

Navigating FAA's New Forecast Review and Approval Process-20250220_185723-Meeting Recording

February 20, 2025, 5:58PM

58m 45s



Alfonso, Esteban 0:31

Years.



Loia, Dayna 1:46

OK.

We are going to get started.

We're right at the top of the hour.

Thank you everyone for being here.

At today's latest episode of the Technically Speaking Webinar series, navigating FA as new air traffic forecast process before we get started, a few housekeeping reminders for our attendees.

You have noticed we are recording today's session and you will receive a link to the recording and a transcription post webinar.

All attendees have the option to enable a transcription through teams and you should see this option in your team settings at the end of the webinar we will prompt you to take a very short feedback survey. Your responses are appreciated and help us to improve our attendee exper.

For future webinars, because we have placed everyone in listen only mode, we encourage you to please submit your questions through.

The Q&A at anytime during the presentation.

You should see that option in your team settings at the top of teams. We will get to as many questions as possible and we'll follow up with you for any questions that we weren't able to answer today.

I'm excited to kick off today's webinar by introducing Michael Becker, RSNHS National Aviation Planning Service group leader. He has a 24 year career in comprehensive facility, operational and financial planning for airports.

Based in Denver and with Rs and H 2006, Michael specializes in developing solutions, enabling people and goods to move efficiently throughout the United States and international aviation networks.

In Michael's role, he leads a talented team of professional planners and consultants

who excel in creating practical, financially feasible solutions for airports and their stakeholders.

What I particularly admire about our aviation planning group is their belief that every airport development project should begin with a well documented plan. They are devoted to solving problems and helping others be successful.

Join me in welcoming Michael, who is our moderator today.

As we explore the FA as new guidance on aviation forecasting.



Becker, Michael 4:03

Well, thank you very much, Dana.

I really appreciate it and I'm very happy that you all could join us today.

Very excited about this webinar and appreciate that you guys are here to to learn more about it.

So as you know, in August of 24, the FAA planning branch released guidance for forecast reviews and approval instructions.

This memo replaced and cancelled the review and approval for forecasts from June of 08.

And cancelled the forecast review and approval during the COVID-19.

Public health emergency of October of 22.

So this new guidance is designed to help streamline our forecast approval process and keep projects moving. However, some of the nuances within the guidance can impact towered airports, small general aviation facilities and in some cases you can expect your forecast to go to headquarters for review. So what?

Does this mean for us as consultants and airport operators?

Ken Duffy and Michael Lawrence have been great.

They've been speaking at several conferences.

And recently offered some clarification to this guidance.

So today I thought, let's bring together 2 industry experts and discuss how we can navigate the F as new guidelines to help prepare, submit and obtain approval for our clients aviation forecasts.

So let's bring in these experts.

So I'm honored to introduce my my colleague, Jorge Gonzalez, a senior principal forecast consultant at Rsnh, one of the industry's leading authorities in aviation demand forecasting and airport planning, finance and economics. For those who haven't worked with Jorge, his three decade track record speaks for itself, he.

Developed and validated forecast models for airports at every size and complexity. His analytical approach of demand forecasting has proven particularly valuable in helping airport security.

Funding and developing capital programs that align with actual market conditions. As we dive in today's discussion regarding aviation activity forecasting, I can't think of anyone more qualified to lead the conversation than Jorge.

So please welcome Jorge Gonzalez.



Gonzalez, Jorge 6:09

Thank you, Mike.



Becker, Michael 6:12

Alright, I'd also like to introduce another incredible colleague of mine, Esteban Alfonso, a principal consultant at Arsenio with 25 years of specialized experience in aviation, financial planning, analysis and demand forecasting.

Esteban's expertise spans the critical areas of air service development, demand forecasting and pricing charges. Modeling his ability to translate complex financial analysis into actionable strategies sets him apart.

What makes Esteban's perspective especially valuable is how he integrates forecasting with the broader financial planning.

He understands that actual demand projections aren't just academic exercises, but the foundation for airline agreements, bond assurances and long term capital.

Planning this comprehensive approach has made him a trusted advisor to airports and airport authorities, and nationwide, so please welcome Esteban Alfonso.



Alfonso, Esteban 7:07

Yeah.



Becker, Michael 7:09

All right.

Well, now that we're all here.

I once again want to say thank you to looks like 49 active webinar participants at this point and say thank you again for joining RSN HS technical speaking series and today we're going to discuss the navigating the FA as forecast and review approval process but before we.

Get into it.

I want to set the stage of how this is going to work, so I want you all to pretend that you're just finished lunch at your favorite cafe.

And before we all go back to work for the day, let's order another cup of coffee and begin chatting about this FAA memorandum and how airports and consultants might best navigate this new guidance.

So I want you all to sit back, sip your coffee.

And listen to this discussion when you have questions, put them into the Q&A and I'll slip them into the conversation or try to address them at the end.

All right, you all ready to get started?

Excellent. Let's start the conversation off with a simple question.

Esteban, can you explain the key changes in the F as new guidance and the implications for airports?



Alfonso, Esteban 8:23

Sounds good, Mike. Thank you.

