



MAKING CONNECTIONS

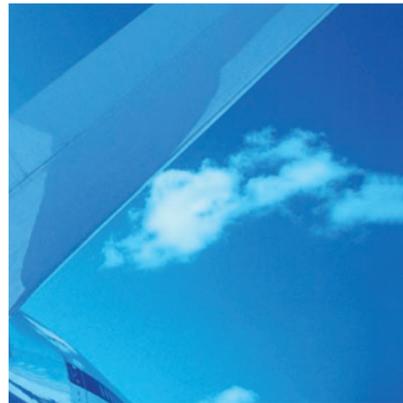
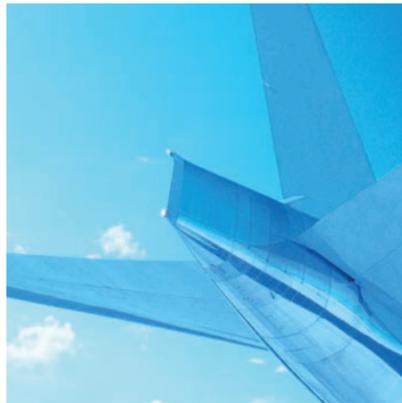
SAN DIEGO INTERNATIONAL AIRPORT 2008 ANNUAL REPORT

1-2	From 30,000 Feet: A Message from the Chairman and the President/CEO
3-4	Traveling as One: Performance Excellence in Daily Operations
5-6	Nonstop Customer Service
7-8	Ideas Moving People: Airport Amenities
9-10	Connecting the Dots in Air Service Development
11-12	2008 Flight Numbers
13-16	2008 Business Highlights
17-18	Protecting Water, Land and Sky: Corporate Citizenship / Environmental Stewardship
19-20	Treading Lightly on the Environment: Sustainability Policy
21-22	A 21st Century Airport
23-24	Future Arrivals: Planning on a Grand Scale
25-26	2008 Board, Executive Staff, Directors
27	Onward and Upward: Looking Ahead



Upwards of 18 million people fly into and out of San Diego International Airport every year, and that number is projected to increase to more than 27 million by 2030.

A coming together of people, resources and ideas will allow San Diego International Airport to collaboratively pursue the flight path that best meets this growing demand.



Alan D. Bersin
Chairman,
San Diego County
Regional
Airport Authority



Thella F. Bowens
President/CEO,
San Diego County
Regional
Airport Authority



**FROM
30,000 FEET
A MESSAGE
FROM THE
CHAIRMAN
AND THE
PRESIDENT/
CEO**

Essential to our regional economy, San Diego International Airport is the busiest single-runway commercial airport in the nation. The airport brings \$10 billion a year in economic benefit to the region, supports 115,000 jobs and hosts over 18 million passengers.

The San Diego County Regional Airport Authority is dedicated to providing quality service to airport passengers, tenants and partners through new customer conveniences, expanded air service routes, environmental stewardship and economic growth. Our efforts are clearly working: we note proudly that the Airports Council International has ranked San Diego International Airport among the best airports in the world for five consecutive years.

2008 was a remarkable year for the San Diego County Regional Airport Authority, and many of our accomplishments will positively impact the future of San Diego International Airport. The certification of the Environmental Impact Report and adopted Airport Master Plan for the Terminal Development Program, creation of the Memorandum of Understanding with the

California Attorney General and development of new air service will lead the airport toward a prosperous and sustainable future, notwithstanding the current adverse impact of severe recession in the global economy. During 2008, regional collaboration, comprehensive planning and a shared vision for an improved Lindbergh Field experience have established a strong foundation for our confidence going forward.

The unprecedented Destination Lindbergh planning effort last year – a collaborative effort with the City of San Diego and the San Diego Association of Governments and other partner agencies – demonstrated a cooperative commitment to maximizing our existing airport and enhancing the region’s ground transportation network.

In the coming year, Airport Authority planning efforts will focus on development of the Regional Aviation Strategic Plan (RASP), which has been mandated by state law. The RASP will assess forward-looking initiatives of adjacent airports, evaluate existing infrastructure and seek to propose a seamless aviation network for San Diego County.

