



2 FORECAST SUMMARY

2.1 INTRODUCTION AND BACKGROUND

Traffic forecasting is a fundamental input to master planning, including long-term forecasts of annual demand, derivative statistics related to peak-period demand, and future demand by industry segment.

Traffic forecasts are subject to frequent revision and update. For example, the FAA updates its Terminal Area Forecast (TAF) annually. Currently, a consensus exists among regional and national forecasts that growth will continue in the near-term and long-term, however, declines in enplanements and operations have occurred on a nationwide basis over the past two years, and the timing of a return to growth is still in question. Nationwide, the long-term historical trend has continued to exhibit consistent growth, despite periodic major adverse cyclical developments and individual events, as shown on Figure 2-1. Though the Master Plan Update Phase 2/3 forecast was completed in late 2007, Figure 2-1 has been updated to reflect calendar year 2008 statistics and FAA forecasts. The implications of recent fluctuations in national traffic volumes for the Master Plan are that the process should anticipate change and provide flexibility for the implementation of the recommended plan. The trend line for the long term remains relatively constant.

Generally, Sun Belt regions of the United States are expected to exceed the annual average growth rates. However, it should be noted that most forecasts of traffic are “unconstrained forecasts” of demand, which are based on an assumption that airline capacity, air traffic systems, and airport facilities will be available to accommodate underlying demand.

At FLL, traffic has increased significantly since the early 1990s, attributed primarily to strong regional economic growth, significant expansion of service by existing and new entrant, including low-fare, airlines, and the resulting increasing share of regional passenger activity accommodated at FLL relative to competing commercial service airports in South Florida.

2.2 FORECAST ANNUAL DEMAND

As discussed in Section 1 and as called for in the scope of work and work plan, the FAA TAF was used as the “base” forecast for the FLL Master Plan Update.

Enplaned Passengers – Figure 2-2 presents a summary of annual enplaned passengers, as presented in the 2007 FAA TAF published in January 2008. Enplaned passengers at FLL are forecast to increase an average of 3.0 % per year. This is significantly lower than the actual long-term growth rate of 4.9% (from 1980 to 2004), which consistently surpassed forecasts for the period. However, the current forecast rate of growth below historical levels is not unreasonable for planning purposes given the larger base of activity, substantial market penetration by the low-fare airlines, and current economic conditions. (Note that the recently released 2008 FAA TAF published in January 2009 indicates a growth rate of 3.3% through 2020, reducing to 3.0% from 2020 through 2025).

Aircraft Operations – The 2007 FAA TAF forecasts annual aircraft operations to increase an average of 2.3% per year from 2009 to 2025. There have been significant changes in the composition of aircraft operations at FLL through 2007— general aviation activity declined significantly and commercial air carrier operations (operations with aircraft larger than 60 seats) increased to represent a majority of the total. For the forecast period through 2025, the FAA forecasts that virtually all of the growth in aircraft operations at FLL will be driven by increases in commercial air carrier aircraft operations. The share of the

total represented by air carrier operations is forecast to increase from 60% in 2006 to 65% in 2025.