Thank you for the question. And as you said, I'm I'm fully prepared here with my favorite mug and my favorite coffee brew.

So absolutely, why don't we talk a little bit of forecasting now?

Hi and welcome everybody to the webinar.

Again, I'm Esteban Alfonso.

Yeah, there are, Mike.

There are a number of key changes to the new FA guidance on forecast.

On forecast approvals, let me, let me just say that this memo, as you mentioned in your introduction.

It you know this, this memo actually replaces the guidance of reviewing and approving aviation forecast. The first one that I think came out around 2001.

Jorge may have to correct me if I'm wrong on that.

And then as Mike mentioned before, there were updates in 2008.

There's one in 2022 right after COVID, so Jorge and I, you know, we really reviewed this memo.

In detail.

And there's there's quite a number of salient points and changes that I think are gonna be worth actually highlighting this afternoon.

So, you know, long are the days. You know when you know, when you know, when

you know, when we looked at the, you know, at the very simple 10%.
10% from the terminal area forecast, you know, very simple throughout the 20 year guidance you know that was out you know back in in the early days of my career. But so with that in mind, the first big point that I that I'd like to mention, Mike, is the forecast.

The time frame for forecast approvals. OK, so forecasts are now being approved for a 10 year period. Now most of us know that.

You know the planning horizon, you know, for master plans is 20 years and prior approvals, you know, used to spend the entire time frame, right.

So what's happened now is that with this new guidance.

There's still memo. There's still it states that anything beyond ten years will be accepted for planning purposes only, rather than being approved, right?



Becker, Michael 10:31

OK.



Alfonso, Esteban 10:31

So. So this decision was made because of some observations that the FAA made about the uncertainty of 10 plus year forecast periods, right?

If you really compare.

You know, forecast to the actual performance of a region's GDP.

The correlation's actually.

Pretty low, so I think the FAA kind of wired in on this idea, saying all right, we're just gonna pull the 1st 10 years, but then for the fallen 20 years, you know, we're just gonna accept the actual forecast.

So so basically the FA deems that you know long term forecasting. You know those those are best used to assess and project.

The the option for airports to have future development. Now you know, you know, just a caveat.

This rule does not include a forecast for BC as that's.

Cost benefit analysis or environmental impact analysis via neipa the the national Environmental Policy Act.

So. So that was my first point, Mike. I think following up on that first point, you know, baseline scenarios have to differ from the Taff by 10% at year five and then 15% from from year six to year 10. That has not changed.

All right, that's that's exactly the same as it was a year ago.

However, Please note.

That again, as I said before the FA, the FA forecast approval is now limited to a 10 year period.

So that means that the FA will now accept the forecast for planning purposes for years 11 through 20. But to satisfy this 11 to 20 acceptance, it must be within 0.5% of the Taff. Long term growth rates for that specific airport.

So So what does this mean?

So what this means is, if the Taft growth rate growth rate.

For your airport from, let's say the year 2025 to the year 2044 is 2%, then the average annual compound growth rate for your forecast for 25 to 44 has to be within 1.5 and 2.5%?

Right, half a percent difference below or above the Taff.

So again, that's something that's new and that we should all you know, we should all keep in mind.

A few other salient points from the guidance.

You know, in the past, you know, airports of all sizes could opt to use the Taff as their planning forecast.

Right now, things have changed.

Only large and medium hub airports cannot to use their Taff for their planning now.

This is because you know these airports, the one that you know the medium and large hubs that have, you know, you know, higher passenger numbers, you know they have more stable airline service, right?

So, so again, just keep in mind that if you're small or non hub towered airport this no longer.

Is a valid option for you.

A couple other points. The FA now makes it clear that if you submit a forecast the the TAP comparison that is used has to be from the latest available Taff.

And it's funny because about, you know, half an hour before you know this webinar, I had a quick a quick conversation with Jorge where he actually reminded me that the new Taff is already out.

So it's it is February, it is.

It is a little.

Over over mid February.

So yeah, this is about that same timeline.

So a new Taff has come out.

So if you have a forecast, it has to conform to the new Taff.

So so we've seen many examples right post COVID.

Where we're some tasks change dramatically.

I'm talking 15 to 20% for a small or a non hub airport and this happened because as the FA was getting fresh recovery data right now from.

You know from airports and from industry, you know which, which by the way recovery still happening in some places, right?

What ended up happening is that the coefficient outputs being computed by the by the Taff statistical model, you know, was just overstating these.

These, you know, these recovery patterns.

So this was throwing a wrench on long term forecasting.

I mean Hori and I have examples of entire forecast approaches that have to be literally wiped out and reworked, right, so so so I do tend.

Advise airports to be aware of your timelines. If you're starting a forecast you know late in the year, somewhere in October somewhere in like November. Be aware, because in February you're going to get a new Taff and if you're really, you know working, you know, really working that.

Forecast. And if you're on the margins, you know you may want to, you know you may, you know you may want to consider you know other options because because your task to change and so.

So just please be aware of that.

Another important point forecast for medium.

And large hub airports automatically go to headquarters.

Now this was not the case a year ago.

Those could actually be handled, you know by, you know, by an Ato.

