

IN THE CIRCUIT COURT FOR THE EIGHTEENTH JUDICIAL DISTRICT,
DU PAGE COUNTY, WHEATON, ILLINOIS

PEOPLE OF THE STATE OF ILLINOIS ex rel.
JOSEPH E. BIRKETT, et al.,

Plaintiffs,

v.

CITY OF CHICAGO, an Illinois municipal
corporation,

Defendant.

95 CH 0748
Judge Wheaton

**EVIDENTIARY APPENDIX
IN SUPPORT OF
PLAINTIFFS' PARTIAL MOTION FOR SUMMARY JUDGMENT
AND IN SUPPORT OF
PLAINTIFFS' MOTION FOR PRELIMINARY INJUNCTION**



DuPage County State's Attorney



DuPage County



Village of Bensenville



City of Elmhurst



City of Wood Dale

PREFACE

This evidentiary summary covers the time frame from Chicago's 1975-1995 Master Plan to the year 2000. This summary follows a chronological format to enable the Court to follow various events and exhibits in a coherent and organized manner.

In examining the chronology and the exhibits, Plaintiffs' ask the Court to keep in mind certain central facts. Despite the apparent size of the City of Chicago government in general, and the Department of Aviation in particular, the Department of Aviation does not have a trained staff of experts in the planning of airport construction projects.¹ Instead, for the last forty or more years — since before 1962 — Chicago has outsourced its technical aviation planning work to a firm called Landrum & Brown. Chicago pays Landrum & Brown several million dollars per year to serve as Chicago's *de facto* technical staff: (a) to determine future demand for airport services; (b) to evaluate the capacity of existing airport facilities; and (c) to determine the type and size of future airport facilities to meet future demand.

The President of Landrum & Brown is Mr. Jeffrey Thomas. Mr. Thomas has been the lead planner of all of the City of Chicago's major capital programs at O'Hare since 1962.² Mr. Thomas and his firm Landrum & Brown are the principal authors of several major documents which Chicago has used as the basis for all major construction at O'Hare in the past 40 years. The major documents involving O'Hare authored on Chicago's behalf by Landrum & Brown and Mr. Thomas include: (1) the 1975-1995 Master Plan for O'Hare and Midway; (2) the 1990 and 1991 Lake Calumet Airport Studies that related to an alternative connecting airport to handle growth instead of O'Hare; (3) the 1988-91 O'Hare Capacity Enhancement Action Plan (a/k/a/ Delay Task Force Report); (4) the 1993-1996 O'Hare Master Plan Update (a/k/a Airport Layout Plan Update);

¹ Ms. Loney, the recent Aviation Commissioner, has testified that Chicago does not have any expertise in the Department of Aviation as to aviation demand forecasting or airport capacity, and that the Department of Aviation relies solely on Landrum & Brown for these services. Recessed Deposition of Mary Rose Loney, January 21, 2000, at pp. 21-23.

² Mr. Thomas's long standing major role in Chicago's airport development and capacity expansion, as well as that of Landrum & Brown, is set forth in Exhibit C 267.

(5) The 1994-1995 Capacity Studies at O’Hare (SIMMOD); (6) the 1995 Forecast Demand Study for O’Hare to the year 2020; (7) the 1998 Forecast Demand Study for O’Hare to the year 2020; and (8) the 1998 Integrated Airport Plan.

The Exhibits In Support Of Plaintiffs’ Partial Motion For Summary Judgment And In Support Of Plaintiffs’ Motion For Preliminary Injunction are organized as follows:

Chronological Exhibits, Volumes 1-11 (designation: “Exhibit C __”).

Alleged CBI Marked, Volume 1 (designation: “Exhibit CBIM __”).

Alleged CBI Non Marked, Volume 1 (designation: “Exhibit CBIN __”).

Master Plan Update (ALP Update), Volumes 1-11 (designation: “Exhibit MP __”).

SIMMOD [FAA simulation model], Volumes 1-3 (designation: “Exhibit S __”).

Work Plan, Volumes 1-2 (designation: “Exhibit WP __”).

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Detailed Narrative Chronology of Evidence

I. 1975-1995 MASTER PLAN.

- A. The Purpose Of The Master Plan Was To Define What The Airport Facilities Needed To Meet The Long Term Airport Needs Of The Metropolitan Region.**
- B. The Master Plan Integrated Dozens Of Individual Interrelated Projects At O'Hare Into A Unified Overall Program To Meet Long-Term Regional Aviation Needs.**
- C. The Physical And Financial Program to Physically Implement the 1975-1995 Master Plan was called the "O'Hare Development Program" or "ODP."**
- D. The Decision To Seek "Constrained" As Opposed To "Unconstrained" Development At O'Hare.**
 - 1. The Demand Forecast drives the analysis of the proposed expansion and any alternatives to the expansion.**
 - 2. A New Airport Was Rejected By Chicago In The 1975-1995 Master Plan As Infeasible.**
 - 3. Chicago's Announced Decision To Forego Unconstrained Growth at O'Hare.**
- E. What Does The 1975-1995 Master Plan/O'Hare Development Program (ODP-I) Evidence Demonstrate About The Current Controversy?**

II. THE FEDERAL LITIGATION OVER FAA APPROVAL OF THE MASTER PLAN.

III. CHICAGO'S "TERRIBLE DILEMMA" — CHICAGO KNEW IT WAS LYING TO THE PUBLIC AND THE COURTS.

IV. CHICAGO'S SECRET LONG-TERM STRATEGY.

- A. Chicago's Risk In "Playing It Safe" — A New Southwest Airport Out Of Chicago's Political Control.**
- B. Urgent Need For Long Range Development Plans for O'Hare and Midway.**
- C. The Alternatives For Adding New Capacity: 1) Expand O'Hare, 2) Expand Midway, 3) And/Or Build A New Airport.**
- D. The Need For A Third Airport — Can Be Forestalled Till Middle Of Century If Full Buildout Of O'Hare And Midway; Needed Much Sooner If No Full Buildout Of O'Hare And Midway.**
- E. Chicago's Internal Position in 1987 — full development of O'Hare (new runways)**
- F. Chicago Should Develop Its Own Third Airport Plan But Oppose Any Third Airport Outside City Control.**
- G. The Recommended Strategy – Three Key Steps.**
 - a. Step 1 — Secretly locate and develop a third airport site and plan on the Southeast Side Between Gary and Chicago.**

- b. **Step 2 — Update the O’Hare Master Plan and buildout O’Hare to its full ultimate development.**
- c. **Step 3 — Update the Midway Master Plan and buildout the Midway Terminal Facilities.**

V. 1988 – THE START OF THE CAPACITY ENHANCEMENT DRIVE.

VI. THE DEVELOPMENT OF THE MASTER PLAN UPDATE AND O’HARE DEVELOPMENT PROGRAM II (ODP-II).

- A. **Chicago’s “Surprise” New Airport Proposal — Building Capacity To Handle Future Growth At Lake Calumet**
- B. **The September 25, 1989 Memo By DOA Commissioner Franke To Frank Kruesi.**
 - 1. **Franke’s acknowledgment that Chicago needed a Master Plan Update and that the individual project components of that Master Plan would be in a program called “ODP-II”.**
 - 2. **Franke’s description of the elements of ODP-II.**
 - 3. **Franke acknowledged that discussion of the “third airport” was central to the analysis of any expansion proposals for O’Hare in the O’Hare Master Plan Update.**
- C. **The Debate Over The New Master Plan And Public Participation.**
 - 1. **Sharing information with the airlines and the Civic Committee.**
 - 2. **December 18, 1989 letter by Mary Eleanor Wall, Chairperson of the DuPage County Regional Plan Commission.**
 - 3. **Commissioner Franke’s Response to Chairperson Wall.**
 - a. **A Master Plan Update is necessary**
 - b. **The elements of a Master Plan**
 - c. **Public Participation Inherent In Process.**
- D. **The Decision To Exclude The Public And The Impacted Communities From Participation And Information About The Master Plan Update.**
- E. **The Delay Task Force Report.**
 - 1. **The relation of the Delay Task Force Report (a/k/a Capacity Enhancement Plan) to the Master Plan Update.**
- F. **Making the Master Plan Update A Secret Process.**
 - 1. **Changing the name of the Master Plan Update to Airport Layout Plan (ALP) Update.**
 - 2. **Everyone — Except the Public and the Impacted Suburbs — Knew that the “ALP Update” was Really the Master Plan Update.**
- G. **The scope and topics covered by the Master Plan Update (a/k/a ALP Update).**

- H. The Chronological Development of the Master Plan Update (a/k/a ALP Update).**
- 1. 1991 Work on the Master Plan Update (a/k/a ALP Update).**
 - a. The Goal of ODP-II (Master Plan Update (a/k/a ALP Update): identify and implement a long-term development plan for O’Hare.**
 - b. Segmenting the Hold Pads and 4R Exit out of the Master Plan/ODP Process**
 - c. The Airline Mini-Master Plan and Long term Development Criteria for O’Hare.**
 - 2. 1992 Work on the Master Plan Update (a/k/a ALP Update).**
 - a. Landrum & Brown to be overall project manager for Master Plan Update (a/k/a ALP Update).**
 - b. Airline ODP-II Program.**
 - c. TOP Committee approves funding for Master Plan Update (a/k/a ALP Update).**
 - d. Ursery describes relationship between airside planning and landside.**
 - e. Vigilante meets with Franke — discusses Mayor’s intervention to tell Department of Aviation how to use Landrum & Brown.**
 - f. Landrum & Brown Work Plan for Master Plan Update (a/k/a ALP Update) calls for evaluating and ODP-II with “unconstrained” demand with new O’Hare runways.**
 - g. Freidheim’s concern over “political nightmare” over use of unconstrained growth forecast at O’Hare.**
 - h. The decision to go forward with unconstrained demand.**
 - i. Legislature defeats Lake Calumet proposal.**
 - j. Franke replaced as Commissioner by David Mosen.**
 - k. The Daley-Wolfe meeting.**
 - l. Mosen’s assistant writes of need for comprehensive strategic planning for O’Hare.**
 - m. Street of United Demands that Master Plan — including new runways — be implemented and completed.**
 - n. Landrum & Brown’s October 19, 1992, Briefing on the Master Plan Update (a/k/a ALP Update) — need quad runways for ultimate buildout of O’Hare.**
 - o. Landrum and Brown’s October 19, 1992 Work Plan.**
 - p. The November 2, 1992, Master Plan Organizational Meeting.**
 - q. Ursery: “Master Plan Program is A Team Planning Effort.**
 - r. November 12, 1992. Master Plan Organization Meeting**
 - s. The November 17, 1992. Master Plan Team Meeting.**

- t. **November 18, 1992. Master Plan (ALP Update) Team Presents Master Plan (ALP Update) Project Overview to Airline TOP Committee.**
 - u. **On November 24, 1992. Landrum & Brown submitted a budget for the Master Plan Update (ALP Update),**
 - v. **November 24, 1992. Jack Black to Airlines: Master Plan Update (ALP Update) will develop airport needs over a twenty-year time frame.**
 - w. **Chicago and Parsons Engineering sign contract for Landside/Terminal Portion of Master Plan Update (ALP Update) for \$2,600,000.**
 - x. **November 30, 1992, Landrum & Brown submits its revised scope of services for Master Plan Update (ALP Update).**
 - y. **December 2, 1992. Landrum & Brown presented the “constrained forecast” for O’Hare used in the Lake Calumet Study.**
 - z. **December 23, 1992. Assistant Commissioner Freidheim tells airlines Master Plan Update (ALP Study) will cover all airport development for a 20 year period.**
- I. **The 1993 Acknowledgement that Chicago Had Been Waging A “Guerilla War” and Lying to the Public and the Courts.**
 - J. **The Chronological Development of the Master Plan Update (a/k/a ALP Update) 1993.**
 - 1. **January 4, 1993. The new 20-year Master Plan Forecast.**
 - 2. **The January 5, 1994. Landrum & Brown Scope of Work for the Master Plan Update (a/k/a ALP Update).**
 - 3. **Assistant Commissioner Freidheim’s January 7, 1993 letter emphasizing that the Master Plan Update (ALP Update) will provide a long-range plan to guide future development.**
 - 4. **January 11, 1993. Landrum & Brown presents its methodology for determining constrained and unconstrained demand forecasts.**
 - 5. **January 11, 1993. “High Stakes!!! Today’s Decision Environment at DOA.”**
 - 6. **The January 13, 1993 Strategic Meeting on O’Hare Long-Term Development.**
 - 7. **January 19, 1993. Quad Runways again identified as ultimate buildout plan for O’Hare.**
 - 8. **The January 27, 1993 Master Plan (ALP) Update Report on Forecasts.**
 - 9. **February 2, 1993. Memo from Doug Trezise to Freidheim.**
 - 10. **The February 8, 1993 Landrum & Brown letter re: shifting from long-term plan and forecasts to short-term plan and forecasts.**
 - 11. **March 10, 1993. Landrum & Brown senior officials protest delay reduction rationale — point out that new runways will increase capacity.**

