

**Senior Aviation Leaders
Announce Expert Panel to Study
O'Hare Modernization Program**

The following statement is jointly issued by David Hinson, former FAA Administrator, and Jonathan Howe, former President of the National Business Aviation Association and the Airports Council International (ACI).

There is no more profound airport development issue in civil aviation today than Chicago's proposed reconstruction of the O'Hare International Airport – the project Chicago calls the O'Hare Modernization Program ("OMP"). We all recognize the importance of O'Hare – both to the national transportation infrastructure, and to the needs of the Chicago region. Whatever is done – or not done – at O'Hare will affect airlines and air travelers for generations to come. It is essential that we make the right choices – and that the process leading to those decisions be well considered.

Both of us have had the honor and good fortune of achieving top level management positions in U.S. civil aviation. The positions we have held include: FAA Administrator, airline Chief Executive Officer, President of the largest business aircraft association, President of the worldwide airports association and other senior economic and policy positions in government and private industry. The decisions we made in our careers have shaped the airline industry and the national airport system as it stands today.

The air transportation industry has been the focal point of our careers. We care about aviation and its future. And, it is out of that concern that we are here. We are not paid consultants for anyone, but feel bound by duty and responsibility to offer today's decisionmakers the benefit of the insight and aviation acumen we have gained over the course of our careers.

I. THE DEL BALZO REPORT

We have read the report on Chicago's O'Hare Modernization Program airspace study that was prepared by our colleague, Joe Del Balzo, and that has just been submitted to the FAA. Joe is a man of exceptional qualifications and integrity. He held the top position at FAA during his term as Acting Administrator. He was also responsible for several of the Nation's largest airports – including New York (JFK), Newark, and LaGuardia, when he served as Regional Administrator for the Eastern Region.

The concerns raised by the Del Balzo report raise serious and troubling questions that ask whether Chicago's O'Hare Modernization Program makes any sense, and whether it will help or hinder civil aviation. The report also highlights the lack of public process and disregard of FAA's recommended planning practices that is disconcerting for an airport development undertaking of this magnitude. We are not here to prejudge the answers to the questions that have been raised about OMP. We will, however, commit to finding those answers and informing the public and FAA decisionmakers of our findings.

II. SERIOUS QUESTIONS ABOUT THE OMP RAISED BY THE DEL BALZO REPORT

The issues raised in the Del Balzo Report on the OMP airspace study include:

- 1. Will the OMP provide the needed capacity, or will it actually increase delays?** The proposed Chicago solution to the twin issues of capacity and delay reduction at O'Hare focuses on new runways. The Del Balzo report and Chicago's own study indicate that the narrowly spaced runway configuration proposed by Chicago will not provide the needed capacity and will actually increase future delays at O'Hare.
- 2. Is the ultimate limiting factor at O'Hare the surrounding airspace and not the runways?** Because planes are already being held on the ground at O'Hare due to airspace saturation, the Del Balzo report points out that adding more runways alone may not solve the problems of delay and congestion. Thus, even if the new runways were capable of handling the projected number of flights (which Chicago's own studies appear to say they won't), the problem of saturation of the surrounding airspace may negate the multi-billion investment in runways, terminals and roadways.
- 3. Will the OMP be too costly and exceed what airlines and passengers can, or are willing to pay, to use the airport?** The Del Balzo Report states that the \$6.6 billion figure claimed by the City fails to disclose the full cost of the proposed expansion. For example, the \$6.6 billion dollar estimate does not include the *full* cost of the terminals for the World Gateway Program (WGP) which Chicago says is necessary to achieve the proposed benefits of the OMP. Similarly, the \$6.6 billion public estimate does not include additional terminal and surface road access costs which Chicago also acknowledges are required for the OMP. These and other necessary elements have the potential to push the price tag toward \$20 billion, which is more than has been spent on any other project in airport development history. To put this in perspective, the entire new Denver International Airport that was constructed in the 1990's cost only about \$5 billion.
- 4. Is the OMP proposal too dependent on good weather optimism?** The OMP configuration might be able to handle more flights than O'Hare today in good weather, but that means even more flights stand to be delayed in bad weather, or even marginal VFR conditions, when OMP cannot operate at full capacity.