But that is no longer the case.

So, so just, you know, just keep that, you know, you know, just keep that in mind.

And finally, to me, the big change right is is that smaller G airports with less than 90,000 operations and not expecting to exceed 90,000 operations have the option of preparing a detail.

Instead, all you really have to do is just identify the critical aircraft by runway and you have to stay in the chapter in the forecast chapter that your airport is not expected to exceed those 90,000 operations in the foreseeable future. So so this option.

Is is also as a caveat it's it's not applicable for for capacity projects or federal contract

tower submissions.

But yeah, that's that's a big change.

I mean, when I read this memo, you know, with Jorge for the first time, that's that, you know, we, you know, we called each other and that's the first thing that kind of sprang to mind, right. 90,000 operations really. And you know no forecast required. So again.

That's that's to me is kind of a biggie.

So Mike, these are some of the just off the top of my head. These are six or seven of the you know of the major differences that I see you know that came out of this memo that just came out.



Gonzalez, Jorge 16:50

Right.



Becker, Michael 16:53

Anything to add there, Jorge?



Gonzalez, Jorge 16:54

Yeah. No, I was gonna thank you. Great. Great points, Steven.

One little caveat again.

The the 90,000 operations for GA are for the non non tower airports so keep that in mind if your airport is a non towered airport Ga Airport.

Then you do have the option not to not to submit a forecast for planning purposes unless you have the the early 3 exceptions to the rule, the ones that.

Steven mentioned the capacity and actually.

If it if it's a capacity related project. Also if if you have to go to A to a neap up process where noise will be required that that also would not apply.

So other than that, I think 7 did a great job.

I mean, we could speak here for for ages on, on all of the new new details and a new sense of this, but I guess we want to move forward with some more questions.



Alfonso, Esteban 17:48

A long time.



Becker, Michael 17:53

Yeah.

Let's yeah, let's move to the next one.

So with everything that Esteban just explained about the changes and the impacts to the airport, I guess Jorge, you want to elaborate a little bit more on how this is going to affect the timing and process of updating the forecast?



Gonzalez, Jorge 18:09

Great point. Great, great question.

One thing that is also important is when we talk about headquarters and and seven mentioned FAA headquarters, there's a specific branch which is called the Airport Planning branch and that's where Ken Duffy and Mike Lawrence, the authors of the guidance reside.

Keep that in mind in case you want to ask questions or you want to congratulate them or or not congratulate them.

So just keep that in mind that when we talk about headquarters.

Generally, we refer to the airport planning branch.

In the past, for all of us that have developed forecast, it was always kind of an interesting predicament when we were asked by our clients, Jorge, Stefan, how long is it going to take for us to get a forecast approved and generally we would say nobody knows Gener.

Could take two to three months, but but even more concerning was when we thought that the forecast needed to go.

To headquarters and it was kind of an unwritten rule is that if you if the forecast that you developed didn't meet the criteria that seven mentioned that is in place for years that 10% within five years and the 15% with 15 years, OK it was.

Scary. Scary.

Oh, panic.

Panic that is going to go to to headquarters and God knows when it's coming back.

So.

Generally, when we were developing forecast, that was one of the first.

Checklist that we looked at, OK, if this is going to headquarters, OK, it could take 3456 months.

We didn't know with a new guidance.

Now the the new guidance actually clearly states when forecast have to go to headquarters, which and even added a caveat associated with the amount of time.

That it it will take.

It will take about 45 days maximum.

From the moment the FAA receives all data, so keep that in mind.

It's not just 45 days is from when headquarters receives all the all of the information they need.

So the guidance in and I talked a little bit about this and for all of you that have followed these, the main purpose of the guidelines were to streamline the process, to try to create a process where.

Staff and and again.

Please remember that the guidance we're develop is for internal use.

We ask consultants want to make sure we follow them because it will make life easier for everybody, but main reason behind it is it was a lot of new stuff coming in into the airport district offices, the ad OS and and a lot of them were a little.

Confused. Looking at different guidebooks and like Mike and seven mentioned, there were 3-4 different publications.

Plus, there was the old.

Always the old planner in the ado that had his own criteria of how work as would be approved and and and developed.

So Mike Hines and and his team decided, OK, let's put something.

That is black and white.

Yes, it's not perfect, but it basically consolidated.

The approval and review process.

And the main purpose was to try to provide sponsors, airports and consultants.

With a better option or better guidance of how how long this was going to take.

So so that that is one of the main reasons this was was developed. So the guidance and principle should provide a more meaningful timeline and and for us to be able to predict how long it's going to take because as you know, forecasts are critical element in the.

Planning purposos.

Es Master plans basically can be slowed down.

Only because of our forecast has not been approved.

Neipa processes BC as, so this guidance I believe in this point conversations that I had with Mike Hines, the main objective of it was to streamline the process, create a more reliable if you want to call timeline, also educate the new, the newer staff that was coming into.

The ad OS.

And also help consultants provide the FAA?

With more kind of, I don't like to use the word robust but.

Forecast document but document that basically follows those guidelines should help you.

Get your review process and your approval process in a in a shorter period of time.



Becker, Michael 22:59

That's great.