12. **March 15, 1993. Landrum & Brown submits revised forecast with 2005 end point but includes 20-year forecast as complying with accepted planning principles.**
13. **March 17, 1993. Memo from Getzels, Special Assistant to Mosena, to Commissioner Mosena.**
14. **March 25, 1993. Trezise to Getzels.**
15. **March 30, 1993. Presentation of Three Recommended Alternatives — all with new runways — to Department of Aviation for approval to move to Phase II of Master Plan Update (a/k/a ALP Update).**
16. **April 6, 1993. The O’Hare Communications Program — Using Public Relations to Gain Support for New Runways at O’Hare.**
17. **April 16, 1993. Master Plan (ALP Update) says limited build [no new runways] will not accommodate year 2005 demand.**
18. **April 20, 1993. Department of Aviation directs Landrum & Brown to proceed to Phase II of the Master Plan Update (a/k/a ALP Update).**
19. **May 21, 1993. Landrum & Brown status report stating that Landrum & Brown is moving forward to develop three “integrated” plan alternatives – integrating airside, landside and terminal — all involving new runways.**
20. **June 9, 1993. Department of Aviation decides to only show “constrained” forecast to 2005 — eliminates all unconstrained forecasts and all forecasts beyond 2005.**
21. **June 14, 1993. Conway proposes continuing consulting on Master Plan (ALP Update) Process.**
22. **Landrum & Brown notes that no unconstrained forecast is being developed which affects environmental and alternatives analysis.**
23. **Department of Aviation acknowledges that each of the three alternatives approved for Phase II analysis in the Master Plan Update will involve taking of land in Bensenville.**
24. **July 16, 1993. Jack Black again writes that Master Plan process is underway and that Master Plan will lead to ODP-II.**
25. **July 20, 1993. Landrum & Brown sends in Revised Work Scope to Implement ODP-II by completing Phase III of the Master Plan Update (a/k/a ALP Update) — includes discussion of a long-range plan for O’Hare.**
 - a. **Discussion of the need for a long-range study.**
 - b. **Phase III of the ALP Update was Implementation of ODP-II.**
26. **August 4, 1993. Mark Conway to Jack Black — airfield capacity (runways) is primary goal in Master Plan strategy — alignment of Elgin-O’Hare should be a part of Master Plan process.**

27. On August 5, 1993, Landrum & Brown sends Chicago its Proposed Workshop on a 2020 Long-Range Plan for O'Hare.
 - a. The statements in the letter concerning the 2020 long-term plan.
 - b. The Attached "Understanding of the Requirement For A Long-Range Conceptual Planning Study" and Scope of Work.
 28. August 9, 1993. DOA sends marked up edits of forecast paper to Landrum & Brown.
 29. August 16, 1993. Landrum & Brown submits Revised Forecast Demand and related Master Plan Update (a/k/a ALP Update) reports to Chicago.
 30. September 2, 1993. Trezise to Freidheim complains that the forecast report reads like the forecast is constrained — and that it supports the suburbs position for new airport.
 31. September 19, 1993. Chief-of-Staff John Harris instructed Master Plan team to not use constrained or unconstrained terms — make no mention of capacity increase.
 32. September 27, 1993. Tess Snipes (UA) Master Plan underway by Chicago.
 33. September 29, 1993. Chicago directs Landrum & Brown to proceed with two new runway alternatives.
 34. October 4, 1993. Illinois DOT Secretary Kirk Brown complains that Master Plan process is bypassing impacted communities and violates state and federal law.
 35. October 5, 1993. Edward Blankenship, chief terminal planner for the Master Plan Update (a/k/a ALP Update), submits article on planning effort at O'Hare to Chicago.
 36. November 1993. Landrum & Brown submits 1994 Work Program to develop long-range plan for the region.
 37. December 13, 1993. Landrum & Brown submitted project booklets for the individual projects of ODP-II.
 38. December 29, 1993. Landrum & Brown delivers final revised forecast for Master Plan Update (a/k/a ALP Update).
- K. The Chronological Development of the Master Plan Update (a/k/a ALP Update) 1994.**
1. January 10, 1994. Conway to Black re: continuing participation in Master Plan process.
 2. February 9 and 18, 1994. Landrum & Brown presented its scope of work for capacity analysis of various new runway alternatives.
 3. April 21, 1994. Parsons contract extension calls for public relations program to gain support for runway expansion at O'Hare.
 4. May 3 and May 11, 1994. Jeff Thomas proposal to Commissioner Mosena for unconstrained 2020 forecast.

5. **June 1994.** Chicago public relations consultant on Master Plan submits public relations plan to build support for O’Hare modernization and to “diffuse support for Peotone.”
 6. **June 1994.** Baseline SIMMOD Capacity study shows existing O’Hare runways will not accommodate 940,000 operations.
 7. **July 1994.** SIMMOD shows that 14/32 runway conflicts with Midway.
 8. **August 1994.** Senator Philip and Minority Leader Daniels complain about illegal hold pad construction and segmented, piecemeal expansion.
 9. **September 1994.** Chicago and Landrum & Brown hold project status meeting on unconstrained 2020 forecast (Chicago Air Service/Forecast Analysis).
 10. **December 1994.** Landrum & Brown issues SIMMOD report showing O’Hare out of capacity in 1994.
- L. The Joint Chicago-Airline Effort to A New Airport – to “Kill Peotone”.**
1. **November 1994.** Memo by Ed Merlis ATA (Air Transport Association) concerning Republican election victory in Springfield: likelihood of 1) new airport, 2) regional airport authority — circulates letter by airlines CEOs opposing use of Peotone.
 2. **December 21, 1994.** Tess Snipes (UA) Peotone Action Plan.
 3. **January 3 1995.** Department of Aviation Assistant Commissioner Robert Repel writes Ed Merlis of ATA; suggests edits to proposed airline CEO letter; encloses anti-Peotone paper “The Case Against the Peotone Airport” written by Landrum & Brown.
 4. **January 5, 1995.** United Executives at Peotone Strategy Meeting “Kill Peotone”.
 5. **January 17, 1995.** United and ATA obtain signatures of 16 CEOs on letter to Governor Edgar to refuse to use new airport.
 6. **January 31, 1995.** Tess Snipes reports on Peotone Status — Chicago Department of Aviation and airlines developing joint position paper against new airport; circulates anti-Peotone paper written by Chicago (Landrum & Brown) “The Case Against Peotone”.
 7. **March 1995 and January 1996.** Chicago and airline officials deliberately mislead legislative officials — tell them there is plenty of capacity at O’Hare.
 8. **March 22, 1995.** United official calls for “shell organization that can front the campaign” against the new airport.
 9. **April 13, 1995.** John Kiker of United’s memo to United Policy and Operating Committee — “Kill legislation that could be precursor to Peotone Airport”; “Kill all discussions of third airport at Peotone.”
 10. **April 14, 1995.** Chicago Mayor Daley announces formation of new airport authority with Gary Indiana.
 11. **Airlines publish and mail anti-Peotone brochures throughout metropolitan area and State.**

12. **1995-1996 Chicago and Airlines form large coordinated public relations/lobbying team to defeat new airport.**

M. O'Hare Master Planning Continued — 1995 Chronology

1. **January 19, 1995. Landrum & Brown delivers new long term 2020 forecast for O'Hare to Chicago. Forecast demand for O'Hare 1,411,000 flights and 69 million boarding passengers. Study hidden from public to this day.**
2. **March 14, 1995. Jeff Thomas writes paper entitled Maximizing The Economic Contribution Of Chicago's Air Transportation System — says 2020 forecast shows O'Hare to grow to demand of 69 million passengers and 1,350,000 flights. Suggests even with two new runways, O'Hare would not have capacity to handle growth.**
3. **March 27, 1995. Jeff Thomas writes a second paper called "*Chicago Aviation At a Critical Juncture*" — says demand will exceed O'Hare existing runway capacity in 2003-2004 time frame "without new runway construction"; says the current constraining elements on O'Hare growth are runway and access road capacity.**
4. **April 7, 1995. Thomas paper Chicago Aviation At a Critical Juncture circulated at United Airlines.**
5. **October 1995. The current lawsuit to enforce the state permit statute filed by Bensenville, Elmhurst and Wood Dale.**
6. **December 1995. DuPage County and DuPage County States Attorney file suit.**
7. **Master Planning Placed "on hold" sometime in 1995.**

N. O'Hare Master Planning Continued — 1996 Chronology

1. **January 30, 1996. New Version of Thomas paper A Plan For Maximizing The Economic Contribution Of Chicago's Air Transportation System circulated; paper calls for either additional runway expansion at O'Hare or Chicago building a new airport; Chicago "must commit an all out effort to develop and implement a long-range improvement program for its airport system."**
2. **February 20, 1996. John Drummond of Kapsalis & Drummond — a business affiliate of Landrum & Brown — writes of need for a "Global Hub" as "ODP-II".**
3. **June 12, 1996. Mosena leaves as Aviation Commissioner; Interim Commissioner is Hugh Murphy.**
4. **August 1, 1996. Jeff Thomas writes Mayor Daley— reemphasizes need for long range plan for O'Hare expansion; encloses scope of work for long term plan called "O'Hare Beyond 2000 Concept Study"; also encloses color brochure "O'Hare Beyond 2000".**
5. **August 16, 1996. Judge Wheaton rules that Elmhurst, Bensenville, Wood Dale and DuPage County — and their concerns over noise, air pollution, and safety regarding O'Hare — are concerns intended by the Legislature to be protected by the Illinois Aeronautics Act.**

6. **September 1996.** Mary Rose Loney returns to Chicago as Aviation Commissioner. Loney had been former Deputy Commissioner in charge of 1988-91 Capacity Enhancement Plan (Delay Task Force).
 7. **October 3, 1996.** Doug Goldberg of Landrum & Brown writes Commissioner Loney — asks to discuss “long-range vision” for Chicago airport system.
 8. **October 28, 1996** Goldberg writes of meeting with Department of Aviation to discuss “ORD ALP Update/Global Hub Planning Process”; says Master Plan/ALP Update project will directly support global hub concept.
 9. **November 11, 1996.** Loney at meeting with airlines approves resumption of long-term planning.
- O. O’Hare Master Planning Continued — 1997 Chronology**
1. **January 23, 1997 .** Goldberg writes Commissioner Loney and states that Landrum & Brown has begun preliminary work on two studies: 1) a Global Hub Feasibility Study, and 2) a new long-range forecast of demand.
 2. **January 28, 1997.** Landrum & Brown generates a scope of work for long range forecast of demand to the year 2020.
 3. **January 28, 1997.** Landrum & Brown generates scope of work for a “Global Hub Feasibility Study” — virtually the same language as “O’Hare Beyond 2000” study submitted by Jeff Thomas to Mayor Daley in August 1996.
 4. **February 17, 1997.** Oscar D’Angelo — an agent for Landrum & Brown — wrote Doug Goldberg to ask if D’Angelo should bring a copy of Thomas’s August 1, 1996 memo to Mayor Daley to his scheduled March 5, 1997 meeting with Commissioner Loney.
 5. **February 24, 1997.** Goldberg writes back to D’Angelo and mentions that he has already given a copy of Thomas August 1, 1996 memo to Loney; says he presented a color presentation on long term Global Hub Feasibility Study to Loney that same day.
 6. **February 24, 1997.** Landrum & Brown presented full color presentation of long-term Global Hub Feasibility Study; shows “quad” runway for long term O’Hare.
 7. **February 26, 1997.** Goldberg thanks Commissioner Loney for opportunity to present Global Hub Study proposal; invites Loney and her executive assistant to dinner to meet Jeff Thomas, who has been providing strategic advice to Chicago since 1962.
 8. **March 21, 1997.** Goldberg and Sura (two senior Landrum & Brown executives) write to Mayor Daley in response to “your request for us to follow up from our 1996 correspondence”; includes 1987 Landrum & Brown secret strategy paper “The Chicago Aviation Facilities Development Challenge”; recommends a quad runway system at O’Hare that would add two new east-west runways (9-27s) (two already exist)

and close the two northwest/southeast runways; recommends completing a long-range plan that “defines the ultimate capability of O’Hare.”

9. **March 25, 1997.** Goldberg and Sura write D’Angelo stating that “when we last met you indicated that the mayor has requested a follow up document to our 1996 correspondence”. Letter encloses paper recommending preparation of “a long-range development program for O’Hare.” — paper recommends quad runway system — same design as quad runways in Integrated Airport Plan.
10. **May 5, 1997.** As part of long term “global planning” process Landrum & Brown and Department of Aviation held planning meeting with airlines to: 1) solicit airlines input in “defining the long range vision for O’Hare”; 2) “Protect business interest of Chicago’s hub carriers” (United and American); and 3) “Avoid need for Peotone”.
11. **June 9, 1997.** Goldberg writes of the need for “particular focus on how to incrementally phase from the existing facilities into an ultimate Master Plan for the 2025 horizon and beyond.”
12. **June 17, 1997.** Landrum & Brown states that presentations at Department of Aviation-Airline meeting will develop planning for “both the immediate and long-range planning horizons.
13. **June 30, 1997.** Meeting with airlines re: airport expansion.
14. **July 22, 1997.** Landrum & Brown presents a scope of services for a 2020 demand forecast — 2020 forecast needed to “plan aviation facilities” and for long-range planning.
15. **September 18, 1997.** Commissioner Loney presents 1 billion dollar plus short term “Capital Improvement Program (“CIP”) for O’Hare”. Terminal and road access elements of the 5-year CIP are the same as recommended in the Master Plan Update (a/k/a ALP Update).
16. **November 25, 1997.** Landrum & Brown presents an outline of a “long-range” Capital Improvement Plan that would take capital planning beyond the five-year CIP.
17. **December 18, 1997.** Commissioner Loney approves Landrum & Brown 1998 work program which included a program element called “Long Range CIP/PFC Planning”.

P. O’Hare Master Planning Continued — 1998 Chronology.

1. **January 16, 1998.** Landrum & Brown publishes executive summary of new 2020 forecast— contains dramatically lower numbers than January 1993 Master Plan 20 year forecast and January 1995 2020 forecast; no mention made of earlier forecasts.
2. **February 4, 1998.** CEO Gerald Greenwald wrote to Mayor Daley, saying United spearheaded the campaign by ATA to have CEOs oppose Peotone and that United has hired Booz-Allen to produce a report on system.
3. **April 2, 1998.** Goldberg writes Commissioner Loney with need for airport plan that views the airport as a “single integrated system.”