Upon completion of the Regional Aviation Strategic Plan we will partner with the San Diego Association of Governments to develop an Airport Multimodal Accessibility Plan. This plan will identify surface transportation improvements designed to reduce traffic, expand parking, encourage public transit use and better link aviation infrastructure in the region.

As we celebrated the airport’s 80th anniversary in August, we commemorated the achievements of past generations. We are equally excited about our present prospects and long-term future, starting with our Airport Master Plan improvement efforts. From airfield and roadway enhancements to the 10-gate build-out of Terminal 2, these efforts – essential to meeting the region’s air transportation needs at Lindbergh Field – begin in 2009. We urge you to visit and invite your support.

Together with our partners, stakeholders and employees, we look forward to making another 80 years of aviation history. We appreciate your support.

Alan D. Bersin
Chairman

Thella F. Bowens
President/CEO

Founded in 1928, San Diego International Airport ranks 30th among the busiest airports in the country in terms of passengers, and is the busiest single-runway commercial service airport in the nation.

TRAVELING AS

The San Diego County Regional Airport Authority was created on January 1, 2003, as an independent agency to manage the daily operations of San Diego International Airport and address the region's long-term air transportation needs. The Airport Authority is governed by a 12-member board whose terms range from two to six years.

The legislation that created the Airport Authority mandates three main responsibilities:

- Operate San Diego International Airport
- Plan for the future air transportation needs of the region
- Serve as the region's Airport Land Use Commission and ensure the adoption of land use plans that protect public health and safety surrounding all 16 of the county's airports

PERFORMANCE EXCELLENCE IN DAILY OPERATIONS

San Diego International Airport serves passengers from across the world with close to 600 departures and arrivals each day.

Airport staff members are dedicated to providing outstanding service, creating process efficiencies and helping passengers to reach their destinations quickly and comfortably.

A multi-year winner of the California Awards for Performance Excellence, the airport has earned recognition for continuous improvement and organizational distinction in a variety of business domains.

The result is a world-class facility for the more than 50,000 travelers who use the airport on any given day.





NONSTOP CUSTOMER SERVICE

SAN DIEGO INTERNATIONAL AIRPORT CONTINUES TO PROVIDE FIRST-CLASS CUSTOMER SERVICE TO ITS

18 MILLION
ANNUAL PASSENGERS.

Customer satisfaction surveys conducted by the airport give San Diego International Airport high marks for overall service and airport amenities. Helpful staff and an efficient check-in experience are standouts in terms of top customer ratings.

Third-party awards from such diverse organizations as Airports Council International and *Condé Nast Traveler* underscore the airport's commitment to enhancing the experience of both business and leisure passengers.

IDEAS MOVING PEOPLE

AIRPORT AMENITIES IN ITS MORE THAN 80 YEARS IN OPERATION, SAN DIEGO INTERNATIONAL AIRPORT PROUDLY SERVES THE AIR TRANSPORTATION NEEDS OF THE SAN DIEGO REGION. A WIDE VARIETY OF AIRPORT AMENITIES EASE THE BURDEN OF TRAVEL FOR PASSENGERS, EXPEDITE ARRIVALS AND DEPARTURES AND INSPIRE VISITORS FROM NEAR AND FAR.



CUSTOMER CONVENIENCES

From a cell phone waiting lot and pet relief areas, to free Wi-Fi Internet service and holiday gift-wrapping, San Diego International Airport is forward-thinking in its view of how to make a difference in the lives of those it serves.

As an additional convenience to passengers, employees and community residents, the airport aligned with Community Health Improvement Partners to offer complimentary flu shots in January. Typically, more than 600 people take advantage of this service.

VALET PARKING

SAN Park Valet Parking was introduced in 2008 as a convenient and timesaving parking solution for passengers on the go. To use the service, travelers drive into designated valet areas marked by cones in front of Terminals 1 and 2 and check in with the valet. On their return, passengers pick up any luggage and then visit a valet cashier at booths inside baggage claim areas in Terminals 1 and 2. Upon payment, travelers take their receipt to a curbside valet to meet their vehicle.