Appreciate that.

I think that really answers the question on on what we can expect on time frame.

You know espanol. I'd like to go back to a comment that you had made earlier and can let's talk a little bit more about how the new guidelines are going to impact non towered low activity GA airports, specifically those that have less than 90,000 annual operations.



Alfonso, Esteban 23:20

No, that sounds good.

Like, yeah, so, so. So, Mike, as I mentioned before, you know, smaller GA airports with less than 90,000 operations and not exceeding that a 90,000 operations you know now have the option of preparing a detailed forecast.

That is, I think the key operating work here.

Word here Mike is is an option, right?

They can do a full forecast if they deem that that's what's necessary, but it is important to know.

That the FA is not mandating that a forecast cannot be performed again.

The keyword is that this is an option.

It's optional.

Another important point.

That I see in this section here for the memo is the actual title itself, right?

You know, you know, Jorge and I read this mammo last year and you know again it's the first thing that came to mind.



Becker, Michael 24:10

Thank you.



Alfonso, Esteban 24:14

You know it's called Section 5 forecast at non towered low activity.

Airports. That's the title of section 5OK.

But what is?

What does that mean, right?

Does that mean that you know every airport with less than 90,000 operations, you know, going forward does not have to conduct a forecast, or at least has the option?

And all they have to do literally is just list, you know, the actual curricular aircraft.

I mean, as you know, many of you know, there's many airports, including many of our clients that are under 90,000 operations.

But they actually do have commercial passenger service and commercial cargo service, right?

So. So how did that play right? And and and we started getting calls.

You know, I mean from our clients saying you know, is this do we need to do forecast.

Not, I mean, what's going on?

What's the deal? So, so after attending, you know, both, you know both Jorge and IA few a few FA briefings, you know, you know, by Ken Duffy and Mike Lawrence after this memo came, came out. You know, we, we. We literally inquired.

You know, with the FAA.

And I know Jorge talked to Mike Hines and you know they they did confirm that this is meant for small GA airports.

But if your airport has commercial service of any kind, I don't care if you only have one flight 1K pair flight, it doesn't matter.

You know you are now required to prepare a full forecast so so, so.

After the last briefing we had, you know, with the FA, they have agreed to actually retitle the section.

After after the question that we pose, you know Section 5 is going to be forecast of non towered, low activity airports with no commercial service and that's I think it's going to make it a lot more clear.

So. So I hope that gives you a little bit more context, Mike, on that section.



Becker, Michael 26:07

Absolutely. It really does help and I think that's what the engagement with the FAA is

so valuable is when they put out guidance, having the conversations to say exactly what do you mean and how it's going to impact as we move forward. So excellent.



Alfonso, Esteban 26:13

Huge. Huge. Absolutely.



Becker, Michael 26:20

Appreciate that.

All right, so, Jorge.

We've talked a little bit about it so far, but let's dive in a little bit deeper.

Like what are the criteria for using the terminal area forecast? The tap for planning neipa or the benefit cost analysis?



Gonzalez, Jorge 26:32

2.



Becker, Michael 26:36

This for for tower airports.



Gonzalez, Jorge 26:40

Oh, great question again.

Oh.

The criteria included in the guidelines, it is very clear on this specific point in in seven mentioned a little earlier.

Only non medium hubs.

Excuse me. Medium hubs and large hubs are allowed to use or the terminal area forecast for their planning forecast. And what what does that mean? Is primarily is OK, the airport will not hire us.

Consultants to to develop.

Their planning forecast, and this is exclusively and it's important to to to think that this is for planning purposes.

The medium and large hub airports can use the Taff.

But if you're going to be using the Taff, also be aware that you need to use every element associated with the Taff.

It's not OK.

I'm just going to be using the passenger because it favors my.

My planning criteria and forget about the operations of the based aircraft. Now the guidance clearly states that you I mean because as the FA develops all of these numbers in their famous model, everything is tied together.

The operations and passenger. So it's not, you cannot disassociate the one and OK, I'm going to use staff for passengers, but then I'm going to use my own so.

So keep that in mind.

If you're gonna be using the Taff, I would recommend and I think the guidance probably mentions it as well.

Make sure you bring in your headquarters. My kind of my kind of Ken Duffy or or Mike Lawrence into the conversation. Large airports again. The reason the FAA kind of agreed that that Taff can be used is because forecast for those airports.

Of basically are prepared pretty much the same way we prepare for.

Using a lot of economic indexes and economic criteria.

Funny story today was talking with seven just about 10 minutes ago.

Well, not more than 10 minutes ago.

Now, 45 minutes ago, we're preparing a forecast for large airport, a large hub airport and I was looking at the latest forecast and that meant as seven mentioned it was, it was just published.

Couple couple of days ago and when I looked at my forecast I call it my forecast.

I had just finished developing and compare it to the 2025 for this large hub.

Literally it's like like I was copying their forecast or they were copying my forecast.

I don't know which, but but they're and the reason they probably are so close to each other is we're using pretty much the same modeling processes and predictors associated with economic so.

That can be used for medium and large hubs, and again it can be used for all planning purposes.