4. **April 4, 1998. Goldberg submits schedule and cost for an “Integrated Airport Plan”.**
5. **April 23, 1998. Goldberg submits scope of services for Integrated Airport Plan.**
6. **April 28, 1998. Landrum & Brown produces a “Draft Outline O’Hare IAP [Integrated Airport Plan] Program Guide” which included the three basic Master Plan elements of Airside Facility Requirements, Landside Facility Requirements, and Terminal Requirements.**
7. **May 25, 1998. Chicago approves budget for Integrated Airport Plan.**
8. **June 1998. Chicago releases only the Landrum & Brown demand forecast for 2012, but does not release the 2020 forecast.**
9. **June 10, 1998. Goldberg sends Commissioner Loney a memo which outlines the Integrated Airport Plan and identifies the same quad runway configuration as part of the Integrated Airport Plan as was identified back in January 1993 and in the March 1997 correspondence by Goldberg and Sura to D’Angelo and Mayor Daley.**
10. **June 23, 1998. Chart entitled “Ultimate Airfield Configuration Analysis.” Included among the topics was a capacity analysis using SIMMOD and Configuration Options.**
11. **June 24, 1998. Integrated Airport Plan Team Meeting. Subjects included “airfield configuration analysis”; “runway realignment options”; “reconfigured runway layout”.**
12. **July 20, 1998. Meeting on the Integrated Airport Plan where one of the primary topics again was “Airfield Configuration Analysis” and where the features of the Integrated Airport included “reconfigured runway layout”.**
13. **July 30, 1998. Landrum & Brown publishes diagram of Integrated Airport Plan runway layout — shows only quad runway plan.**
14. **August 10, 1998. Landrum & Brown prepared an outline entitled “Draft Outline New Mayors Presentation Book Integrated Airport Plan Concepts,” and included the subject “Airfield Reconfiguration Option Matrix.”**
15. **August 10, 1998. Landrum & Brown graphic board on new terminal alternatives show elimination of runways 14L/32R and 14R/32L.**
16. **September 4, 1998. Landrum & Brown produced a summary of projects in four phased categories for the Integrated Airport Plan. Included in the fourth category are new runways and runway relocations.**
17. **September 4, 1998. Chicago (Landrum & Brown) produced a document called Chicago Airport System Action Plan. This plan identified a quad runway system as needed “near the end’ of the period ending 2012 to keep Chicago airport system viable. This quad runway system is the same as the quad runway configuration identified by Landrum & Brown in January 1993, in the March 1997 correspondence by Goldberg and Sura to D’Angelo and Mayor Daley, and in the June 10, 1998 memo from Goldberg to Loney.**

- 18. November 12, 1998. The Booz-Allen Report commissioned by United is released to the press, saying that new O'Hare runways are not needed now.**
- 19. November 13, 1998. O'Hare Development Concept paper - Same as September 4, 1998 "Action Plan" -- show Integrated Airport Plan and quad runways, western access.**
- 20. November 17, 1998. Landrum & Brown republishes color version of its 1987 Strategy Paper.**
- 21. December 17, 1998. Illinois Supreme Court ordered Chicago to produce tens of thousands of secret documents which Chicago had been withholding.**
- 22. February 4, 1999. Mayor Daley announced the so-called "World Gateway" project — only a portion of Integrated Airport Plan (claimed no new runways involved).**
- 23. May 1999. Capital costs of CIP (Capital Improvement Program) and World Gateway portions of Integrated Airport Plan exceed 6 billion dollars.**
- 24. March 2000. Booz-Allen acknowledged that the 1998 Booz-Allen report was in error; new runways needed much sooner.**
- 25. March 8, 2000. Chicago counsel acknowledges that capital program at O'Hare is at least 6 billion dollars.**

I. 1975-1995 MASTER PLAN.

A. The Purpose Of The Master Plan Was To Define What The Airport Facilities Needed To Meet The Long Term Airport Needs Of The Metropolitan Region.

The roots of the present controversy go back to the 1975-1995 Master Plan undertaken by the City of Chicago in 1975.¹ As stated by Chicago at the completion of the study phase of the Master Plan in 1983:

The City of Chicago Department of Aviation has been preparing a *detailed multi-volume Master Plan Study of O'Hare International Airport since 1976.*

The [Master Plan] study has evaluated the existing facilities at the airport, *forecast future O'Hare facility requirements through 1995 and has led to the development of a set of recommended facilities designed to meet the future needs.*²

The express purpose of the 1975-1995 Master Plan was to identify the long term aviation needs of the metropolitan Chicago region:

The master planning effort initiated in 1975 for Chicago O'Hare International Airport and Midway Airport was to ...*define and quantify the development of air carrier airport facilities to meet the long-range future needs of the Chicago Metropolitan Area.*³

B. The Master Plan Integrated Dozens Of Individual Interrelated Projects At O'Hare Into A Unified Overall Program To Meet Long-Term Regional Aviation Needs.

The Master Plan culminated in a unified overall program consisting of dozens of individual projects relating to the overall objective of meeting the long term 1995 aviation needs of the region.

This set of [Master Plan] *recommended facilities is referred to as the Master Plan development.*

¹ Various Chicago and other document sources list the start date of the Master Plan study as either 1975 or 1976, e.g., it is clear that the study time frame encompassed the period 1975-1995.

² Exhibit C 7 (emphasis added). Volume XVI, *Chicago O'Hare Int'l Airport Master Plan Study, Draft Environmental Impact Statement Master Plan Development [1984-1995]*, April 1983, page i.

³ Exhibit C 6 (emphasis added). Volume XI, *Chicago O'Hare International Airport Master Plan Study, Alternatives Analysis*, September 1981, page I-1.

The proposed **Master Plan development** will result in the redevelopment of O'Hare Airport over the next 10 years at a cost of approximately \$1.1 billion (in 1982 dollars)....

Overall the **Master Plan development includes over 50 individual project** elements which together will add 41 domestic and international passenger gates, expand the air cargo facilities, build new commuter and general aviation facilities, improve the airfield system, improve roadway access, add parking areas, add a people mover system, and improve utility and support facilities.⁴

C. The Physical And Financial Program to Physically Implement the 1975-1995 Master Plan was called the “O’Hare Development Program” or “ODP.”

The Master Plan itself was a public planning and decision program as to what facilities to build to meet the long-term needs of the region. The actual program to physically implement the conclusions of the Master Plan was called the O'Hare Development Program or “ODP.” As later stated by Chicago officials:

This growth occurred as the airport was poised to begin the **2.0 billion dollar O’Hare Development Program which would implement the recommendations of the master plan.**⁵

In 1982, the O'Hare Master Plan was adopted **and was implemented as the O’Hare Development Program. The master plan** provided a schedule for **airport expansion** for the **period from 1982-1995**. Ground was broken in August 1982. As of December 1989 the **ODP** was 90% complete for design and 85% for construction.⁶

D. The Decision To Seek “Constrained” As Opposed To “Unconstrained” Development At O’Hare.

In 1983, a decision was made and publicly announced by Chicago which would have major repercussions over the next several decades.

⁴ Exhibit C 7 (emphasis added). Volume XVI, *Chicago O’Hare International Airport Master Plan Study, Draft Environmental Impact Statement Master Plan Development* [1984-1995], April 1983, Page i.

⁵ Exhibit C 15 (emphasis added). Jay Franke, Letter to Mary Eleanor Wall, Page 1 (Jan 19, 1990).

⁶ Exhibit C 37 (emphasis added).

1. The Demand Forecast drives the analysis of the proposed expansion and any alternatives to the expansion.

At the heart of all master planning for airports is the “demand forecast,” *i.e.*, how many passengers and how many aircraft operations will be “demanding” to use the facilities in future years. This demand forecast is matched against the “capacity” of the existing airport facilities to determine what alterations to increase the capacity, if any, are necessary.

The Aviation Demand Forecast services as the foundation for planning future airside, terminal and landside facilities⁷

This demand forecast is also used to examine alternatives to the proposed airport facilities and is used to calculate the economic and the environmental impacts of both the proposed expansion and any alternatives.

In the 1975-1983 study phase of the Master Plan, the City of Chicago and its primary airport consultant, Landrum & Brown, developed a forecast which identified both the numbers of passengers that would want to use airport facilities in 1995 and the number of aircraft operations needed to carry those 1995 passengers:

1975-1995 Master Plan Forecast⁸

	1977	1995					
		Alt 0	Alt 1	Alt 2	Alt 3	Alt 4	Alt 5
O'Hare							
Enplaned Passengers	20,538,189	48,028,300	48,060,000	46,434,000	44,105,000	4,531,400	43,531,400
Operations	736,493	1,140,300	120,700	1,134,800	1,087,900	950,900	950,900
Midway							
Enplaned Passengers	30,931	31,700		1,626,000	3,955,000	31,700	2,295,800
Operations	175,689	337,100		312,900	310,500	337,100	269,200

The “unconstrained” forecast for O’Hare for 1995 ranged from 1.1 to 1.2 million operations and would require new runways to accommodate that demand.⁹ Alternatives 0-3

⁷ Exhibit C 70.

⁸ Volume XI, Chicago O’Hare Int’l Airport Master Plan Study, Alternatives Analysis, September 1981, Tables I-1 through I-4 on pp. I-4 through I-7. (Exhibit C 6).

⁹ See pages I-4 through I-8 of Volume XI Alternatives Analysis. (Exhibit C 6).

were various options for O'Hare based on alternative uses of Midway. Alternatives 0-3 were the “unconstrained” forecasts and — as discussed below — required the construction of two new runways at O'Hare.

The only new runway alternatives discussed in the Master Plan study were two new runways in the southwest quadrant of the airport — a new 9-27 (east-west) and a new 14-32 (northwest to southeast).¹⁰ Also included was a proposal to move or “relocate” two of the existing runways in the north airfield (existing runway 4L/22R and existing runway 9L/27R) several hundred feet north of their existing locations.

According to the Master Plan Alternatives Analysis, the two new runways in the southwest quadrant of the airport would give the airport a capacity in excess of 1.2 million operations.¹¹

In 1983, Chicago stated that the “constrained” 1995 demand was for 920,000 operations in 1995.¹²

Chicago's 1981 Master Plan Alternatives Analysis was very clear that either a) an expanded O'Hare with two new runways (the “unconstrained development” alternative) or b) a new airport was needed. Chicago said that O'Hare could accommodate growth in local origin-destination traffic (“O&D”) if Midway took some of the traffic growth and shifted connecting traffic to other airports, but that a new airport would be needed after 1995 if new runways were not built at O'Hare.

Unconstrained development [two new runways] of O'Hare will be necessary to accommodate forecast unconstrained 1995 Chicago area aviation demand (alternatives 0, 1 and 2) and provide existing

¹⁰ See Options B and D at p. III-27 and Summary Matrix at p. III-48 Volume XI Alternatives Analysis. (Exhibit C 6).

¹¹ Exhibit C 6, p. III-48 (Volume XI Alternatives Analysis). The Alternatives Analysis suggested that the existing airfield — without new runways had a capacity of 950,000 operations if anticipated advancements in Air Traffic Control (ATC) occurred in the 1983-1995 time frame.

¹² Exhibit C 7, p. I.5-13 and I.6-1 (Volume XVI of the 1975-1995 Master Plan, Draft Environmental Assessment Master Plan Development [1984-1995]).

airport system growth beyond the year 2000. If **connections** [connecting passengers] are off-loaded from O'Hare and Midway is used in an air carrier role (alternatives 3 and 5) a reduced level of O'Hare development is required to meet the 1995 origin and destination needs **but another major airport will be required thereafter to accommodate the remainder of the unconstrained growth thereafter**.¹³

2. A New Airport Was Rejected By Chicago In The 1975-1995 Master Plan As Infeasible.

In 1981 and again in 1983, Chicago declared that a new airport was not a feasible alternative to expanding O'Hare.

In the formulation of the master plan study objectives, the option for the **construction of a new, third air carrier airport facility was ruled out**. Realizing early on that severe problems were evident with the existing facilities, a third airport was considered by some to be an option. However, lacking an available site that was large enough and close enough to the City, acquirable at a reasonable cost, and environmentally acceptable for economically feasible airport development made this **option well beyond the twenty year planning time frame of this Master Plan Study**. Furthermore, even if a site were available, the development costs for physical facilities would have been astronomical in today's economic environment.¹⁴

Several problems inherent in the development of a new major airport are noteworthy, each of which leads to the conclusion that **this is not a viable option for relieving O'Hare's burdens in this century**...¹⁵

3. Chicago's Announced Decision To Forego Unconstrained Growth at O'Hare.

Having declared that a new airport was not a feasible alternative, Chicago then had to choose between a so-called "unconstrained" alternative (*i.e.*, two new runways and the capacity to handle in excess of 1.2 million operations) and the "constrained" alternative (*i.e.*, forego the new runways and live within the capacity of the existing airfield).

¹³ Exhibit C 7 (emphasis added). Volume XI, *Chicago O'Hare Master Plan Study, Alternatives Analysis, September 1981*, p. V-1.

¹⁴ Exhibit C 6 (emphasis added). Volume XI, *Chicago O'Hare International Airport Master Plan Study, Alternatives Analysis, September 1981* p. 1-1.

¹⁵ Exhibit C 7 (emphasis added). Volume XVI of the 1975-1995 Master Plan, Draft Environmental Assessment Master Plan Development [1984-1995], April 1983.