VOLUNTEER AMBASSADORS

A highly trained network of more than 300 Volunteer Airport Ambassadors supply information and way-finding assistance to airport travelers, visitors and greeters in Terminals 1 and 2. One of the largest volunteer airport assistance programs in the nation, the Volunteer Airport Ambassadors program is operated by San Diego International Airport in cooperation with the Travelers Aid Society of San Diego.

INTERACTIVE RESOURCES

In support of providing timely information about San Diego International Airport to passengers, the airport manages an employee blog. The interactive information source, dubbed the Ambassablog (www.ambassablog.com), is authored by rank-and-file employees. The communications tool addresses a wide variety of topics about the airport and greater aviation industry, and archives posts for easy viewing and retrieval. As a pioneer in public agency employee blogging, the Ambassablog has been shared as a case study with other state and federal agencies.

AIRPORT ART

The San Diego International Airport Art Program provides a creative reprieve and source of inspiration for passersby. Integrating art into the daily lives of about 50,000 passengers a day, the Airport Art Program brings texture and depth to the airport environment. The program, which reflects a broad representation of artists and art forms, succeeds in fostering relationships with local artists and cultural organizations.

The airport's cultural exhibits, music series and permanent artwork make up the three components that create a memorable experience unique to San Diego.



Guillermo (Terminal 1) by Steve Bartlett of San Francisco is a massive freestanding stainless steel sculpture that conveys urgent, frenetic motion.

TEMPORARY & ROTATING EXHIBITS PROGRAM

Allowing museums, cultural institutions, arts organizations and individual artists the opportunity to exhibit for free collections of wares, artifacts and original artwork at the airport, this program evokes the cultural diversity of San Diego.

PERFORMING ARTS PROGRAM

The *à brève* performing arts program celebrates the local culture and talent of the San Diego region. Special event performances including live theater, dance and musical arts offer a San Diego-inspired greeting to out-of-town arrivals and local residents.

PUBLIC ARTS PROGRAM

In developing a broad collection of permanent artwork, opportunities vary from functional installations such as integrated meditation spaces, exterior seating, wall mosaics and multimedia installations, to more traditional art forms. The public arts program strives to create a unique collection of integral artwork that is seamless with sustainable building design and infrastructure.



CONNECTING THE DOTS IN AIR SERVICE DEVELOPMENT.

IN TOTAL ECONOMIC EFFECT, THE AIRPORT CONTRIBUTES UPWARDS OF \$10 BILLION ANNUALLY TO THE REGIONAL ECONOMY

ECONOMIC VITALITY

The San Diego County Regional Airport Authority dedicates significant resources to developing new air services to meet the region's growing air transportation needs. Expanded relationships with airline carriers, new domestic and international flight service and additional nonstop routes from San Diego International Airport are ongoing priorities.

Each new nonstop flight for San Diego International Airport improves the options for business and leisure travelers, reducing travel time and cost and increasing tourism and convention business for the San Diego region.

New air service has a direct economic impact on the region. Visitors who arrive by air to San Diego spend more than \$2 billion a year.

San Diego International Airport is an employment engine for local residents. More than 6,000 people work at the airport in myriad roles from concessionaire to shuttle driver to construction contractor.

INTERNATIONAL EFFORTS

International air service is particularly valuable to the local economy because of its downstream benefits to related industries such as hospitality and tourism. International air service increases the number of international visitors to the San Diego region and international visitors tend to spend more and stay longer.

Total visitor spending generated from one new international flight is \$27 million (every flight, every year).

An incentive program for transoceanic flights as well as Central American, European and Asian outreach campaigns are under way to cultivate carrier relationships and drive increased international activity. Available capacity for international flights, up-to-date infrastructure and a lightly used customs facility make San Diego International Airport a desirable destination for international airlines.