5. **What serious safety concerns are raised by the OMP?** The Del Balzo report states that OMP will require a very large number of active runway crossings. Critical crosswind runway capabilities will be eliminated. And, OMP will barely meet minimum, or require exceptions to, many FAA safety standards.

6. **Will the lengthy and complex reconstruction plan for the OMP cause serious operational difficulties?** The decade-long construction period for the OMP would require pilots and controllers to adapt to constant changes in airport operating procedure. Pilots and controllers at busy airports like O'Hare depend on standard and routine – and the disruption of those practices can be seriously detrimental to flight safety. Confusion regarding airport construction activities and non-standard operating practices have been causal factors in major fatal airline accidents.

III. WHAT WE WILL DO

We will guide a group of experts – including air traffic controllers, former FAA and NTSB safety experts, economists, engineers, and financial experts – to examine the O'Hare Modernization Plan and probe the issues raised in the Del Balzo Report. We commend Joe Del Balzo and the Mayors and City Councils of two small communities most affected by O'Hare – Bensenville and Elk Grove Village – for bringing these issues to the public's attention.

We are undertaking this effort without compensation because of our commitment to the success of civil aviation and our recognition of the importance of the decisions made about O'Hare with regard to the health of the national aviation system and the airline industry.

IV. OUR CONCERNS ABOUT THE PUBLIC PROCESS AND THE LACK OF PUBLIC DISCLOSURE

We are also concerned about the process FAA itself is using to address these issues. We have reviewed the scant public record supporting this 20 billion dollar reconstruction project at O'Hare. Very little of the critical facts, data, and information needed to make an informed, responsible decision on this massive proposal has been made available to the public and the impacted communities.

It is impossible to tell based on that very limited information whether OMP is the best or even a solution for the Chicago region. The range of options includes not just O'Hare, but new airports that are on the drawing board, and better utilization of other regional capacity. We will ask our team of professionals the tough questions that we, in our past positions, would have asked the airline executives, the FAA senior staffs and the airport planners who worked for us.

Good planning is the key to good airport development decisions. Under our federal system of airports, the initiative for planning for aviation solutions *begins* at the local level – but then progresses through regional, state, and federal reviews. Central to the federal role is the FAA’s obligation – through the process involving the National Plan for Integrated Airport System (NPIAS) and related state and regional system plans and individual airport master plans – to insure that the metropolitan Chicago system of airports (including O’Hare, Midway, and possible new airports such as the proposed South Suburban Airport) – meet the aviation needs of the Nation.

Here, the planning process appears to have begun and ended with the local airport sponsor – Chicago. The FAA’s planning guidelines provide for a dynamic public process in which a large number of governments (federal, state and local), aviation users, and concerned organizations express opinions, for example, about the size of future demand, the existing surface transportation system’s ability to service existing and/or future airports, the needs of carriers for terminals, environmental and economic impacts of a variety of scenarios, the ability to finance the options and along list of related analyses as to potential regional solutions. Based on the current record, it appears that Chicago has largely forged ahead with its own plan.

The primary reason why this panel of aviation professionals is here today is because these substantial questions are not being asked, investigated, and debated today in a public forum. The City of Chicago has unilaterally decided to keep the public out of the analysis of what is or may be the best solution (or even a good solution) for the Chicago region and to withhold critical information from the scrutiny of the public and the media.