A two-phased approach to the alternative expansion of O'Hare facilities was used in this analysis. The first approach is labeled the **unconstrained** alternative and the second the **constrained** alternative. The unconstrained alternatives are based on the premise that O'Hare could be developed to varying degrees through the expansion of airside and landside activities to meet the future demand levels. In the constrained alternatives, the development of O'Hare was limited to a level that balanced with the operation of the existing physical airfield and Air Traffic Control requirements.

The **unconstrained** alternatives refer to methods available to accommodate large growths in activity **which would require the construction of new runways** at O'Hare.

The **constrained** alternatives refer to an activity growth rate capable of being accommodated on the **existing runway** layout at O'Hare.¹⁶

A **constrained** demand scenario for O'Hare was selected. The selection of the constrained scenario was based on the **undesirable environmental effects of expanding O'Hare to meet the unconstrained aircraft demands**.

It was shown that **beyond 1990 additional runway facilities would be required**.

As a result, a policy decision was made by the City of Chicago to limit the growth of future aviation activity at O'Hare to that which could be accommodated by the existing runway facilities.

A complementary role was selected for Midway to accommodate as much of the unsatisfied O'Hare demand as possible within the existing airfield limitations.¹⁷

E. What Does The 1975-1995 Master Plan/O'Hare Development Program (ODP-I) Evidence Demonstrate About The Current Controversy?

1. A Master Plan was used by Chicago to conduct what purported to be a public planning discussion as to what airport facilities would be needed in the Chicago area to meet the long term aviation needs of the region.
2. The master planning period was twenty years.
3. The master planning process has, at its core, the development of a long term demand forecast for passenger growth and aircraft operations growth over the planning period.
4. The demand forecast for growth in passengers and aircraft operations is compared to a capacity assessment of the existing airport facilities.

¹⁶ Exhibit C 7 (emphasis added). Volume XVI of the 1975-1995 Master Plan, Draft Environmental Assessment Master Plan Development [1984-1985] Page II.3-1.

¹⁷ Exhibit C 7 (emphasis added). Volume XVI of the 1975-1995 Master Plan, Draft Environmental Assessment Master Plan Development [1984-1985] p. II.3-2.

5. If forecast demand for growth in passengers and aircraft operations exceeds the capacity of the existing facilities, the Master Planning process considers a variety of alternatives — including expanding existing facilities or building additional airport facilities at a new location.
6. The Master Planning Process examined and analyzed both the environmental and economic impacts of the various alternatives.
7. The Master Plan integrated a large number of individual projects at the airport into an overall program that called for phased construction of the Master Plan program over a several year period. That Master Plan program was then implemented by an implementation program called the O’Hare Development Program.
8. The Master Plan considered two alternative O’Hare expansion proposals: 1) a “constrained” alternative that capped growth at the capacity of the existing physical airfield¹⁸ and 2) an “unconstrained” alternative that would have increased the capacity of O’Hare to in excess of 1,200,000 operations by building two new runways and by moving two existing runways.
9. There was no contention by Chicago in the Master Plan that the new runway “unconstrained” alternative — *i.e.*, the new runways — would not increase the capacity of the airfield. The “unconstrained” alternative — *i.e.*, the new runways — increased O’Hare’s capacity by more than 280,000 operations per year over the level that would be achievable under an expansion alternative with no new runways (*i.e.*, capacity greater than 1,200,000 vs. 920,000).
10. At the end of the planning phase of the Master Planning process in 1983 Chicago told the public that Chicago had made a policy decision to “*limit the growth of future aviation activity at O’Hare to that which could be accommodated by the existing runway facilities*” because of the “*undesirable environmental effects of expanding O’Hare to meet the unconstrained aircraft demands.*”¹⁹

II. THE FEDERAL LITIGATION OVER FAA APPROVAL OF THE MASTER PLAN.

The suburban communities around O’Hare challenged the Master Plan/O’Hare Development Program in federal court on federal law grounds. A key part of the 1984-86 challenge to the Master Plan/O’Hare Development Program was based on simple reality. Chicago had projected an unconstrained demand that would either: a) require new runways at O’Hare, b) send the excess connecting traffic to other cities, or c) build a new airport. Recognizing that the region would not likely accept the alternative of sending excess traffic out

¹⁸ Without advances in ATC, the rated capacity of the airport was 840,000 operations; with projected ATC improvements, the capacity was estimated at 920,000 operations.

¹⁹ Exhibit 7 (emphasis added). Volume XVI of the 1975-1995 Master Plan, Draft Environmental Assessment Master Plan Development [1984-1985], page II. 3-2.

of the region with the resultant loss of economic benefits, the suburban communities around O'Hare challenged the FAA's approval decision for its failure to address the alternatives of the new runways or the alternative of a new airport.

Because of a jurisdictional quirk in the federal statutes governing judicial review, the suburbs' challenge to FAA's approval of the Master Plan/O'Hare Development Program had to be brought directly in the Court of Appeals and no pre-trial discovery was permitted. The lack of pre-trial discovery prevented the suburban communities from developing evidence that Chicago was not telling the truth about its plans for new O'Hare runways and that Chicago was not telling the truth about its statements that a new airport was not a feasible alternative.

As stated by the Seventh Circuit Court of Appeals in *Suburban O'Hare Commission v. Dole*, 787 F.2d 186 (7th Cir. 1986):

The consultants originally forecast a maximum **unconstrained** demand of 1.4 million flight operations in the Chicago area by 1995. Without significant expansion, Chicago's Midway Airport was projected to receive .3 million of those flights. Meigs Field was to receive .1 million flights. The remaining one million flights would somehow have to be accommodated at O'Hare. Landrum & Brown **initially concluded that the projected demand could only be met by the construction of two new runways**. This result was unacceptable to significant segments of the suburban population living near O'Hare. **Conscious of the community opposition to the addition of new runways the City decided to limit the growth of O'Hare**, in theory eliminating the need for the new runways until at least 1995.

787 F.2d 186 at 188 (emphasis added).

As to the idea of a new airport, the Court said:

Another possible solution to the problem of congestion at O'Hare is to construct an entirely new airport. Just as O'Hare replaced Midway as the primary airport in the area, a new airport could replace O'Hare as the principal air travel facility. There are obvious difficulties with this idea. This new airport will presumably have to be at least as large as O'Hare. This means that a site with more than seven thousand acres of undeveloped land will have to be acquired. This land will have to be reasonably close to the central city in order to make commuting acceptable. But Chicago is literally surrounded by sprawling and populous suburbs. Locating thousands of acres of underutilized land would

be no easy task. In addition, the building of a new airport would be the most expensive of all possible solutions to the O'Hare problem. A new airport would require years to construct and would have a difficult time passing environmental requirements. Moreover, the City and the FAA are already in the midst of a formal study of the possibility of building a new airport in the Chicago area. A new airport may or may not be the best long-term solution to the problems of airport travel in and out of Chicago, but the City and the FAA needed to formulate a plan to deal with the short-term problems at O'Hare.

787 F.2d at 197.

[T]he 1983 revised estimate of O'Hare's capacity was the result of a tardy recognition on the part of the City **that a policy of unlimited expansion at O'Hare was not politically feasible nor environmentally wise.** The Butterfield litigation and the activities of petitioners were no doubt instrumental in this realization. The FAA's Record of Decision notes that: "The City of Chicago **decided to pursue a constrained development** for O'Hare that would **limit the future growth** to that which could be handled by **the existing runways** and available land and by assuming improved air traffic control capabilities to accommodate increased operations." The FAA's approval of the Airport Layout Plan is clearly predicated **on the City's decision not to add new runways to O'Hare.** New runway construction would entail a new environmental review. It is obvious that **Suburban simply does not believe that the City intends to keep its word. But the City has represented to this court and to the FAA that it has no plans to build any new runways at O'Hare.** Neither the FAA nor this court is in a position to gauge the sincerity of the City's promises. **Chicago has gone on record and if it breaks its promises,** it will certainly find itself again in court.

787 F.2d at 199 (emphasis added).

The evidence developed in discovery in this case — discovery not available in the Seventh Circuit proceeding — demonstrates that Chicago is not telling the truth when Chicago claims that it is not planning new runways at O'Hare; and that Chicago is not telling the truth when it denies that new runways at O'Hare and a new airport are the only two alternatives available to meet forecast demand. Moreover, not only does the evidence developed in discovery in this case show that Chicago is currently not telling the truth to this Court, but that it knew these facts back in the mid-1980s when it was saying just the opposite to the federal courts and the public.

III. CHICAGO'S "TERRIBLE DILEMMA" — CHICAGO KNEW IT WAS LYING TO THE PUBLIC AND THE COURTS.

In 1986, the State of Illinois — along with the States of Wisconsin and Indiana — began a study of the feasibility of a “third” Chicago area airport. As later described by Chicago’s chief airport consultant, Jeffrey Thomas, Chicago faced a “terrible dilemma”:

When IDOT conducted its “Third Airport Study” in the late 1980’s, it was positioned **as an alternative to further development of the ORD airfield**. At the time, Mayor Washington’s DOA was paralyzed by a **terrible dilemma**.

On the one hand, the City recognized that **additional airfield capacity would someday be needed in the Chicago Region**.

There were **only three** possibilities for providing that additional capacity: **new runways at ORD**; new runways at MDW **or a third airport**.

On the other hand, the City recognized that new runways at MDW were impractical and **was unwilling to incur the political heat that would accrue to any suggestion that new runways were being considered at either ORD** or MDW.

Thus the City was forced to argue from the position that new capacity was not and would not ever, in the foreseeable future, be required in the Chicago Region.²⁰

This statement by Chicago’s chief airport planner for the last 40 years — the man who has been the principal consultant on airport to five consecutive Chicago mayors — confirms that Chicago was deceiving to the public and the courts in the 1980s and that it deliberately lied to avoid the “political heat” over new runways at O’Hare and to avoid admitting that a new airport was needed.

Further, as discussed below, what the Chicago administration knew in the 1980’s remain as the central facts governing the controversy in the year 2000 before this Court. Thomas’ letter demonstrates that in the 1980’s internally, the Chicago officials knew the following:

- a. that additional airfield capacity would be needed in the Chicago region;
- b. that there were only three alternatives for providing that additional capacity:

²⁰ Letter of January 5, 1993 by Jeff Thomas, unsigned, addressed to David Mosena but sent to Renee Benjamin,

1. New runways at O'Hare;
2. New runways at Midway; or
3. A third airport.

These are the same facts at issue before this Court today. Chicago is again claiming that neither new O'Hare runways nor a new airport are needed to meet aviation demand for this region. Again, Chicago is not telling the truth to the public and the courts because Chicago does not want to take political heat for new runways at O'Hare and Chicago does not want — as will be discussed below — a new airport to be built outside the political control of Chicago. That is why Chicago does not want this Court to examine how the so-called “World Gateway Program” at \$6 billion dollars is really an integral part of a large “Integrated Airport Plan” that integrates the new terminals and the roadways of the so-called “World Gateway Program” with a new “quad” runway system at O'Hare that will allow massive growth in traffic at O'Hare.

IV. CHICAGO'S SECRET LONG-TERM STRATEGY.

While Chicago officials were telling the public (and the federal courts in 1986) that there were no plans for new runways at O'Hare and that a new airport was not feasible, internally they were stating that O'Hare expansion with new runways and a new airport were needed in the future. The key document outlining the City's strategy is a 1987 memorandum entitled *The Chicago Aviation Facilities Development Challenge*.²¹ It was authored by Landrum & Brown (most likely Jeff Thomas) and — according to 1997 memos to mayoral consultant Oscar D'Angelo²² and Mayor Daley²³ — this document has served as the blueprint for the City of Chicago's airport development strategy for more than a decade.

This document basically concludes with three recommendations:

Assistant Commissioner of Aviation. Exhibit C 76 (emphasis added).

²¹ Exhibit C 8.

²² Exhibit C 187.

²³ Exhibit C 186.

1. Chicago should locate and develop a new airport. This is the new airport that Chicago was telling the public then — and today in the year 2000 — was and is not needed.
2. Even with a third airport, Chicago should buildout O’Hare with additional runways to expand O’Hare’s capacity to more than 1,100,000 operations. The runways recommended in the 1987 *Chicago Aviation Facilities Development Challenge* are the same runways and runway relocations which Chicago rejected in 1983 because of “*undesirable environmental effects of expanding O’Hare to meet the unconstrained aircraft demands.*” The mechanism for obtaining this expansion with new runways at O’Hare was to “update the O’Hare master plan to define its full ultimate potential for developing balanced (airside, landside) additional capacity and to establish the timing of the various increments of the overall development.”
3. Update the Midway master plan to define landside facilities that match the capacity of the existing airfield.²⁴

Because this document is so significant, it is important to quote and analyze major portions of the document.

A. Chicago’s Risk In “Playing It Safe” — A New Southwest Airport Out Of Chicago’s Political Control.

The critical question is whether the economic benefits associated with future growth of air traffic in the region will accrue to the City or to its surrounding suburbs.

The Sawyer Administration is in a pivotal position. By taking bold, creative aviation facilities development actions now, this Administration may be able to control the region’s aviation development and perhaps set wheels in motion that will result in revitalization of Chicago’s South side. Significant political risk attaches to such a course.

²⁴ No one in the City of Chicago has ever seriously proposed adding more runways at Midway. Landrum & Brown’s recommendation here was to prepare a Midway Master Plan Update that would design new Midway terminal facilities that would match the capacity of the existing runway capacity at Midway.