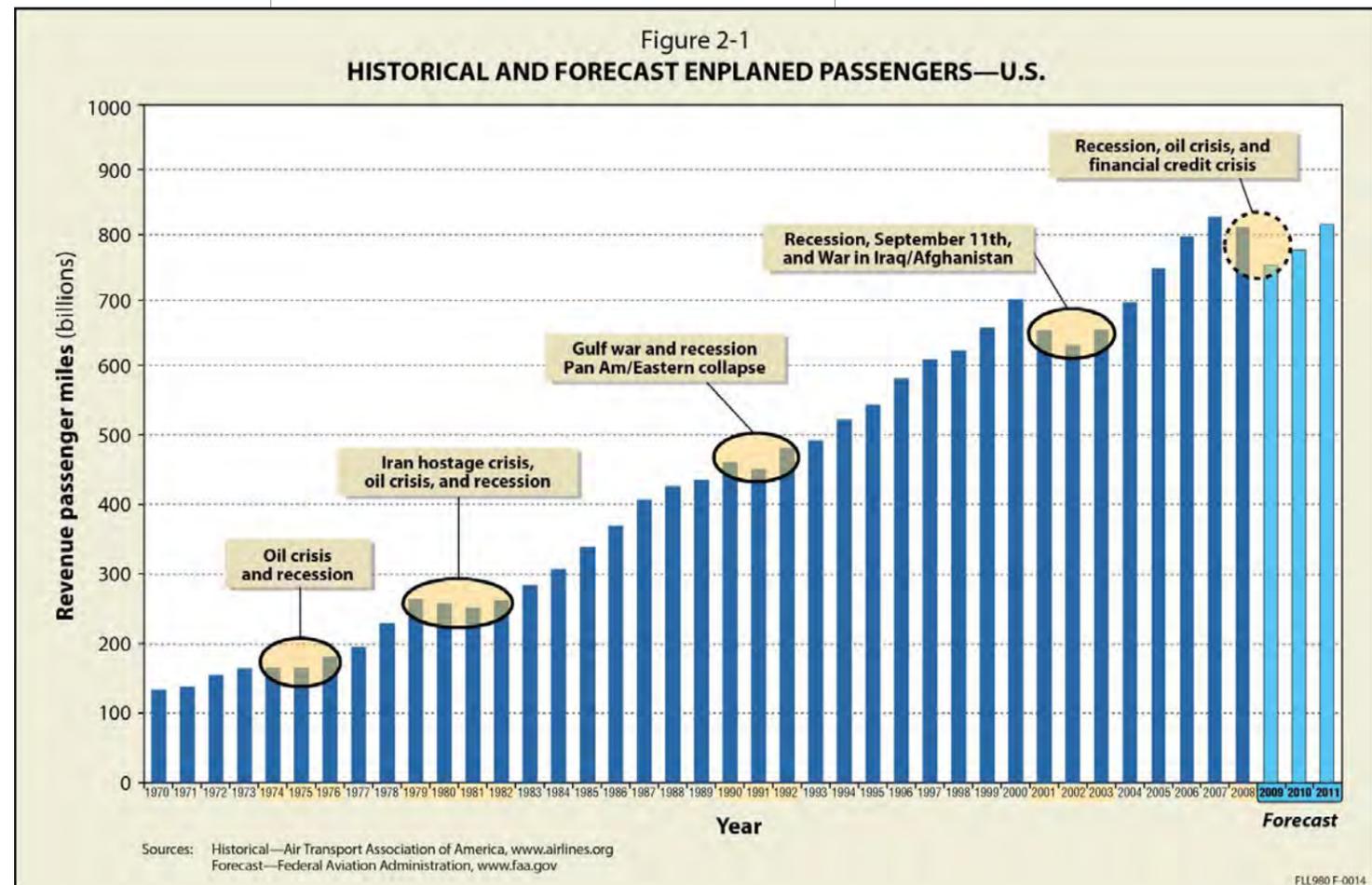
2.3 DERIVATIVE FORECASTS

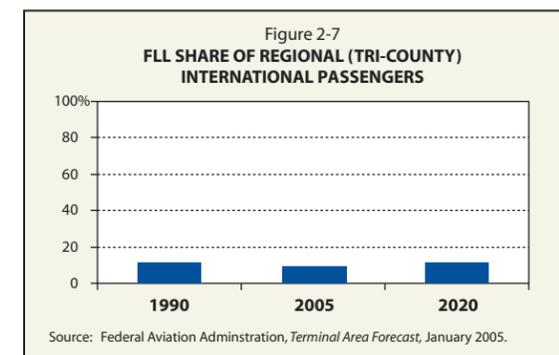
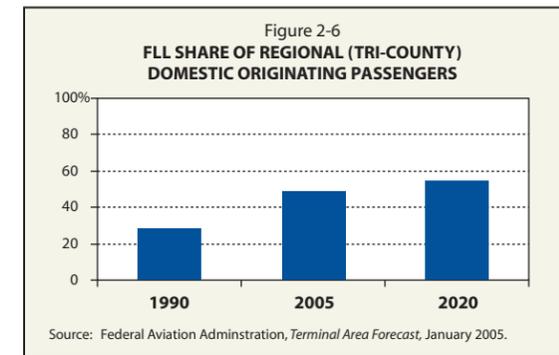
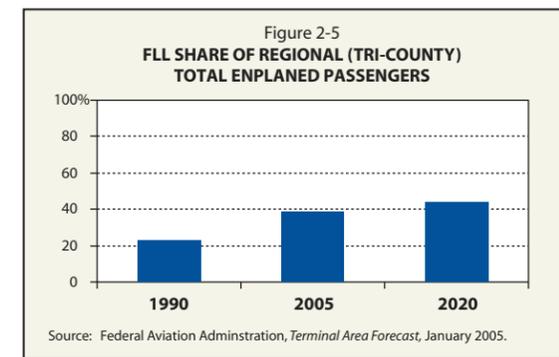
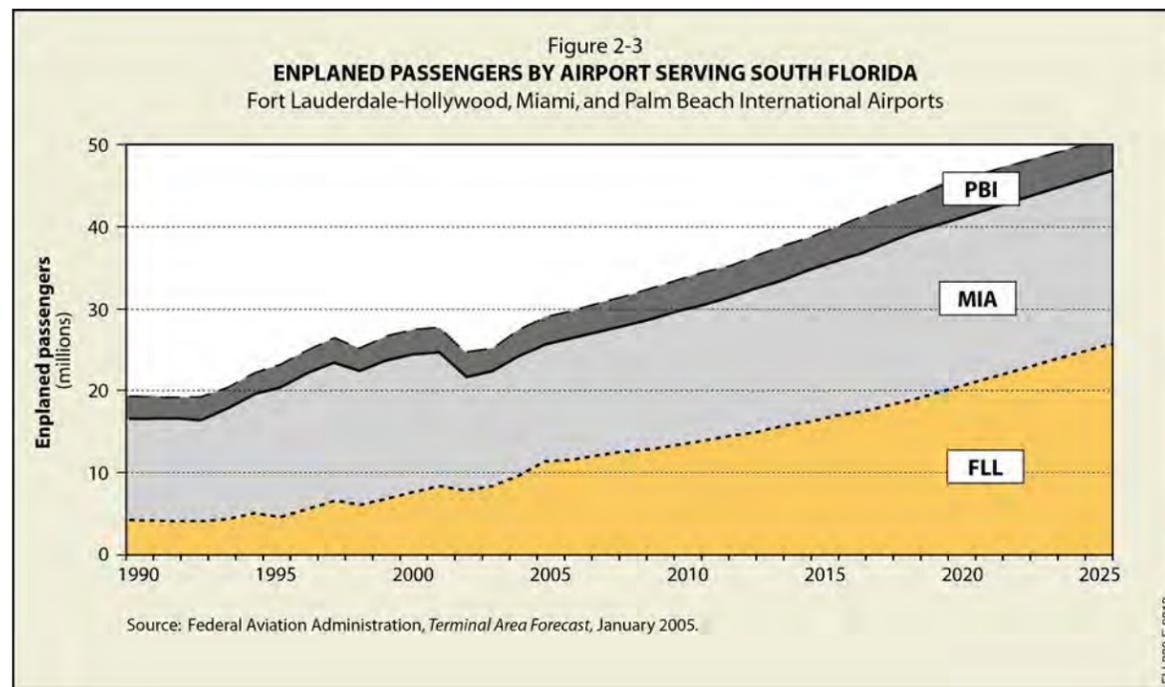
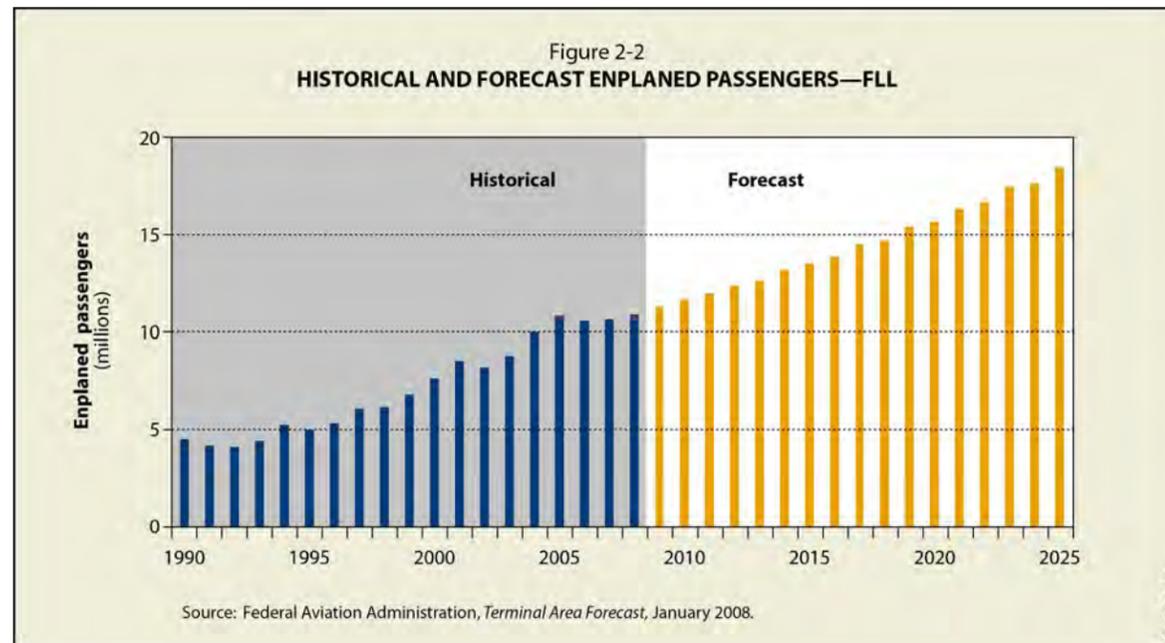
To assess facility development alternatives for FLL, traffic components need to be forecast on a detailed basis. A companion technical report provides detailed information on derivative forecast elements used for certain aspects of the FLL Master Plan Update, such as passengers by flight stage length, peak month demand, and daily activity patterns. Derivative forecasts were developed using assumptions regarding key factors and ratios, which were applied to the base annual demand forecasts.