As noted in the Del Balzo Report it is quite possible that runways alone (even if adequately spaced) will not solve the congestion and delay problems at O’Hare. Nowhere in the City’s analyses is there any assessment of the throughput of the air traffic to/from O’Hare through the Approach Control through the Chicago Area Airspace and the then onto the surrounding En Route Air Traffic Control Centers. The Chicago papers have been running *on a daily basis* stories about operational errors in the surrounding airspace. A significant increase in the O’Hare operations – from 900,000 to 1.3 million or even 1.6 million flights – will impact the margin of safety in the airspace. You can add runways, but you cannot expand the airspace.

There is no information in the existing record on the integration of increased ORD flights and the current constraints of the airspace. Moreover, it is perplexing that Chicago is claiming a capacity of 1.6 million annual operations for the OMP, when Chicago’s own expert airspace simulation analysis shows that the airport will become grid locked with delays more than double the FAA planning standard at a level of just 1.3 million annual operations.

Our list of serious questions does not stop there. We have challenged our team of experts to look at other substantial unanswered questions, including:

Security Issues. Will O'Hare be able to continue to operate effectively and with adequate levels of security while thousands of construction workers essentially build a new six runway configuration in the midst of the world's busiest airport? Serious accidents have occurred on runways intended to be "closed" for construction. And, no matter how many precautions are taken, it must be acknowledged that safety and security will be diminished by virtue of the large numbers of men and equipment that must have access to the airport operational area.

The Financial Feasibility of the OMP and the Impact on the Airlines Using O'Hare and on the Traveling Public. Can struggling airlines and cost-conscious consumers actually be expected to pay for the OMP? If the net cost per enplaned passenger increases dramatically, United and American may not be able to afford the expense, and it is unlikely that low cost operators, whose passengers are by definition price sensitive, will fill the void.

The Full and Complete Costs of the OMP. Do we really know what the costs of OMP will be? \$6.6 billion dollar estimate does not include the *full* cost of the terminals for the World Gateway Program (WGP) which Chicago says is necessary to achieve the proposed benefits of the OMP. Similarly, the \$6.6 billion public estimate does not include additional terminal and surface road access costs which Chicago acknowledges are needed for the OMP to succeed. These and other necessary elements have the potential to push the price tag toward \$20 billion. The capitalized expenses on such a program would be a massive addition to the cost per enplaned passenger.

The Impact on the Chicago Regional Economy and Aviation Status in the Face of Such Costs. Will airlines and their passenger remain at Chicago in the face of such costs? If costs are excessive and if the highly competitive airline pricing will not sustain such costs at O'Hare, airlines and passengers may spurn Chicago and use cheaper airports like Dallas or Detroit or Minneapolis or St. Louis as their mid-continent connecting hub.

Can Aviation Capacity Be Added to Metro Chicago on a Less Costly Basis? Can additional Chicago capacity be added more efficiently? The South Suburban Airport is gathering momentum and has the backing of a recently formed intergovernmental South Suburban Airport Authority. Every other city that has outgrown its existing airport by a major degree has developed a new airport, rather than reconstructing the old – JFK for New York, DFW for Dallas, IAD for Washington, and DIA for Denver. This is because new construction typically results in new capacity that can be built better, faster, cheaper than a wholesale airport renovation.

These are a sampling of the questions to be addressed by our expert team. We see no public forum in which these issues are being examined. The work product, each study as it is concluded, will be made available immediately to the FAA, the City of Chicago, the airlines and the public. We expect to hear comments from all interested parties, to format an open public debate on the merits of OMP.

V. THE RISK OF IGNORING THESE AND RELATED QUESTIONS ABOUT THE OMP PROPOSAL IS ENORMOUS

This is simply too important a public and national policy decision to allow Chicago to make on its own initiative. The right decision for the future of O'Hare and the Chicago region will insure an optimal flow of traffic from coast to coast and continent to continent. The wrong decision could lead to intolerable delays, a failed capacity plan, and an unprecedented waste of scarce federal airport development funds. There is no need to rush to a decision when the consequences are so significant. With our considered input, we are confident the FAA will reach the right result.