Alternatively, the Sawyer administration can play it safe. ***The probable outcome of this course will be development, in the not too distant future, of a third major airport in the Chicago region owned/operated by an authority or other non-Chicago governmental agency.***

Unless the City intervenes with a bold, preemptive plan of its own, this future airport will undoubtedly be located well beyond Chicago's City limits in a South Western suburb.²⁵

Here is an explicit statement that — unless Chicago takes dramatic action — there will be “development, in the not too distant future, of a third major airport in the Chicago region owned/operated by an authority or other non-Chicago governmental agency.” So Chicago knew in 1987 that a third airport was needed, even though Chicago was saying publicly that no airport was needed.

B. Urgent Need For Long Range Development Plans for O’Hare and Midway.

The memo continues:

While there is no “Capacity Crisis” Now At Chicago’s Airports, There is Nevertheless An ***Urgent Requirement To Put Long Range, Facilities Development Plans In Place, Quickly.***

- If ***fully developed*** to their potential, O’Hare and Midway will provide capacity adequate to satisfy the Region’s needs well into the next century.
- It is not clear that either O’Hare or Midway will be developed to ***full capacity potential***. Strong forces (political and environmental) already oppose such “full potential” development at O’Hare....
- The opponents to ***full potential development*** [at O’Hare] are already trying to preempt the City’s options by building support for a “Third Airport” in Kankakee or Will County....
- If it is the City’s strategy to “make do” with O’Hare and Midway for as long as possible, (and it seems to be) then it will be necessary to lay firm plans for ***full potential development at both airports***. Since some ***additional, potential capacity will be needed at Chicago’s existing airports in this century, the planning*** for it should be going on ***now***.²⁶

²⁵ Exhibit C 8 at p. 1 (emphasis added).

²⁶ Exhibit C 8 at p. 2 (underlined emphasis in original, boldfaced emphasis added).

Here Thomas is telling Chicago that since Chicago’s strategy is to “make do” with O’Hare and Midway — without a new airport — for as long as possible, it is necessary to make long range plans for the development of both O’Hare and Midway to their “full potential development.” Further, Landrum & Brown expressly states that “some additional capacity will be needed at Chicago’s existing airports in this century.” (emphasis added).

C. The Alternatives For Adding New Capacity: 1) Expand O’Hare, 2) Expand Midway, 3) And/Or Build A New Airport.

Landrum & Brown goes on to describe in precise detail how such additional capacity can be developed at O’Hare, Midway, and a new airport:

The Chicago Region can *add To Existing Airport Capacity* By *Expanding O’Hare*, Expanding Midway *and /or Building A New Airport*. Each Of These Options Has Its Own Unique Set Of Costs and Benefits.²⁷

As to O’Hare, Landrum & Brown called for “unconstrained” O’Hare development:

- **Unconstrained O’Hare Development** — O’Hare has potential (*i.e.*, available land) **to add both airside and landside capacity**.... However, environmental and political opposition to any further development at O’Hare is already fierce. It will only get worse.
- **Addition of two new runways** on the southwest side of the airport and **relocation of two existing runways** on the north airfield (Exhibit 1) can **boost O’Hare’s annual capacity from 920,000 operations to in excess of 1,100,000 operations.**
- **Population impacted by aircraft noise would be 25% to 30% greater** at the **higher operating levels possible with unconstrained development.**²⁸

Consider again what Landrum & Brown is saying here. O’Hare’s capacity can be expanded from 920,000 to “in excess of 1,100,000 operations” by building the two new runways and relocating two existing runways — exactly the plan Chicago told the public and the courts in 1986 that Chicago had rejected out of concern for the environmental consequences on

²⁷ Exhibit C 8 at p. 3 (underlined emphasis in original, boldfaced emphasis added).

surrounding communities. And Landrum & Brown acknowledges that the population adversely impacted by the noise of the operations at 1,100,000 operations would be 25-30% greater than would otherwise be impacted at 920,000 operations.²⁹

D. The Need For A Third Airport — Can Be Forestalled Until Middle Of Century If Full Buildout Of O’Hare And Midway; Needed Much Sooner If No Full Buildout Of O’Hare And Midway.

Third Chicago Airport — Despite the potential for additional development at O’Hare and Midway, ***the Chicago Region will probably require another, major air carrier airport by the middle of the next century.***

- Even if O’Hare and Midway are developed to full potential, continued growth in the Region could require a new airport by the mid 21st century.
- On the other hand, it is not at all certain that O’Hare and Midway will ever be developed to their ***full potential. Should they not be, then the region could require a new airport much earlier.***³⁰

Again, consider what is being said here. If O’Hare and Midway are developed (expanded) to their full potential (two new runways at O’Hare) then a new airport would not be needed until the middle of the 21st century. However, if Midway and O’Hare are not expanded to their full potential, then the region would require a new airport much earlier.

E. Chicago’s Internal Position in 1987 — full development of O’Hare (new runways)

Today (1987) the need for, and feasibility of a “Third Airport” are hotly debated issues.

- The State (IDOT) is promoting a “Third Airport” for political reasons (Regional Airport Authority, economic development of the South West suburbs, takeover of O’Hare and Midway, capping of development and/or operations at O’Hare).
- The City opposes the “Third Airport” now primarily because it fears loss of control over O’Hare and Midway. Thus, its strategy calls for: ***full development of O’Hare*** and Midway (despite intensifying opposition) and discrediting the State’s

²⁸ Exhibit C 8 at p. 3 (emphasis added).

²⁹ Id. See also exhibit 1 to the Thomas memo shows the two runways and the relocated runways. The exhibit shows exactly the same two new southwest runways and relocated north airfield runways as the “unconstrained” alternative which Chicago told the public and the federal courts in 1986 it had rejected in its Master Plan decision.

³⁰ Exhibit C 8 at p. 5 (underlined emphasis in original, boldfaced emphasis added).

“Third Airport” case (need not proven, feasibility not proven). The glaring weakness in the City’s position is its failure to articulate a long, long range, facilities development (*i.e.*, third airport) strategy of its own.³¹

Here again, Landrum & Brown is saying that Chicago’s internal position in 1987 is for full, ultimate development of O’Hare which has been defined as two new runways and relocated runways.

F. Chicago Should Develop Its Own Third Airport Plan But Oppose Any Third Airport Outside City Control.

Landrum & Brown went on to describe what Chicago should do as to a third airport.

- If the Region’s new air carrier airport could be developed to the South and East of downtown Chicago, it would, undoubtedly revitalize the economy of the City’s South side.
- To effect this happy result, the new airport should be developed ***somewhere along the line that connects Chicago and Gary, Indiana.***

- To make a ***South East site viable for a new air carrier airport, it would probably be necessary, at some future time, to close Midway or restrict it to general aviation traffic.***
- If the City were to make it clear now that ***it favors ultimately closing Midway to air carrier traffic,*** the carriers would balk at underwriting landside improvements needed at Midway now. ***Communications on this subject will have to be handled with some delicacy.***
- If the Region’s new air carrier airport cannot be developed to the South and East of the center city, then, the next most likely location would be to the Southwest. ***It is not in the City’s interest to let this happen.***
 - Airport development to the Southwest would draw future economic development away from [sic] the center city....
 - Development of a major airport to the Southwest (Kankakee or Will County) would probably still require ultimate closure of Midway to air carrier traffic. Thus, the City would bear all the political costs of such a move but would enjoy none of the direct economic benefit of the new airport that made it necessary.

³¹ Exhibit C 8 at p. 8 (emphasis added).

- If the “Third Airport” proponents **can demonstrate the need to begin acquiring land now for a new airport, the impetus will exist to create a Regional Airport Authority**. Once formed, it will only be a matter of time before airspace, environmental, and political/economic issues result in an Authority takeover of Chicago’s airports.
- **Thus, determining whether or not a suitable airport site can be found on the Chicago/Gary axis is a critical and urgent question. Its answer will dictate the course of the City’s airport development strategy for the next several decades.**³²

G. The Recommended Strategy – Three Key Steps.

Landrum & Brown’s recommended strategy for Chicago was to follow three key steps.

Here is how Landrum & Brown described the three key steps in 1987:

In the Short Term, The City’s Best Strategy Would Involve *Three Key Steps*.³³

a. Step 1 — Secretly locate and develop a third airport site and plan on the Southeast Side Between Gary and Chicago.

- ***Determine the availability of a suitable airport site on, or near, the Chicago/Gary axis.***
 - The site reconnaissance effort is urgent for the reasons discussed above.
 - The site reconnaissance will have to be conducted secretly, *i.e.*, away from the eyes of the City’s opponents, the City’s allies and the press.
 - Proponents of the “Third Airport” would consider a City search for a new airport site as a sign that, secretly, the City recognizes the need for a “Third Airport”. ***This would hurt the “not needed, not feasible” case that the City has been trying to build in the forum of the current “Third Airport” study.***

b. Step 2 — Update the O’Hare Master Plan and buildout O’Hare to its full ultimate development.

- ***Update the O’Hare master plan to define its full, ultimate potential for developing balanced (airside, landside) additional capacity and to establish the required timing of the various increments of development.***

³² Exhibit C 8 at pp. 9-10 (emphasis added).

³³ Exhibit C 8 at p. 10 (underlined emphasis in original, boldfaced emphasis added).

- *Replacement and new runways (both air carrier and general aviation) should be considered. So too should terminal area improvements and ground access expansion including western access; and modest land acquisition to ease environmental problems and facilitate collateral development.*
- *The City's strategy should call for O'Hare development to its full potential (or as near to its full potential as political realities will allow).*
 - This is the fiscally prudent course of action even if a new, South East airport proves possible because it makes the most productive use of the existing O'Hare asset before calling for major financial commitments to a new facility.
 - It is even more right for the City if a South East airport cannot be built because it delays the negative impacts that a new South West airport would have on Midway and on Chicago's Southside.
 - *A full O'Hare development strategy would be consistent with the City's current position that IDOT's "Third Airport" is neither needed nor feasible now.*³⁴

c. **Step 3 — Update the Midway Master Plan and buildout the Midway Terminal Facilities.**

- *Update the Midway master plan to define the facilities layout that balance landside capacity with the existing airfield system's capability substantially within the current land envelope.*
 - *Midway's potential for serving rising levels of air carrier traffic is limited. Even with full development (more landside facilities, no more runways) it [Midway] will probably be inadequate as Chicago's only Southside air carrier airport early into the next century.*
 - *As an air carrier airport operating at its full capacity, it [Midway] will be a serious environmental problem (large noise impact) and an impediment to any other Southside (East or West) air carrier airport for airspace capacity reasons.*³⁵

³⁴ Exhibit C 8 at p. 11 (emphasis added).

³⁵ Exhibit C 8 at p. 12 (emphasis added).

Consider what Landrum & Brown is saying about O'Hare and the new airport:

1. Chicago should secretly investigate and locate a suitable airport site on the Chicago/Gary axis. Thus while maintaining its public posture that a third airport was neither needed nor feasible, Chicago would secretly develop its own third airport alternative.

If the Southeast site was not feasible, the City would continue to oppose development of a new airport to the southwest.

2. Chicago should update the O'Hare Master Plan to define the full ultimate potential for additional capacity at O'Hare (both airside and landside) and establish the timing for various increments of the overall Master Plan Update.

The Master Plan Update for O'Hare should consider new runways, relocated runways, terminal area improvements and road access expansion, including western access.

Chicago's strategy should call for full expansion at O'Hare to its ultimate development potential (new runways) even if a new Southeast third airport is feasible. That ultimate development of O'Hare with new runways would allow O'Hare to grow from 920,000 operations to "in excess of" 1,100,000 operations and would create an increased adverse noise impact on 25%-30% greater population. These new runways and runway relocations were the same as the new runways and runway relocations identified in the 1975-1995 Master Plan as "unconstrained" expansion and were publicly rejected by Chicago because of the "*undesirable environmental effects of expanding O'Hare to meet the unconstrained aircraft demands.*" (emphasis added)

3. Midway's Master Plan should be updated to match landside capacity with the existing airside capacity.

V. 1988 – THE START OF THE CAPACITY ENHANCEMENT DRIVE.

Realizing its "terrible dilemma" in proposing new runways to add capacity — *i.e.*, more flights and more noise — Chicago's public relations specialists developed a new way to spin new runways to the public. Instead of acknowledging that the new runways were intended to provide new capacity for hundreds of thousands of new operations, Chicago began a program to claim that the runways were not for new capacity but were for "delay reduction."

In reality, Chicago knows that so-called "delay reduction" with new runways is simply another way to increase the number of operations that can be accommodated at the airport. The fact that Chicago's claims of delay reduction are really code words for increased capacity was

admitted in another internal document produced by Chicago in discovery.³⁶ Indeed, the code phrase adopted by Chicago and its consultants to speak about increasing “capacity” — *i.e.*, the ability to add more flights — is “increased operational efficiency”.

This game of characterizing measures to provide capacity increases — such as new runways — as simply “delay reduction” started in 1988. In 1988, Chicago, the FAA and the Airlines started what they called a “delay task force.” In reality, the effort was part of a “capacity enhancement” program funded by FAA to develop “capacity enhancement plans” for many of the nation’s airports. Because the concept of capacity increases or “capacity enhancement” was political anathema in Chicago — the City having promised only a few short years earlier to halt capacity expansion at O’Hare — Chicago and its public relations consultants claimed that they were not planning ways to increase capacity but simply studying ways to reduce delays at O’Hare or to “enhance operational efficiency.” The concept of increasing capacity was never mentioned.

Yet internal documents for the development of the so-called “Delay Task Force Study” show that, in reality, the purpose of the so-called Delay Task Force effort was to develop methods to increase the capacity of O’Hare. For example, on December 6, 1988, Chicago’s Aviation Commissioner wrote the FAA outlining Chicago’s proposal for a “Delay Task Force.” His letter spoke of discussions to “enhance the operational efficiency of Chicago’s airports:

For several months members of our staffs as well as the airlines and other parties have discussed options to **enhance the operational efficiency** of Chicago’s airports.³⁷

But the letter from Chicago’s Aviation Commissioner attaching the proposed Scope of Work openly acknowledged that the product of the so-called “Delay Task Force” will be a “Capacity Enhancement Action Plan”:

³⁶ March 10, 1993 memo by Mary Vigilante, Vice President of Landrum & Brown and Chris Young, Chief Operating Officer for Landrum & Brown to Deputy Commissioner Robert Repel, Department of Aviation. Exhibit C 89.