2.4 SHARE OF REGIONAL TRAFFIC

Figure 2-3 shows historical and FAA forecast numbers of enplaned passengers at the three air carrier airports serving South Florida—FLL, Miami International (MIA), and Palm Beach International (PBI) airports. According to the FAA TAF, FLL’s share of regional passenger activity is expected to continue to increase between 2005 and 2025. However, while FLL’s share of regional domestic originating passengers increased substantially, from 31% in 1990 to 54% in 2005, this share is forecast to increase much more gradually in the future—reaching about 60% in 2025 .

Noteworthy in the FAA TAF, for the purposes of facility planning for FLL, is that while the Airport’s share of





domestic originating passengers is forecast to increase at a reduced rate of growth, the share of international passengers is also forecast to increase gradually through 2025. The implications of this forecast on facility planning were addressed during Phase 2/3 of the Master Plan Update process and were also considered in the FAA's Proposed South Runway Extension EIS process (given the use of the FAA TAF in that process).

2.5 SUMMARY

As stipulated in the scope of work regarding consistency with the FAA's process for the Proposed South Runway Extension EIS, the forecasts presented herein summarize the FAA's outlook for future growth in aviation demand at FLL. Nevertheless, uncertainty and risk will always be present when discussing aviation activity forecasts, considerations that have become more prevalent since September 11, 2001. From a facility planning perspective, while the FAA TAF is generally consistent with other available forecasts, year-to-year variations in activity can be expected. To accommodate the inherent uncertainty regarding future traffic levels, both nationally and at FLL, facility plans that demonstrate flexibility and responsiveness undoubtedly have a higher value to an airport operator than front-loaded development programs that are dependent on the realization of traffic forecasts well into the future.