And if you decide to adopt A Taff, you can also use it for your nipa requirements and your BCA requirements. Like like most of you that do benefit cost analysis, know the guidance allows you to use the Taff or any alternative approved forecast.

But in this case, the guidance clearly states that if you want to use the Taff for your.

Knee pad process or your BCA. You can also do that.



Becker, Michael 30:14

So would you recommend that before they any airport uses the Taff to just reach out to the FA and double check that there's any other nuances? What do you think?

 **Gonzalez, Jorge** 30:25

Yeah, primarily.

Remember, medium and large hubs.

Not not all airport like this stuff is those two.

 **Becker, Michael** 30:30

Right.

 **Gonzalez, Jorge** 30:32

It's unfortunate, but I think it's good for US consultants that they, they, they just narrow it down to those two if not 7. And I would be doing a lot more planning work.

 **Alfonso, Esteban** 30:45

Great.

 **Becker, Michael** 30:46

All right. Well, let's move forward. I mean kind of staying with you though, Jorge, can you elaborate on the importance of validating the existing and future critical aircraft? How important is that really into the the forecasting process?

 **Gonzalez, Jorge** 31:01

It's interesting because this was kind of an interesting conversation I had separately with with my clients because this is something that for years.

The word critical aircraft and let's let's highlight the word critical.

How critical was it really in in in the process and how was it being approved and how was it being monitored? Even more important, critical aircraft has for for planners that are in the on the on the, on the webinar.

You know that is basically defines a lot of the different standards and associated items that basically are related to that critical aircraft in the past.

Yeah. The critical aircraft was established and documented, but very few people actually followed up on it. And and yeah, I mean with, with aircraft changing. Yeah.

The Group C aircraft.

Again, have a big big range and and things like that.

So the FA is is making it a point and and for all of you airport sponsors. Keep in mind that the FAA is going to be looking at critical aircraft a lot closer when you submit your grant applications.

They're they're even considering including in the grant forms that you have actually validated your critical aircraft and you have validated based on your last last two months of data associated with the type of aircraft that is flying into airport.

Keep in mind that the FA also in in the documents that you submit as part of your forecast, there's gonna they're gonna be looking for the critical aircraft with all of the different facilities associated with the airport.

Yes, you have critical aircraft for the runway. You have critical aircraft for cargo, critical aircraft or general aviation for your terminal area.

So keep in mind that when you submit a application for either.

Pfc OR or a new grant the FA will.

Want to make sure and that you include a statement that you have validated your critical aircraft.

So very important to make sure it's clear in your forecast documentation when you send it to the FA, but they're going to be looking for that.

If not, they'll come back to you and say, hey, please make sure you include all of your critical aircraft as part of the document that you submitted for forecast review and approval.

Yes.



Becker, Michael 33:22

Excellent. I think that's pretty critical information for everybody.

Understand. Really focus on the data-driven analysis for your critical aircraft.

Let's go in a different direction. So as we all know, forecasts airline service activity at airports never changes.

It's always the same, never changes every day forever.

No big deal.

No, that's a joke, right?

We know that.



Alfonso, Esteban 33:45

Oh yeah.



Becker, Michael 33:47

We know that scenarios change and we're constantly working with airlines.

To get better, get more, get better air service.

So my question to you, Esteban, is how should airports incorporate the what if scenarios such as a new air carrier arriving or service stopping and and how? I think maybe even more importantly, how does an airport document this in their forecast?



Alfonso, Esteban 34:12

Right, right.

Thanks for the question, Mike.

I I I I you know this is you know this is an area in forecasting that I really like you know doing these you know doing these alternative scenarios because again you know things change.

Things are going to change.

So so the, you know, talking to the FAA, you know, they have made it very clear in their guidance that.

They welcome.

They welcome conceptual or.

What you may call what if scenarios OK, you know many times as consultants we add you know the so-called low and high scenario you know that was almost something that was almost required years back not that much now that's sort of a longer conversation but you know.

We would come up with terms like a high GDP or hark high cargo activity or whatever the name of that you know of the of the alternative forecast maybe so.

So basically what these are, I mean, just just to define them, OK, these scenarios, what they do is they attempt to quantify, you know, a demand that's forthcoming.

But but still doesn't exist.

It's still not there, right?

So you know, for example this, you know, the speculation of a new air carrier or new ULCC that's going to come and serve all these markets or or?

Or maybe it's the opposite.

You know someone?

You know someone that is in chapter in in Chapter 11 bankruptcy and you know there is an actual potential that they may leave.

Or or maybe something a little different?

You know, there's there's a new factory that's going to house thousands of employees, you know, for a certain a certain corporation that's going to, you know, be built around the airport and that, you know, it's it's and that's going to spur Aviation men.

So so the FA welcomes all of these scenarios and it will not approve a forecast based on a conceptual scenario. But sometimes sometimes the ado can issue a a letter that replaces the approval of a baseline scenario to a conceptual scenario.

Of course, the airport has to provide a letter.

A letter, you know from a governor or from the from a certain airline.

Guaranteeing and confirming service or other types of evidence like this.

Like this, it's not normal for the FA or for an A to for an ado to do this, or to issue any kind of an amendment.

