "lain fallow" through the 20th century, after being clear-cut of a standing virgin oak and pine forest before World War One, and tree-farmed for pulpwood until now. The domestic paper industry is mature, and the St. Joe Company realized that it had more growth potential as a real estate developer than as a commodity manufacturer. The paper mills and sugar plants were sold, and now St. Joe stands astride a million acres, and says: "How do I populate this lonely landscape and sell it?"

It is a diverse landscape, and it is easy to sell pristine Gulf frontage for million-dollar-plus "trophy" homes and retreats. A much harder sell is inland "remnant" pine forests, recently out of rotation-cutting for pulpwood. Some economic activity must be evoked there, and there is no external patron in sight like the visionary Walt Disney, who transformed the marginal citrus groves and ranches of central Florida to "Disney World" and all its satellites, using the odd accounting practices of Hollywood to flow cash into castles and lakes. But I digress...

The easiest "Federal Funds" to obtain today are from the "Aviation Trust Fund", a multi-billion-dollar hoard which was accumulated from a "small" ticket excise tax that became a torrent of cash after airline deregulation. The source of that torrent of cash is the torrent of passengers and planes now saturating the choke points of the U.S. airline system. **Over 96 percent of all passengers and planes use the 100 largest airports, where traffic gathered from "spokes" is redistributed to other spokes and hubs. Less than 3 percent of the traffic flies through small non-hub airports like PFN, and only 0.025 percent use PFN, essentially ZERO in the total traffic.**

When a headline says: "Government streamlines runway permits to hurry construction", it means runways at the choke points like Atlanta ( **\$5.4 Billion for ONE runway and related facilities** to primarily handle the RJ's - small planes, but occupying the same airspace and runways as the big jets). Congress controls the funds, and constituents everywhere are angry at the delays. Congressmen themselves are veteran "frequent fliers" who live in Washington, but must go home often to be re-elected, and elsewhere to do whatever they do - believe me, they are not in D.C. on the weekends. So, the "aviation money" is easy in the era of budget surplus.

Back to the pinelands... **what better real estate marketing "amenity" than a spanking new airport with shiny planes and harried passengers rushing to and fro?** There is even a new type of airport which is not dependent on passenger traffic: the Industrial Airport, whose visionary was Ross Perot. The Perot interests in Ft. Worth partnered with the FAA and a local board to build the Alliance Airport, the first civil airport ever deliberately opened without passenger service. It is a reported success, with a roster of "A-List" airline maintenance, manufacturing and distribution tenants any landlord would envy.

Can the Industrial Airport be repeated on the Gulf Coast? Let's go back to Mobile, Alabama, where Brookley AFB and its two (8600 and 9600 foot) international runways, plus hundreds of acres of intermodal rail yards, hangars, office buildings, recreation facilities, etc. were conveyed FREE to the Mobile Airport Authority. They have attracted a Singapore heavy-airplane maintenance company, which is refurbishing 747's and Airbus airliners, plus a "B-List" of mostly local businesses, community college extensions, and the like. A success, but rising from a totally "free" airport.

St. Joe and the Airport Authority believe that they can establish, through global marketing efforts, another successful Industrial Airport in Bay County. ***That is a visionary and laudable goal, but it should not require the host community to move to the pinelands while the principals fine-tune the concept and grow a tenant base and a population, a process that will take many years.*** If this is a fertile field for the experiment, then let St. Joe partner with our Airport and Industrial District (or another eligible sponsoring entity), FAA, and FDOT , and give it a shot. ***Don't sacrifice Panama City's \$80 million local airport and inconvenience a million passengers and airport employees for ten years or more, just to raise the \$38 million in "seed money" which can be raised by selling PFN. The FAA will spend \$38 million on fill dirt in Atlanta! PFN should be contributing to the local economy as it has for decades, not be sold this cheap.***

***A phased airport relocation plan can be devised and justified for all the "aviation money", without resorting to overstating the minimal technical limitations and modest traffic potential of PFN . This plan would provide an industrial airfield affiliated with PFN, carefully and properly developed with provisions to add a passenger terminal and other amenities when the developer has stimulated the passenger traffic so confidently predicted.***

I hope to bring forth some additional suggestions soon, on how our local communities and St. Joe might prosper together while preserving the best of our beautiful waters and traditional settings.

**Don Hodges**

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