214,000
*passengers between
San Diego and Canada*

204,000
*passengers between
San Diego and Asia*

31,000
*passengers between
San Diego and the Caribbean*

423,000
*passengers between
San Diego and Europe*

17,000
*passengers between
San Diego and Oceania*

13,000
*passengers between
San Diego and Africa*

28,000
*passengers between
San Diego and the Middle East*

35,000
*passengers between
San Diego and Central America*

54,000
*passengers between
San Diego and South America*

187,000
*passengers between
San Diego and Mexico*

08 FLIGHT NUMBERS

08 BUSINESS HIGHLIGHTS

JANUARY 1

The Airport Authority successfully sponsored Senate Bill 1510, unanimously approved by the State Legislature and signed into law by Governor Schwarzenegger. This bill, which went into effect January 1, 2008, completes governance changes to the Airport Authority and provides the agency with the ability to finance a multimillion dollar consolidated rental car facility.

JANUARY 29

The Airport Authority and the City of San Diego's Environmental Services Department co-sponsor a waste reduction and recycling workshop, "Coming Clean, Going Green."

FEBRUARY 11

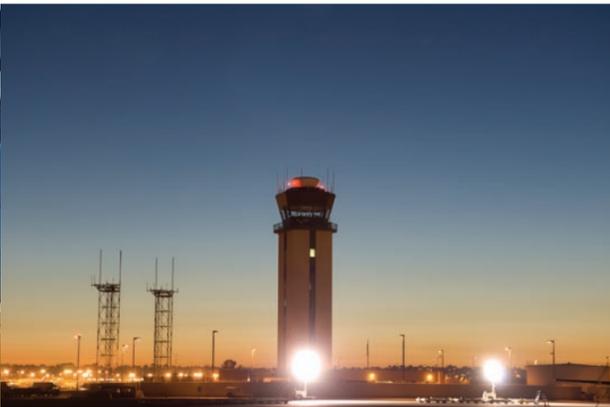
Virgin America celebrates the launch of its first flight to San Diego from San Francisco International Airport.

FEBRUARY 13

Metropolitan Transit System's Airport Flyer, Route 992 buses, now powered by compressed natural gas, offer new conveniences for airport passengers.

FEBRUARY 29

A rock 'n' roll reception celebrates San Diego International Airport's Taylor Guitars cultural exhibit at the Commuter Terminal.



San Diego International Airport launches SAN Park Valet Parking, a new valet service for busy travelers provided at Terminals 1 and 2.

HUNDREDS OF CAPABLE HANDS BOTH BEHIND THE SCENES AND IN PUBLIC VIEW WORK IN TANDEM TO PROVIDE A SEAMLESS AIRPORT EXPERIENCE.

MARCH 2-4

San Diego International Airport hosts Network USA 2008, one of the biggest airline route-planning events in the world.

APRIL 1

For the fifth year in a row, Airports Council International honors the Airport Authority for continual effort and improvement in customer service.

APRIL 4

San Diego International Airport launches a fully automated, Web-based vendor and bid management system.

APRIL 5

Southwest Airlines inaugurates a nonstop San Diego-Denver route with five daily flights.

APRIL 23

The Ad Hoc Airport Regional Policy Committee made up of the City of San Diego, the Airport Authority and SANDAG holds its inaugural meeting.

The Airport Authority Board approves the Environmental Impact Report.



AirTran adds service from San Diego to Milwaukee.

MAY 1

MAY 9

MAY 15

MAY 21

JUNE 13

JUNE 20

The Airport Authority Board adopts the Airport Master Plan for immediate-term improvements at San Diego International Airport.

California Employer Advisory Council pays tribute to the Airport Authority for providing outstanding employment services to veterans.

The Airport Authority rolls out www.ambassablog.com, an employee blog providing front-line information about airport events and initiatives. It is one of the few airports to do so.

JetBlue introduces Seattle as its fifth destination from San Diego.

The Airport Authority commits to community reinvestment with a \$5 million deposit to local bank, Neighborhood National Bank of National City.

Zoom Airlines launches the only nonstop flight from San Diego to London's Gatwick Airport.



JULY 1

JULY 4

AUGUST 2

AUGUST 9

AUGUST 16

A new online application system available at www.san.org/careers expedites the job search process at the Airport Authority.

The airport debuts its "San Diego International Airport TSA Security Reminders." The popular four-minute film features San Diego mascots, including Shamu and the San Diego Padres friar, demonstrating security do's and don'ts.