But if you ask me, I mean my my, my personal view on this right is is I I I normally you know I love to develop.

Design day schedules.

You know, using a peak month average day and I and I love using the appendix.

I mean, you know, appendixes are very powerful tools, right? When we can throw a lot of data, a lot of information.

Vfa.

You know, they understand what we're putting in these actual appendices, right?

And but. But I love doing this because I like giving airports.

You know not only the top down view, not only as Jorge was mentioning the regression view or the OR the OR the trend line view, I like to give him a bottom up 3 dimensional view of what their facilities gonna look like on a three-dimensional level, right?

When this airplane's gonna come in?

When it's gonna come out. So, so again, I, I do encourage airports to show, you know, other methodologies including.

You know, for example the the use of, for example leakage analysis, right?

The second home ownership.

That's a big one right now, which has become super populous because Ulccs fly point to point, right?

They fly from Dayton OH to Tampa, FL, right?

So so there is, you know it's, you know, we because the ULC Cs have have this

different.

You know, you know this different structure.

It's a non hub structure.

You know, you know.

Hub modeling, or QSI modeling for Air service has become a little bit more limited.

So yeah, do do use either do use the appendices, do high or low. You know based, you know, again based on other types of data.

Again, the FAA is not going to approve it based on proof. The baseline, right?

But, but it's something that I always tell airports and other.

And and other consultants, you know, you know, do a lean on you know these alternative.

Scenarios the FA does welcome them. You know they've made it clear.

At least they made it clear to me that that that you know, the, you know, the more data that they have, even though they're only analyzing a baseline, gives them a better picture of a market.

You know, again, even if only approving that based on it.

So that's that's my two cents on that, Michael.



Becker, Michael 39:07

It's pretty good two cents.



Gonzalez, Jorge 39:07

If I may, let me add a little bit on on this one.

And we all say you've seen one airport, you've seen one airport.

So. So the benefit of including what if scenarios or alternative scenarios in your in your forecast report?

Is very useful for several reasons, and Steven highlighted a couple of them.

But even even more.

And This is why we.

Seven and I enjoy so much the what if scenarios is in our meetings with with airport directors and and mayors, they always have something that they think is going to happen at the airport a lot of times is political dreams.

Let's put it that way.

But sometimes actually they are things that are happening behind the scenes that they probably still cannot.

Reveal because there's some confidentiality agreements and stuff like that. But it's really important for for you when we're talking with your airport director or the Director of planning to ask those questions.

Is there anything that is happening that probably will change the base case forecast that we are developing for you?

And if there's some sense of reality in those things, it's important for it to be included in your forecast report.

And the reason for it, and why FAA encourages that?

Like Steven mentioned, they're going to approve as your baseline, right?

They're not going to approve your your.

Alternative concept or even a constrained concept type of scenario. But if you include it in there and actually it happens I mean that like from a vello that somebody had mentioned actually happens and your traffic of well for some reason double T is a small commercial airport that.

Has one operation.

Days I don't think Avelo decides to move in. The fact that you all including it in the in the report actually will help you go back to the FAA and tell them, hey, by the way, that reality and that concept of scenario that we included in the report.

Has happened.

So let's talk again and let's see if you can go ahead and move forward and approve the forecast. Now based on on that, that new thing that happened.

In the past they I mean, for, for, for those of you that have done forecasting, yes, I wanted you to do a high and a low scenario and and again a lot of us was just OK we'll just change a couple of the economic indexes and create it.

Yeah, trying to create some meaning meaning to it, but this conceptual and alternative forecast scenarios will allow you to proactively in the future.

Go back to the FAA and get your forecast revised and approved.

Based on data that is already in front of them. So so keep that in mind.



Alfonso, Esteban 42:07

Right, right.



Gonzalez, Jorge 42:07

Don't, don't, don't walk away or or not, really.

Look at that, I think.

Take that option.

Take that opportunity to include it in your report. And like I said, every airport has one of those potential up options, either positive or negative, but generally they want to see that in the report.



Becker, Michael 42:30

Excellent discussion on that.

I think there was some real good clarity on what they what airports can do.

So let's see that were we're all 15 minutes from the top of the hour and want to make sure we get some time in for some Q&A.

So let's Jorge, let's going to come to you with one more question and then then we'll transition to some Q&A. So.

Thinking about this, getting ready to do a forecast like how, how can airports.

Be prepared.

Prepare their records and to kind of improve that planning process to to better align with this new FAA guidance.



Gonzalez, Jorge 43:11

That's a great question.

I love that question.

Well, the fact that we now have a guideline.

And I like to call it kind of an ingredients cookbook for preparing forecasts.

So. So the closer you align your documents that you're submitting and primarily your forecast reports or your supporting documentation to your forecast report, the better you align them with the guidelines.

The quicker and the easier.

The approval and review process is gonna be why.

Because the guidelines was prepared specifically to help.

Face staff at the Airport District office at the ADO level.

And at the headquarters to make sure the forecasts are being reviewed following those key points.

So I mean here at rsnh we 7 and I have prepared a.

Checklist that we use internally with our staff or younger staff to make sure that as forecasts are being prepared, we pretty much check every box associated with the guidelines out there.