DRAFT CAPACITY ENHANCEMENT ACTION PLAN

The ***draft capacity enhancement action plan*** will describe the work performed, the nature of the tasks, the assumptions, inputs and conclusions reached, actions taken, and recommendations resulting from the Task Force effort...The draft ***capacity enhancement action plan*** will be reviewed by the Task Force and approved by the City of Chicago Department of Aviation's representative serving as Task Force co-chairman prior to preparation and submittal of the final ***capacity enhancement action plan***.

FINAL CAPACITY ENHANCEMENT ACTION PLAN

The consultant will prepare a ***final capacity enhancement action plan***. Fifty copies of the final plan will be submitted to the City of Chicago Department of Aviation.³⁸

Again, on January 22, 1990, Chicago stated:

In addition, DTF [Delay Task Force] preliminary analyses suggest ***new runways*** could ***increase O'Hare's capacity to a level of 1,100,000 to 1,200,000 operations per year***.³⁹

The actual final Capacity Enhancement Action Plan of the "Delay Task Force" was not issued until April of 1991,⁴⁰ and will be discussed later in this chronology. Suffice it to note here that the final "Delay Task Force" (a/k/a Capacity Enhancement Action Plan) report — which was written by Landrum & Brown on behalf of Chicago, the FAA, and the airlines — makes absolutely no mention of increasing the capacity of O'Hare. The Landrum & Brown "Delay Task Force" (a/k/a Capacity Enhancement Action Plan) report speaks only of "delay reduction" and increasing "operational efficiency" (code word for capacity increase).⁴¹

To add further evidence depicting the culture of deception pursued by Chicago in these matters, the new runways and reconfigured runways recommended by the "Delay Task Force"

³⁷ Exhibit C 9 (emphasis added).

³⁸ Exhibit C 10 (underlined emphasis in original, boldfaced emphasis added).

³⁹ Exhibit C 16 (emphasis added).

⁴⁰ Exhibit C 29.

⁴¹ The "Delay Task Force" (a/k/a Capacity Enhancement Action Plan) report issued by Landrum & Brown was one report out of several dozen "Capacity Design Team" efforts at major airports across the country financed by the FAA under the FAA's "ACE" (Airport Capacity Enhancement Program). Of the several dozen reports issued under

solely for “delay reduction” are the identical new and relocated runways shown in the 1975-1995 Master Plan as the “unconstrained” alternative which would increase capacity at the airport by several hundred thousand flights and which were publicly rejected because of the “*undesirable environmental effects of expanding O’Hare to meet the unconstrained aircraft demands.*”⁴² Further, the new runways and reconfigured runways recommended by the “Delay Task Force” solely for “delay reduction” are the very same new and relocated runways which Landrum & Brown recommended in its 1987 secret report (The Chicago Aviation Facilities Development Challenge) as the ultimate buildout of O’Hare to increase capacity from 920,000 operations to “in excess of” 1,100,000 operations.⁴³

VI. THE DEVELOPMENT OF THE MASTER PLAN UPDATE AND O’HARE DEVELOPMENT PROGRAM II (ODP-II).

As noted above, as early as 1987, Chicago’s principal consultant was calling for preparation of a “Master Plan Update” which would spell out the “ultimate” “unconstrained development” of O’Hare — including at least two new runways. The next step in this chronology deals with the developments in the period from 1989 to 1992 to begin the Master Plan Update recommended by Landrum & Brown in their 1987 secret strategy paper and to develop the implementation program for that new Master Plan — called O’Hare Development Program II (or “ODP-II”).

A. Chicago’s “Surprise” New Airport Proposal — Building Capacity To Handle Future Growth At Lake Calumet

There were some fits and starts and delays in the timing and direction of this Master Plan Update Process, but Chicago basically followed the exact game plan recommended by Landrum & Brown in its 1987 strategy paper. The principal factor influencing the timing and direction of the Master Plan Update was the public announcement by Mayor Daley in 1990 of a new

the ACE program, virtually all — with one notable exception — are clearly and candidly titled. See Exhibit C 260.

⁴² Exhibit C 7 at p. II.3-2 (emphasis added).

⁴³ Exhibit C 8.

proposed airport on the Southeast Side of Chicago called the Lake Calumet Airport (LCA). Much of the events of 1989 to 1992 relating to the O'Hare Master Plan Update must be viewed through the prism of Mayor Daley's proposal to build the Lake Calumet Airport.⁴⁴

There is no need to get into the details of the serious problems posed by Chicago's Lake Calumet Airport proposal.⁴⁵ It was rejected by the Illinois Legislature in July 1992. But its proposal had important implications:

1. The Lake Calumet Airport was the southeast airport site that Landrum & Brown in its 1987 strategy paper recommended Chicago pursue to maintain political control of the region's commercial airports and to prevent development of a new airport under state control.
2. Like O'Hare, Lake Calumet would be a connecting airport. Thus, Lake Calumet could handle future traffic growth rather than an expanded O'Hare. Under the Chicago/Landrum & Brown Lake Calumet proposal, the Chicago region would have connecting traffic airports.⁴⁶

B. The September 25, 1989 Memo By DOA Commissioner Franke To Frank Kruesi.

On September 25, 1989, Department of Aviation Commissioner Franke wrote a very significant memorandum to Frank Kruesi, then Mayor Daley's Chief Administrator for Programs and Policies.⁴⁷ The memorandum is significant for several reasons:

⁴⁴ The planning work for the Lake Calumet Airport proposal was performed by Landrum & Brown.

⁴⁵ Much of the proposed Lake Calumet airport was to be built on old landfills, driving construction costs several billion dollars higher than alternative sites and the Lake Calumet Airport would have displaced thousands of homes and families.

⁴⁶ This aspect of the Lake Calumet proposal is significant because Landrum & Brown and Chicago — after the defeat of Lake Calumet — have now returned to a two-step argument very similar to the old lies told in the 1980s. Publicly, Chicago and Landrum & Brown currently say that there is no forecast air traffic growth that O'Hare cannot handle with its existing runways without the need for a new airport. As a backup argument they say that virtually all traffic growth has to go through O'Hare because the region cannot sustain two connecting traffic airports. Both of these current arguments run directly contrary to Chicago's and Landrum & Brown's position in the Lake Calumet proposal.

⁴⁷ Exhibit C 12.

1. The memorandum confirms the fact that Chicago officials agreed that a Master Plan Update was needed.
2. The memorandum confirms that the physical elements of the new Master Plan were being called “ODP-II” by those involved.
3. The memorandum confirms that the new Master Plan Update/ODP-II would include:
 - a. **New runways and runway relocations.** These were the same runways and runway relocations as the identical new and relocated runways shown in the 1975-1995 Master Plan as the “unconstrained” alternative which would increase capacity at the airport by several hundred thousand flights and which were publicly rejected by because of the “*undesirable environmental effects of expanding O’Hare to meet the unconstrained aircraft demands.*”⁴⁸ Further, the new runways and reconfigured runways recommended by the “Delay Task Force” solely for “delay reduction” are the very same new and relocated runways which Landrum & Brown recommended in its 1987 secret report (The Chicago Aviation Facilities Development Challenge) as the ultimate buildout of O’Hare to increase capacity from 920,000 operations to “in excess of” 1,100,000 operations.⁴⁹
 - b. **Hold Pads.** These are large concrete parking areas that are designed to allow planes to wait between the runways and the gates. Their purpose is to allow use of “converging triples” for a longer period of time, thus increasing the capacity of the airport. These are the hold pads — already

⁴⁸ Exhibit C 7 at p. II.3-2 (emphasis added).

⁴⁹ Exhibit C 8.

constructed at a cost of tens of millions of dollars — which were later segmented out of the Master Plan Update (see discussion, *infra*).

- c. **Elgin-O’Hare Expressway.** The three principal elements of an airport are Airside, Terminal, and Landside. This memorandum discloses that the State of Illinois did not think that the projected traffic growth for O’Hare (which is directly related to the number of aircraft operations) could be handled just with “eastern access.” The long-held additional landside capacity needed to sustain the projected “airside” and “terminal” expansion will come from additional “landside” access — including the so-called Elgin-O’Hare/“Western Access.”⁵⁰ This Elgin O’Hare Western Access and the Elgin-O’Hare extending through Bensenville is shown on Chicago 1998 Integrated Airport Plan.⁵¹

1. Franke’s acknowledgment that Chicago needed a Master Plan Update and that the individual project components of that Master Plan would be in a program called “ODP-II”.

In the early 1980’s, the “**O’Hare Development Program**” (“**ODP I**”) that has resulted in recent airport construction went through the crucible of planning obstacles referred to generally as the Environmental Impact Statement (EIS).⁵²

⁵⁰ There is a second significant aspect of Elgin-O’Hare discussed in the Franke memorandum. In order for O’Hare to build a new east-west runway on the southern part of the airport, the Elgin-O’Hare must be routed to the west to provide Chicago room for the new runway. This alternative routing will destroy hundreds of Bensenville homes and businesses. Alternatively, if the routing of the expressway is across the southwestern corner of the airport, Bensenville homes and businesses are saved. Commissioner Franke’s September 1989 memo makes it clear that Chicago would prefer to have the State do its dirty work for Chicago. Franke knew the political firestorm that will be created if Chicago tries to condemn homes in a DuPage County community:

“It is legally possible for DOA to condemn private and municipal land. However, it is difficult to imagine the Mayor of Chicago condemning residential property in a suburb. As noted above, condemnation for EOE [Elgin-O’Hare Expressway] [by IDOT] would solve part of this problem.”

“If EOE [Elgin-O’Hare Expressway] is not built, or takes some different route, IDOT may not do the Bensenville condemnation necessary for southwest runway development. Unless the City is politically willing to condemn homes in Bensenville, runway development would be impossible.”

⁵¹ Exhibit C 257.

⁵² Exhibit C 12, P. 3 (emphasis added).

The **last master plan for O’Hare was completed in 1983. It included the elements of ODP-I;** as noted above, **additional runways (as well as some other matters) were omitted from the final plan for political reasons.**⁵³

In considering EOE [Elgin-O’Hare Expressway] it is crucial to realize that **O’Hare must undertake a “master planning” process beginning in 1990.** Southwest [new] runways will be considered in this process....

A new master planning effort should have begun by 1988. For political reasons, the City was not willing to do so.”

In the recent planning vacuum, several discrete studies have begun. **Together they constitute most of a master plan.** [describes the Capacity Enhancement Plan (a/k/a Delay Task Force), the Part 150 Study⁵⁴ and a “Terminal Support Group”]⁵⁵

The work of these groups should form the basis of a formal master plan developed during 1990-92. The possible elements of that **master plan are already referred to by those involved as “ODP-II”.**⁵⁶

The goal of the next **master plan** must be to set limits on O’Hare development in reasonable concert with NIAS [“Noise Impacted Adjacent Suburbs”] and more distant suburban interests.⁵⁷

... O’Hare will soon undergo **a master planning process covering all elements of ODP-II.**⁵⁸

2. Franke’s description of the elements of ODP-II.

The major known elements of **ODP II** will include the following:

- a. **EOE [Elgin-O’Hare Expressway], including the toll road bypass, and potential western access to the airport...[⁵⁹]**
- b. **Feasibility of additional parallel 14/32 and 9/27 runways in the southwest area.[⁶⁰]**

⁵³ Id., p. 5 (emphasis added).

⁵⁴ This refers to a voluntary noise abatement study performed under FAA guidance.

⁵⁵ Id., p. 5 (emphasis added).

⁵⁶ Id., p. 6 (emphasis added).

⁵⁷ Id., p. 7 (emphasis added).

⁵⁸ Id., p. 12 (emphasis added).

⁵⁹ Elgin-O’Hare Western Access shown on Integrated Airport Plan Exhibit C 257.

⁶⁰ Same runways as shown as unconstrained development adding major new capacity in 1975-1995 Master Plan and 1987 Landrum & Brown secret memo. New configuration on Integrated Airport Plan of “quad” runways

- c. Relocation of at least two major runways in the north end of the airfield by a distance of about 400 feet... Although this relocation work would not increase the number or length of runways, it will be controversial insofar as it would relocate the noise outside the airport.^[61]
- d. Development of a new cargo facilities area at the north end of the airfield...^[62]
- e. Improvements in the AGT line, including extension to the western access.^[63]
- f. Construction of remote parking structures at the end of the north AGT line and relocation of car rental agency offices to that area.
- g. Possible acquisition of the military land.^[64]
- h. Several other airfield improvements, including relocation of taxiways, addition of penalty boxes and hold pads^[65], and creation of remote de-icing facilities.⁶⁶

3. Franke acknowledged that discussion of the “third airport” was central to the analysis of any expansion proposals for O’Hare in the O’Hare Master Plan Update.

The “third airport” will figure in all O’Hare master plan discussions. From the point of view of the City, all O’Hare opportunities and negotiations must be subordinated to the “third airport.” The economic and social benefits to the City of a favorable location of a new airport are overwhelmingly, exponentially greater than benefits from further development at O’Hare.⁶⁷

includes the same southern east-west runway (9-27) and substitutes a north east-west runway because capacity analysis in 1994 showed that the northwest-southeast runway (14/32) interfered with Midway operations. See discussion, *infra*.