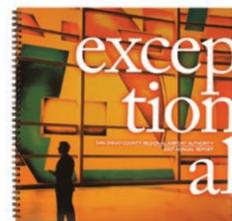
The Ad Hoc Regional Airport Policy Committee reaches a major milestone in the Destination Lindbergh planning process with the development of a short-list of build-out alternatives that integrate passenger terminal configurations, an Intermodal Transit Center and airfield concepts.

San Diego International Airport partners with Surfrider Foundation to fight cigarette litter.



San Diego International Airport celebrates its 80th anniversary.

A community event for all ages, SAN Skyfaire commemorated 80 years of air travel with music, dance, food, arts and educational offerings at NTC Promenade at Liberty Station.



OCTOBER 28

OCTOBER 29

NOVEMBER 2

DECEMBER 4

DECEMBER 19

ONGOING

For the third consecutive year, San Diego International Airport lands a top-10 spot in Condé Nast Traveler's Business Travel Awards survey for location, access and ease of connections.

The airport introduces an e-newsroom as a convenient online resource for reporters.

American Eagle transitions all 15 San Diego – Los Angeles flights to regional jet equipment, increasing Los Angeles-bound seat capacity by more than 25%.

San Diego International Airport Performing Arts program kicks off its seventh season with *à brève*, presenting live theater, dance and literary arts on the second and fourth Friday of each month at Terminal 2 Baggage Claim.

The airport offers free gift-wrapping services for ticketed passengers.

Airport Authority staff is leading the effort to form a new California Airports Council to strengthen the voice of the state's airport community in Sacramento and Washington, DC.

PROTECTING WATER, LAND AND SKY.



The California Least Tern

This migratory bird is a U.S. federally listed endangered species.

CORPORATE CITIZENSHIP

As a dedicated corporate citizen, San Diego International Airport has forged an extensive partnership network to enhance the health and social well-being of travelers, visitors and employees.

Innovative and productive community partnerships range from a joint effort with Surfrider Foundation to reduce cigarette litter, to a cooperative alliance with the U.S. Fish & Wildlife Service, U.S. Department of Agriculture – Wildlife Service and the Zoological Society of San Diego to provide a protected habitat for endangered migrating seabird, the California Least Tern.

Additional San Diego International Airport partners include Community Health Improvement

Partners, San Diego Regional Chamber of Commerce, San Diego Regional Sustainability Partnership, YMCA and many more.

The airport enjoys a collaborative relationship with key private and public organizations across the region that work hand-in-hand to support trade, transportation, tourism, hospitality, aviation, cargo, cruise and related industries as well as the economic vitality of greater San Diego.

ENVIRONMENTAL STEWARDSHIP

Respect for San Diego International Airport's unique setting, an urban enclave on the shores of San Diego Bay, drives the airport's planning, design and operation.

Environmental affairs specialists advocate programs and practices that minimize the airport's environmental footprint, protect the expansive natural resources that exist in and around the airport and ensure the health and well-being of passengers, employees and the surrounding neighborhoods.

Recent eco-minded service enhancements include Metropolitan Transit System Route 992 buses, which are now powered by compressed natural gas. Connecting San Diego International Airport with downtown, these buses provide an environmentally friendly transit alternative for travelers.

SUSTAINABILITY POLICY

SUSTAINABILITY reinforces the airport's guiding principles to promote regional prosperity and protect its quality of life. Economic viability, operational excellence, natural resource conservation and social responsibility are the tenets that make up the Airport Authority's first formal sustainability policy.

A number of innovative programs help San Diego International Airport to tread lightly on the environment:



REDUCE, REUSE, RECYCLE

Testament to the airport's commitment to a sustainable future is its recycling program. Named "Recycler of the Year" several years in a row by the City of San Diego, the airport strives to educate airport concessionaires, tenants and staff about recycling. A waste reduction and recycling workshop, "Coming Clean, Going Green," hosted by the Airport Authority and City of San Diego's Environmental Services Department, is among a variety of programming offered to businesses of all sizes with an interest in how to implement waste reduction programs.