There are several that we probably will share with you later, but but one of the things that is really important is basically make sure that you check the requirements included in the guidebook. If you do that.

I can assure you that the review process.

And the approval process is gonna be streamlined.

The review process will be shorter.

You will have less back and forth between the FA and yourself.

So simple simple answer.

Follow the guidebook.

Follow the ingredients.

Make sure your your forecast, cook, cook, cook out includes everything that is shown in that guidebook. So.

I think that is probably the best advice I can give you today is to follow the follow the guidelines.

Yeah. One thing that probably I wanna also expand on on something that seven mentioned is.

This guidebook is still this guidelines are still a work in progress.

FAA went through a pretty rigorous process in trying to develop something for for internal use, Mike Lawrence and and Ken Duffy traveled the nation before he was published, talking to different ad OS.

And young and old staff to try to make sure it was aligned with things that they they thought was needed and they received a lot of input from internal from within the FAA at the same time. They've been pretty open and also asking for input and comments from.

From the consultant community and from sponsors.

So if you see something in in the guidelines or in the guidebook that that is confusing.

Or doesn't really.



Alfonso, Esteban 46:11

Yes.

Yeah.



Gonzalez, Jorge 46:13

Make sense to you or or or creates a little bit of of a lot of questions for you like like

7 mentioned. When we looked at this, the first question we said OK, so non towered airports with less than 90,000 operations don't need forecast. Wow that that. That created a little lot of concern and happiness for us. At the same time. But but as we reviewed it and as we talked a lot more with the FAA. It's and we realize that that there's still a lot of little adjustments that this guidebook guidelines will be made. Yeah. So it's still a work in progress and and the more feedback the FAA receives from us that is helpful to streamline this process and really meet the main purpose of why this was developed is to make our life and the life of the FAA easier the best. For everybody. So.



Alfonso, Esteban 47:10

Jorge, let me second that.

I mean, I mean that's such an important point that again just just just want to remind everybody, every consultant, every airport that this, this is this is a technical memorandum.

It's still in that format.

It is. Changes can be changes and amendments not only are are encouraged to happen, but will happen.

There's a lot of Gray areas and I know that you know, the first time all of you, you know, read this memo. You were confused.

In subsection, not others.

But just to let you know, we were confused as well.

So it's just it's not.

It's not just you guys. It's and this was actually prepare for the FA as an internal memo, you know, to train the radio.

So don't be afraid to ask.

Don't be afraid to contact us, the FA or whoever you want.

For for any type of any type of clarification or confusion that you have that could potentially be amended in a final guidebook that I assume will probably come out in the next.

Few years.



Becker, Michael 48:13

Absolutely. Well, my coffee cup is almost empty, so I think we're getting close to the end.

 **Alfonso, Esteban** 48:17

And mine too.

 **Becker, Michael** 48:18

So people are probably saying, oh, I got to get back to work now.

So let's let's answer a couple of questions that have come in and then we'll save a few minutes at the close to the top of the hour to just kind of close it so.

First one I see here you guys can decide who wants to start off on the answer. But on page nine of the 2024 Tech memo, it says consistency checks.

For non towered airports, are we comparing master plan forecast KEGARS to FAA aerospace kegars?

Or are we comparing the master plan forecast levels, kind of the numbers to the forecast that is derived from the master plan base year? And is the FAA aerospace forecast KEGARS?

Are we comparing operations to to?

Flown hours.

So there's a lot in there.

 **Alfonso, Esteban** 49:11

Right, right.

So, Mike, let me let me take that one first. And I I I think Jorge will probably.

 **Becker, Michael** 49:15

OK.

 **Alfonso, Esteban** 49:19

Have have some additional comments but but as we understand the guidance.

This guidance is asking the comparison of your forecast of the forecast of your airport.

To comparing it to the growth rates that can be found in the F as aerospace forecast, again, it's probably that's published every year.

I believe it's may, Jorge.

I'm not sure.

May of June.

You know something along those lines. So it's asking to for for you to take the baseline number from your forecast and then applying the growth rates at the FAS and the aerospace forecast and then compare that to your forecast. Again, you know to see that you know that.

Difference you know of the five and 10% that we were talking about earlier.

So you know.

As as all other forecasts.

These are done as consistency checks. You know, they're mainly done for passengers operations and based aircraft and just to even give you a bit more insight, I think the if you look at the air space forecasts, I believe the growth rates table believe it's table a three there.

General aviation tables.

I believe that's table 29 and 30 are the general aviation tables. I look at these forecasts all the time so.

So those are the growth rates that you to go into, look apply to your.

Apply to your to your base year and then again compared to. You know compared to your forecast so.

Jorge, do you have anything to add to this?



Gonzalez, Jorge 50:50

Yeah. If I heard of that criteria that is included in, in, in Page nine of of the guidelines is associated with with non towered airports forecast for the if you're preparing non forecast for non powered airports or new airports that's what the criteria is associated because when Bas.

If it's, if it's a non towered airport. Again you you have to prepare because it's over 90,000 operations.

Just keep that in mind.

And if it's new airport?