⁶¹ Same relocated runways in northern portion of airfield as in unconstrained development adding major new capacity in 1975-1995 Master Plan and 1987 Landrum & Brown secret memo. Same movement of these runways shown on 1998 Integrated Airport Plan.

⁶² Shown on 1998 Integrated Airport Plan Exhibit C 257.

⁶³ Shown on 1998 Integrated Airport Plan Exhibit C 257.

⁶⁴ Already completed. Internal memo of meeting on January 13, 1993 shows that one purpose of military acquisition was for land to build northernmost new east-west runway. This relationship was never disclosed by Chicago during acquisition of the military land.

⁶⁵ Hold pads separated out of Master Plan Update in 1992. Hold pads already constructed at cost of tens of millions of dollars.

⁶⁶ *Id.*, pp. 6-7 (emphasis added).

⁶⁷ *Id.*, p. 7 (emphasis added).

Again, it is useful to summarize what Chicago's aviation commissioner is saying here:

1. The last Master Plan was completed in 1983 and included the elements of ODP-I. Runways were omitted from the final plan for political reasons.⁶⁸
2. O'Hare must begin a master planning process, beginning in 1990.
3. A new master plan process should have begun by 1988, but Chicago was unwilling to do so for political reasons.
4. The elements of the new O'Hare Master Plan are being referred to by those involved as "ODP II" [O'Hare Development Program II] The Master Plan process will include all elements of ODP-II.
5. The elements of the new Master Plan and ODP-II included:
 - Western access and a toll road bypass
 - Feasibility of new runways in the southwest area⁶⁹
 - Relocation of two runways in the north airfield⁷⁰
6. The new airport must be part of any O'Hare Master Plan Update Analysis.

C. The Debate Over The New Master Plan And Public Participation.

1. Sharing information with the airlines and the Civic Committee.

As described below, Chicago — after making promises to have maximum public participation in the Master Plan Update (*i.e.*, the long-term plan for future expansion of O'Hare and the consideration of alternatives to that expansion) — made a decision to hide the existence and details of the Master Plan from the public and the communities impacted by O'Hare operations. Before getting into the details of Chicago's conscious decision to hide the Master Plan and its details from the public, Plaintiffs emphasize that Chicago has regularly shared all the details of its plans with a select group — namely, the major airlines and their allies in the downtown business community.

⁶⁸ Note: While Franke says the rejection of the new runways in the 1975-1995 Master Plan was political, Chicago's official public document acknowledged that the new runways should not be built because of the "*undesirable environmental effects of expanding O'Hare to meet the unconstrained aircraft demands.*" (Emphasis added).

⁶⁹ Again, these are the same new runways identified in the original Master Plan as needed to increase capacity to 1,200,000 operations.

⁷⁰ Again, these are the same proposed two runway locations set forth in the "unconstrained" alternative of the 1975-1995 Master Plan that Chicago said it rejected.

The evidence obtained in discovery is that Chicago has shared the details of their long-term Master Planning process with the major airlines at O’Hare — especially United Airlines, and United has in turn shared much of this information with its commercial associates in an organization called the “Civic Committee” of the Commercial Club. Plaintiffs do not begrudge either United or its allies receiving this detailed information, or the fact that this information is provided in a timely fashion so that the airlines can participate in the Master Planning Process. However, Plaintiffs do object to the fact that the impacted communities around O’Hare have been excluded from the process and kept in the dark while the airlines are given timely data and information and are active participants in the Master Planning discussions. Indeed, the airlines were given key data and information about the details of the Master Plan that Plaintiffs had to go through this Court and up to the Illinois Supreme Court to obtain. Throughout this chronology, Chicago provided the airlines and their allies key details — while hiding this information from the impacted public.

Two illustrations of this shared information are useful in a chronological context. In August 1989, United Airlines made a presentation to Chicago concerning airport planning issues and discussed items United and Chicago agreed upon.⁷¹ They included:

Support goal of Delay Task Force effort to not only improve delay performance but **maximize long range capacity** of O’Hare.

Concur with early need for a 2010 [twenty year] **Master Plan for O’Hare.**

Clearly in August 1989, United was aware that the “Delay Task Force” effort was designed not only to improve delay performance but to “maximize the long term capacity of O’Hare.” To this day, Chicago has not admitted that fact to the impacted communities, the rest of the public, or the Court. Moreover, as of this date, United has clearly had conversations with Chicago about the need for a new 20-year (1990-2010) Master Plan for O’Hare.

In October of 1989, the firm of Booz-Allen & Hamilton, a consultant for United Airlines, made a presentation to the “Civic Committee” of the Commercial Club regarding expansion plans for O’Hare.⁷² In that presentation, Booz-Allen described ODP-I and “plans for ODP-II.” Booz-Allen also discussed “the development of ODP II (yet to be born) that is anticipated to address projects beyond 1992:

- Two new runways
- Relocating some taxiways and two runways
- Western access road⁷³

Booz-Allen then discussed with the Civic Committee:⁷⁴

“Determine what action must occur to assure progressing with ODP II.”⁷⁵

Clearly, as of September and October of 1989, Chicago was sharing with Booz-Allen (United’s consultant), United Airlines, and the Civic Committee the explicit details of ODP-II — the same details outlined in Commissioner Franke’s September 25, 1989 memo to Kruesi.

Compare this sharing of details with the reaction received by DuPage County when DuPage County sought information on Chicago’s Master Plan Update for O’Hare and Chicago’s ultimate decision on public participation in the Master Plan Update by impacted communities.

⁷¹ Exhibit C 11 (emphasis added).

⁷² Exhibit CBIN 2.

⁷³ Id. at p. 8.

⁷⁴ The members of the Civic Committee O’Hare Task Force were Frank Considine (Chairman of American National Can), Cyrus Freidheim (Senior Vice President Booz-Allen & Hamilton), Silas Keehn (President, Federal Reserve Bank), Robert Mallot (Chairman and CEO, FMC Corporation), Donald Perkins (Former Chairman, Jewel Companies), William Sanders (Chairman, LaSalle Partners), Charles Shaw (Chairman, the Charles Shaw Company), William Smithburg (Chairman and CEO, Quaker Oats Company) and John Walther (Chairman and CEO, R.R. Donnelly Co.). It is obvious that the airlines and Chicago (and Booz-Allen) shared the Master Plan ODP-II details with the Civic Committee back in 1989 and that they have shared the “quad runway” system of the Integrated Airport Plan with the Civic Committee in 1999. See discussion, *infra*.

⁷⁵ Id. at p. 9.

2. December 18, 1989 letter by Mary Eleanor Wall, Chairperson of the DuPage County Regional Plan Commission.

To fund the new Master Plan Update for O’Hare, Chicago applied for federal grant funds from the FAA. As part of that application, Chicago’s request for Master Plan funding was reviewed for approval by the Northeastern Illinois Planning Commission (NIPC). Once they learned of Chicago’s Master Plan, several suburban governmental organizations expressed concern over the proposed master plan and the need for public participation.⁷⁶ As stated by Mary Eleanor Wall, Chairperson of the DuPage County Regional Plan Commission, in a December 18, 1989 letter to NIPC:

Our greatest concern is ***the update of the master plan.***

NIPC attempted to arrange a meeting where DuPage could find out more about the master plan, but during a telephone conversation confirming the meeting with Chicago Aviation staff representative Kitty Freidheim, Ms. Fagan learned that the City was willing to meet with her but had no information to share. ***They said they had no details and even informal staff notes describing the future scope of work would not be available.***

Any work program for a ***master plan update for O’Hare Airport must include the meaningful participation of the suburban leaders*** who have been active in the O’Hare Advisory Committee and of the residents of both Chicago ***and the suburbs who are adversely affected by noise, air pollution and traffic congestion emanating from the airport.***⁷⁷

Thus, while the airlines and their allies at the Civic Committee are privy to the details of ODP-II and the Master Plan Update, Chicago was telling DuPage County that Chicago “had no details” nor any “information to share.”

⁷⁶ See Exhibits C 13 and C 14.

⁷⁷ Exhibit C 13 (emphasis added). While Chicago was telling the DuPage County Planning Commission and other representatives of impacted suburban communities that Chicago has no details of the Master Plan, Chicago was well aware of many of the details of the Master Plan and was obviously communicating with the airlines and their supporters at the Civic Committee as to those details.

3. Commissioner Franke's Response to Chairperson Wall.

Commissioner Franke responded to Chairperson Wall on January 9, 1990, promising full public participation in the upcoming "master plan update." First, Franke described the need for an update master plan for O'Hare and the elements of that master plan.

a. A Master Plan Update is necessary

I am writing in response to DuPage County's recent concerns regarding a proposed O'Hare master plan update (NIPC review docket 89-198)...**this letter details the need for an O'Hare master plan update** and outlines the process.

This growth occurred as the airport was poised to begin **the \$2.0 billion dollar O'Hare Development Program which would implement the recommendations of the master plan.**

Airport master plans include short-term (5-year), intermediate-term (10-year) and long-term (20-year) activity forecasts.

An updated **master plan is required** to assess the needs for facilities through the year 2010 [twenty years] and to provide guidelines for the **orderly development of those facilities.**

b. The elements of a Master Plan

Franke then described the elements of a Master Plan.

A master plan includes seven major elements.

- 1) Inventory of Existing Conditions and Issues.
- 2) Aviation Demand Forecasts (5, 10, **20 years**).
- 3) Requirements Analysis and Concepts.
- 4) **Alternatives** Analysis.
- 5) Environmental Procedures and Analysis.⁷⁸
- 6) Airport Plans.

⁷⁸ As shown above, a Master Plan analysis not only looks at the environmental impacts of a proposed expansion

7) Financial Feasibility and Implementation Plan.

The **master plan update** is not a procedural precedent to developing new runways; it is a method of addressing need and alternatives. An **updated O'Hare master plan will help to make intelligent decisions for future development, including the feasibility of new runways at O'Hare International.**

The master plan does not only include an assessment of airfield needs, **it also examines ground access, terminal facilities, land use plans, noise issues, airport capacity; costs and financing and other characteristics of air transport at the airport. Alternatives cannot be considered without forecasting future needs.**⁷⁹

c. Public Participation Inherent In Process.

Franke strongly emphasized the opportunity for public participation in the Master Planning process:

Public participation is inherent in the planning process.... As part of the public participation that will occur in connection with the master plan, the City of Chicago will report periodically to the O'Hare Advisory Committee. Consistent with OAC's role as an advisory body, the City of Chicago expects that the OAC will provide its views in the master planning process. **The City of Chicago will seek and welcome the OAC's comments along with those from other public and private parties affected by O'Hare.**⁸⁰

D. The Decision To Exclude The Public And The Impacted Communities From Participation And Information About The Master Plan Update.

The ink was barely dry on Franke's letter to DuPage County Planning Commission Chairperson Mary Eleanor Wall when Franke, other Department of Aviation officials, and the airlines devised a scheme to keep their Master Plan deliberations secret and to block the promised public participation. On June 13, 1990, Jack Black, a United executive with planning responsibilities at O'Hare, wrote the following memo about a June 12, 1990, meeting with

and alternatives to that expansion but examines the economic impacts as well.

⁷⁹ Exhibit C 15 (emphasis added).

⁸⁰ Id. (emphasis added).

Franke, Deputy Commissioner Mary Rose Loney, and the DOA's chief planning official, Kitty Freidheim:

Yesterday, at their request, I met with Franke, Loney, and Freidheim, here at EXO [United Executive Headquarters] to discuss a potpourri of O'Hare Planning Issues. Attached is a list of projects, developed by Kitty's staff enumerating projects that might be included in an **ODP-II**.

We agreed that a Master Plan was necessary but Franke and Freidheim are very concerned that a formal FAA sponsored Plan **would require significant public participation, (specifically SOC).**⁸¹

To shorten the planning process I thought the airlines might agree to fund the **Master Plan without FAA money** to **limit outside participation** prior to preparing the E.I.S.

Assuming the airlines, particularly UA and AA, and the City are anxious to **expedite the Master Planning process**, the issue of how it might be accomplished was discussed.⁸²

Having publicly promised DuPage County that public participation and participation by the impacted communities would be an integral part of the Master Plan process, Franke and his fellow DOA senior officials were engaged in private discussions with the airlines as to how to cut the public out of the process to "limit outside participation."

Franke laid out this plan to mayoral advisor Kruesi in an August 10, 1990, memo:

A variant "master plan" program is contemplated. There will be no traditional federally-funded and-regulated, lengthy "master plan" process leading up to development of an Airport Layout Plan (ALP) and EIS. The City will simply file a proposed ALP and start the EIS process.... this is desirable because it will save time **and minimize public exposure.**

Some master plan elements **are less likely to become part of the public discussion process** (e.g., collateral land development programs). This is a distinct advantage.

⁸¹ The "SOC" referred to here is the "Suburban O'Hare Commission."

⁸² Exhibit CBIN 4 (emphasis added).

Competitive bidding and public selection of technical consultants would not be required...

No federal funds would be used, and no federal strings would be attached. **The airlines will fund master planning** from current Fees and Charges.⁸³

E. The Delay Task Force Report.

In April 1991, Chicago released its so-called “Delay Task Force” report.⁸⁴ That report (discussed above) — designated internally as a “Capacity Enhancement Action Plan” — called for the construction of a number of airfield construction projects which Chicago said were simply to “reduce delays.” Included in the list of recommendations were:

1. Two new runways in the southwest corner of the airport. These are the exact two new runways that Chicago’s 1975-1995 Master Plan said would increase the capacity of the airfield from 920,000 operations to over 1,200,000 operations. Further, they are the same two runways that Landrum & Brown identified in their 1987 strategy paper as being the key pieces of an ultimate capacity expansion of the airport that would “boost O’Hare’s capacity from 920,000 operations to in excess of 1,100,000 operations.”⁸⁵
2. Relocated runways in the north portion of the airport. These were the same two relocated runways that Chicago had identified as part of its “unconstrained” 1,200,000 operations O’Hare design in the 1975-1995 Master Plan and the same two relocated runways that Landrum & Brown identified in their 1987 strategy paper as being the key pieces of an ultimate “unconstrained” capacity expansion of the airport.⁸⁶

⁸³ Exhibit C 21.