QUIETER HOMES

To improve the quality of life for surrounding communities, San Diego International Airport instituted a Quieter Home Program. The voluntary effort is a sound insulation program designed to reduce aircraft noise inside eligible homes by replacing windows, doors, insulation and, in some cases, heating and cooling systems. The Quieter Home Program has won several prestigious awards since its inception, including the Governor's Historic Preservation Award and the City of San Diego Award for Excellence for Historical Preservation, among others.



PUBLIC TRANSIT

As part of the airport's long-term planning efforts, San Diego International Airport and its transportation partners are evaluating existing service improvements and the addition of new routes to enhance public transit access. An airport employee transit encouragement program is a first step in increasing transit ridership over the next three to five years. The airport's transit plan is tightly linked to ongoing sustainability initiatives designed to protect the environment and reduce the airport's carbon footprint.

TREADING
LIGHTLY
ON THE
ENVIRONMENT.



A 21ST CENTURY AIRPORT As part of a comprehensive regional planning process called Destination Lindbergh, the area’s leaders studied options and alternatives to: (1) optimize San Diego International Airport, (2) improve transit to the airport and region-wide and (3) reduce traffic congestion in the vicinity of the airport. The Ad Hoc Airport Regional Policy Committee, chaired by City of San Diego Mayor Jerry Sanders, also included representatives from the Airport Authority, the San Diego Association

of Governments, Port of San Diego, County of San Diego, Metropolitan Transit System, North County Transit District and the United States Department of Defense.

This Destination Lindbergh planning effort culminated in the Airport Authority Board accepting a draft concept for public distribution. The draft concept will serve as a framework for long-range planning of San Diego International Airport.





FUTURE ARRIVALS

The optimization of San Diego International Airport incorporates a Terminal Development Plan supportive of airline partners and encompassing the 10-gate build-out of Terminal 2 as well as roadway and airfield enhancements.

At the same time, the Airport Authority is working closely with the San Diego Association of Governments to develop an airport multimodal accessibility plan. This plan will recommend surface transportation improvements designed to reduce traffic, increase parking, promote public transit use and better integrate San Diego International Airport with the region's transportation infrastructure.

PLANNING ON A GRAND SCALE

While Destination Lindbergh considers the future of San Diego International Airport at its current location, the Regional Aviation Strategic Plan, mandated by Senate Bill 10 and authored by Senator Christine Kehoe, encapsulates all county airports as well as the region's demand for air travel, including cargo and general aviation.

To develop this plan, the Airport Authority is reaching out to the San Diego Association of Governments as well as other San Diego County airport operators to determine how each airport can best contribute to improving the region's air transportation infrastructure.

The Airport Authority is also working in cooperation with passenger airports elsewhere in Southern California to collectively evaluate ways to increase regional capacity and satisfy future transportation requirements.



08 BOARD

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Executive committee member
Appointed by Mayor, City of San Diego

Bruce R. Boland
Appointed by Mayor, City of San Diego

Jim Desmond, Mayor, San Marcos
Appointed by North Inland area mayors

Ramona Finnila (Vice Chair)
Executive committee member
Appointed by North Coastal area mayors

Jack Miller
Appointed by Mayor, City of Chula Vista

Colonel Christopher E. O'Connor
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Marine Corps Air Station Miramar
Ex-officio board member
Appointed by United States Navy

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Appointed by East County area mayors

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Appointed by Governor, State of California

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Bob Silvas Director, Small Business Development

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Keith Wilschetz Director, Airport Planning

Diann Wilson Director, Training & Organizational Development

ONWARD AND UPWARD

LOOKING AHEAD The early history of San Diego flight was a time of exploration and discovery, from the world's first piloted, heavier-than-air flight by John Montgomery in 1883 to the start-up of the nation's first regularly scheduled airline in 1924.

As San Diego International Airport continues to explore new ways to maximize the existing airport location and accommodate the region's growing air and ground transportation needs, it will rely on the cooperative planning efforts and ongoing dialogue that have shaped its current path forward.

Facilitation of customer conveniences, expanded service and economic benefit are not only an important part of the airport's daily operations but a distinct piece of its heritage. With historical roots in the aviation industry, San Diego's airport is committed to maintaining its position as one of the best airports in the world.