Obviously you don't a lot of history, so everything is new.

So. So what?

What you would what what?

Like 7 mentioned, I'll make it very clear is let's say in your forecast your base year. If you have 100,000 operations, what you would do is apply the growth rates in the

airspace.

Guidebook or not document and grow it at that. Those rates. Once you have those numbers for passengers, operations and basic aircraft.

Then you would compare them to to your, to your to, to the, to your forecast, and then decide if it's within the 10 or 15%.

So. So hopefully that answers that question.



Becker, Michael 52:06

Yeah, I think it does.

I think and if not, reach back out and we'll be happy to elaborate further with you guys.

Another one that came in is are there any formalized requirements to address climate resiliency, vulnerability, asset protection, etcetera in the forecasting review and approval process?



Gonzalez, Jorge 52:26

OK, I'll, I'll take that one. That that, that that's an easy one.

I'll take the easy ones and let the seven answer the the tough ones.

The guidance per SE does not specifically mention anything associated with resilience or or.

Ability or anything like that, but at the same time, if any of those projects will have an impact on capacity or or anything associated with critical aircraft.

Then the guidebook applies, meaning yes. Basically, if you're if you're basically developing a project that that will be impacting capacity because of climate change or something like that, make sure that you basically validate the forecast and review and either you have to validate them.

If it changes, you will have to get the approved once more so.

So it's not specific the words I mean those are new fancy words that probably.

Yeah. Headquarters still doesn't include in some of the guidance, but it is, it is important to keep it in mind as we develop projects associated with that.



Becker, Michael 53:44

Great.

I see that there's a few more that questions that have kind of popped in as we've been talking, but I know we're getting close to the top of the hour.

So what?

We'll do.

Make sure we do is take a look at those and and reach back out and give you a response.

So I don't.

I just don't want to keep everybody here past the top of the hour as I know they're probably itching to get back to, to, to work. So with that I get Jorge.



Gonzalez, Jorge 54:06

OK.



Becker, Michael 54:10

I think we've got like a little bit of a bonus to share.

You wanna take us?

Take us to the to close and share some key information with for folks.



Gonzalez, Jorge 54:20

Thank you.

Thank you, Mike, and thank you everybody to staying this long on on this topic.

Hopefully it's been very useful to you.

One of the things that one of the last topics I spoke about is how how do you want to make sure you're following the guidelines and internally like I mentioned, we have developed a very elaborate, very detailed checklist, but as a minimum, if you can keep in mind.

When either you're reviewing forecast before sending them to the FAA.

Or one of the consultants is telling you, OK, we're ready to submit this to to the ado for evaluation. If you can check at least this main six points, I think we we would be very happy to that that you have done it and I think you have.

Would have made a great inroads into getting your forecast properly reviewed and approved. First one is.

Pretty basic.

Did you check to see if the forecast have to go to headquarters?

And why?

Why is that important is because that will define how long the review process will take.

So if it's going to headquarters, just keep in mind that it can take up to 45 days more than what you would normally expect from a normal review and approval process.

I mentioned the importance of critical aircraft being included with your forecast.

Make sure that there's a section in in the in the document.

That talks about critical aircraft. If you're gonna be using the forecast for NEPA process or a benefit cost analysis evaluation, regardless of the airport type.

This applies to any airport, even the ones that are non towered and lit on 90,000 operations.

Make sure you look at you.

Look and review the long term forecast and that they're within the criteria that EFA published in the guidelines.

That frame was .5%.

So I mentioned if your forecast.

Basically differ more than the 10 and the 15% at year 10, year five and year 10.

Don't don't be concerned.

Don't panic and say hey, but you need to make sure that is you have consulted with the ado and basically took kind of agreed. Why? Why the difference?

It could be easily because there's a new aircraft that is being bought.

Carrier that is being entering or will enter you your traffic or your schedules, or suddenly your line went bankrupt and they're leaving your your airport.

So keep in mind that if you're not meeting those criteria, don't panic.

Just make sure you meet with the ado and talk it over.

Did did you include the alternative concept? Forecast and artist? Like we said, it's really important and scenario scenarios that are not only.

Alternative, but constrained and things like that can be included seven and I elaborated quite a lot about why it's important to include that. And last but not least, if your airport is a non towered airport and it's Aga airport that has less than 90,000 annual operations make.

Sure. You look into it and see if you really need to develop a planning forecast or not, so.

With those, again, hopefully these are the six points that.

I you can remember from this whole webinar, thanks a lot.



Awesome. Well, thank you both.

All of you for your thought leadership today.

On the screen you'll see we have AQR code for very quick feedback.

Survey if you wouldn't mind responding to that.

I've also put it the link to it directly in our Q&A and please expect to receive some additional information from us, including a link to this recording. If you have any colleagues that weren't able to attend and you want to share with them, we encourage you.

To do that.

Thank you again to our speakers and I hope everyone has a great rest of your day.

Bye.



Becker, Michael 58:39

Thanks everybody.



Alfonso, Esteban 58:39

So much.

Thank you. Thank you.



Gonzalez, Jorge 58:41

Thanks.

● **Loia, Dayna** stopped transcription