⁸⁴ Exhibit CBIN 8 and Exhibit C 29.

⁸⁵ See Exhibit CBIN 8.

⁸⁶ See Exhibit CBIN 8.

3. Hold pads. These hold pads allowed O'Hare to operate for longer periods of time with a "triple converging" runway operation allowing triple arrivals – as opposed to the originally designed dual parallel arrivals – thus creating added capacity for more operations onto the airfield.⁸⁷

All of these items were also identified by Franke in his September 1989 memo to Kruesi as elements of O'Hare Development Program II (ODP-II). In short, virtually all of the "airside" physical changes which Chicago said in the 1991 Delay Task Force Report were designed solely to reduce delays, were actually physical alterations of the airport which Chicago had previously identified in its 1975-1995 Master Plan or in Landrum & Brown's 1987 strategy paper as key elements in the ultimate unconstrained capacity expansion of O'Hare.

1. The relation of the Delay Task Force Report (a/k/a Capacity Enhancement Plan) to the Master Plan Update.

The Delay Task Force Report only dealt with physical and operational changes on the airfield itself (*i.e.*, the "airside") and did not deal with the terminal and landside aspects of the airport. Master Planning involves an analysis of all three major components of the airport: airside, landside, and terminals, and Commissioner Franke in his January 1990 letter to DuPage County explicitly stated that the Master Plan Update would analyze airport development needs as to all three areas.

Since the Delay Task Force Report only dealt with airside, the question was how do these airside recommendations fit into the overall Master Plan update? That question was answered in an unpublished set of questions and answers prepared by Landrum & Brown in 1990 and shared with the airlines but never made public. Speaking of the relationship of the Delay Task Force and the Master Plan Update, they said:

The FAA and City have recently completed a highly specialized evaluation of one aspect of the airport, namely, delay and

⁸⁷ See Exhibit C 29.

efficiency of the airside facilities. A number of other factors, however, must be considered ***including the environmental consequences and views of the public.***

This additional examination will be completed in a ***Master Plan Update, which will address all airport facilities at O'Hare.***

The Chicago Delay Task Force examined the impact of various recommendations on delay and efficiency of the runway, taxiway, and airspace system. This, however, is ***only one*** facet ***of the overall airport system.***

The Master Plan Update will also assess the conditions of the roadways, terminals, as well as the impact of the recommendations on environmental conditions including noise and air pollution.

The operational benefits of the new runways are clear. However, a “green light” can not be issued for new runways ***until all the factors have been evaluated.***

A responsible decision regarding new runways at O'Hare requires a thorough assessment not only of the delay impacts, but also of the environmental, social and financial impacts.

[N]ew runways cannot be constructed prior to a thorough assessment of all the issues involved. A ***Master Plan Update*** will be conducted to examine the ***overall airport system*** and could be completed in late 1991.

The Delay Task Force Study [Capacity Design Team] has identified several delay reduction/operational efficiency improvements, including new runways at O'Hare. This Study only identified the operational benefits of the improvements. The City must consider ***all other factors*** before moving forward with any improvements.

A detailed ***Airport Master Plan Update*** and Environmental Assessment/Impact Statement will be prepared to consider the ***environmental, social, and financial impacts of the improvements.***

Prior to proceeding with any airport development, the City is required to coordinate the project with State officials and complete state procedural steps. We assume that the ***Governor will wait to judge the improvements based on all the facts.*** Such information ***will only be available when the Master Plan Analysis is completed.***

The Master Plan Study ***also considers the terminal and ground access components of the airport system.*** The ***Master Plan Study will culminate with a recommended development plan*** that will include ***all*** components of the airport system.

The Chicago Delay Task Force focused its efforts only on the “airside” component of the system, which includes the airfield and surrounding airspace. This recommendations [sic] of this highly specialized study **will be combined into a Master Plan Update, which will look at other airport facilities such as the roadway system, parking, terminal facilities and other support facilities.**

The City has recently completed an internal study of the on and off-airport roadway system. This study has shown that there are a number of roadway constraints at the airport. Although a series of mitigation options have been explored, the Master **Plan Update will develop a plan to address these roadway constraints.**

The City will implement an extensive coordination program during the **Master Plan Update** and Environmental Assessment process. The **public will be involved with all phases of the study.** This program will provide the **maximum opportunity** for input from all public interests.⁸⁸

In summary, the airside recommendations of the Delay Task Force would be integrated into an overall Master Plan Update that would examine the airside aspects in combination with the terminals and the roadways. Again, like Commissioner Franke’s promise to DuPage County, the promise of full public involvement with all phases of the study with maximum opportunity for input from all public interests was simply empty rhetoric. As reflected in the memos of Franke’s meeting with United on June 12, 1990,⁸⁹ and his memo to Kruesi on August 10, 1990,⁹⁰ Chicago’s decision was to shut the public and the impacted communities out of the Master Planning process.

F. Making the Master Plan Update A Secret Process.

As shown above, Chicago and the airlines agreed that a Master Plan Update for O’Hare was necessary. But they also wanted to keep the process secret and limit public participation – particularly public participation by the suburban communities most impacted by the airport, as

⁸⁸ Exhibit CBIN 6 (emphasis added).

⁸⁹ Exhibit CBIN 4.

⁹⁰ Exhibit C 21.

represented by the Suburban O’Hare Commission. To accomplish this end, Commissioner Franke said he was going to fund the Master Plan with airline funds rather than taxpayer funds.⁹¹

1. Changing the name of the Master Plan Update to Airport Layout Plan (ALP) Update.

Chicago first sought to avoid public scrutiny by changing the name of the Master Plan Update.⁹² In April 1991, Chicago changed the name of the Master Plan Update to “ALP Update” or “Airport Layout Plan Update”:

- **M. P.** [Master Plan] **will be ALP Update**⁹³
- **Change title of ORD Master Plan file to ALP Update**⁹⁴

From 1991 forward there was no public disclosure, no public discourse, and no public hearings relating to this massive (eventually costing over 10 million dollars) Master Plan Update. The impacted communities were totally left in the dark.

2. Everyone — Except the Public and the Impacted Suburbs — Knew that the “ALP Update” was Really the Master Plan Update.

The fact that the “ALP Update” was simply a new euphemism created by Chicago for the Master Plan and ODP-II is illustrated by the following documents. Plaintiffs apologize for the number of evidentiary citations, but there can be no dispute that the roughly \$7-10 million⁹⁵

⁹¹ Chicago wound up using over a million dollars in taxpayer funds for the Master Plan/ALP Update. See Exhibit C 162.

⁹² See *e.g.*, Exhibit C 31. In April 1991, the size of the O’Hare expansion was still tied to Lake Calumet and Chicago’s hopes to win support for Lake Calumet. Thus, the entire focus of the Master Plan update discussion of April 8, 1991 (Exhibit C 31) was focused on how the O’Hare Master Plan would relate to Lake Calumet. Chicago identified a number of issues “which require political resolution and/or impact Lake Calumet.” These issues included: 1) the prioritization of the DTF recommendations of 9/27 and 14/32 and the impact of these runways on Lake Calumet; 2) the opening of western access which related to the decisions on 9/27 and 14/32; and 3) the airline role (delivery of 9/27 and/or 14/32 required for [airline] endorsement of LCA and terminal/roadway improvements dependent on runway decision).

⁹³ Exhibit C 32, handwritten note by Kitty Freidheim, April 15, 1991 (emphasis added). The fact that the change in the name from Master Plan Update to ALP Update occurred in April 1991 is further confirmed by Exhibit C 31, the April 8, 1991, agenda for “O’Hare Master Plan Issues” (OH 00032152) in which the title “Master Plan” is crossed out and the words “ALP Update” are added (OH 00032153).

⁹⁴ Undated handwritten note by Ms. Freidheim, Exhibit C 261 (OH 00032151).

⁹⁵ Plaintiffs have not had an opportunity to compete discovery as to the full costs of the Master Plan Update (a/k/a ALP Update), but we know that just the 1993 work of Landrum & Brown totaled \$3,418,000 and the contract for landside and terminal services with Parsons, the other major contractor on the Master Plan Update, was \$2,600,000. In addition to these costs, there were major costs for environmental analysis of the Master Plan Update and costs for

planning effort which Chicago had now renamed the “ALP Update” was in reality the “Master Plan Update” called for in the 1987 secret strategy memo, the same “Master Plan Update” that Commissioner Franke spoke about in his September 1989 memo to Kruesi,⁹⁶ and the very same “Master Plan Update” that Franke described in his January 1990 letter to DuPage County Planning Commission Chairperson, Ms. Mary Eleanor Wall.⁹⁷

On April 3, 1991, Mary Vigilante, a Landrum & Brown Vice-President, wrote Commissioner Franke as follows:

As we have discussed, Landrum & Brown will need a letter authorizing our involvement in the **O’Hare Master Plan**/Airport Layout Plan Update⁹⁸

On May 14, 1991, Mark Conway, a former Landrum & Brown official, made the following proposal to assist the airlines in their participation in the new O’Hare Master Plan:

The majority of the program elements associated with the 1995 O’Hare Development Plan (ODP I) have been completed... It is now time to continue planning the development necessary to functionally balance the operational capabilities of **O’Hare to serve the next 20 years**. The City of Chicago intends to pursue consultant selection for a **Master Plan Study** which along with the recently completed Chicago Delay Task Force, will serve as the basis for defining the improvements necessary to increase the **operational efficiency** of O’Hare. It is anticipated that a development program (**ODP II**) will be the result of this study.

This study is intended to provide early airline input to the City’s **Master Plan Update** Study.⁹⁹

capacity studies for the various Master Plan Update alternatives.

⁹⁶ Exhibit C 12.

⁹⁷ Exhibit C 15.

⁹⁸ Exhibit C 30 (emphasis added).

⁹⁹ Exhibit CBIN 9 (emphasis added). Note that Conway uses the euphemism “improvements necessary to increase the **operational efficiency** of O’Hare.” (emphasis added). This is the standard euphemism adopted by Chicago and the airlines to avoid mention of the fact that new runways and other changes are intended to increase capacity. In other documents Conway acknowledges that the purpose of these “improvements” is to increase the operational capacity at O’Hare.

On May 15, 1991, the TOP Committee of the Airlines met and Jack Black of United reported the following information:

The following was reported as to the City's plans for the Airport Layout Plan Update **[Master Plan Update]**.

It is believed that the main focus of the **Plan Update** will be on the Landside and Terminal Areas, the feeling being that the Delay Task Force Study has already addressed the Airfield planning issues.

The current goals for implementation of what is now being referred to as **ODP II**, are as follows.¹⁰⁰...

On May 21, 1991, Chicago officials met with FAA officials and the Master Plan was discussed.

Master Plan — Commissioner Freidheim stated that an RFP will be issued within the next 45 days for the landside and terminal work. This contract should be awarded on or about September 1, 1991. The airside work will be performed by the City's existing Delay Task Force consultant.¹⁰¹

On July 9, 1992, Tess Snipes of United reported to J. Richard Street of United:

ORD MASTER PLAN — DOA is now mobilizing very quickly to proceed with the **ORD master plan**.¹⁰²

On October 19, 1992, Street wrote the new Department of Aviation Commissioner, David Mosena:

- It is imperative that **a comprehensive O'Hare Master Plan be implemented and completed at the earliest possible date**, and that the Delay Task Force recommendations — **including relocated and additional runway(s)** — be an **integral component of that Plan**.
- **Without a completed Master Plan, optimum construction phasing opportunities will be lost**.¹⁰³

¹⁰⁰ Exhibit CBIN 10 (emphasis added).

¹⁰¹ Exhibit C 35 (emphasis added).

¹⁰² Exhibit CBIN 20 (emphasis added).

¹⁰³ Exhibit CBIN 23 (emphasis added).

On November 11, 1992, Durwin Ursery, the Department of Aviation project director for the Master Plan Update (a/k/a ALP Update) wrote:

It is understood that the **master plan** program is a team effort planning project.¹⁰⁴

On November 12, 1992, there was a Master Plan team organization meeting:

Summary of O'Hare Master Plan Organization Meeting November 12, 1992.

Kitty reviewed the roles of the involved parties. L&B will be responsible for the ALP (which is to be completed by the end of next year), the environmental, and airfield. Gary Blankenship will be responsible for the terminal and interface with L&B and Foster for the roadway and access systems.

Within four to five months, we will select two or three refinements and develop them.

At the same time as L&B start the ALP work, the team will develop and refine a list of projects, which by the end of nine months, **will become the basis of ODP-II.**¹⁰⁵

On November 17, 1992, another Master Plan team organizational meeting was held which was attended by Commissioner Mosena:

Forecasts will be performed for each five-year period from 1995 to 2020 for peak-month average day...

All members of the **Master Plan team** will need detailed air passenger, baggage, and aircraft performance data for existing conditions.

Dave Mosena ... stressed that the airfield drives the project. All information on the effort should be kept as confidential as possible, especially regarding public comment and release of documents.¹⁰⁶

¹⁰⁴ Exhibit C 62 (emphasis added).

¹⁰⁵ Exhibit C 63 (emphasis added).

¹⁰⁶ Exhibit C 65 (emphasis added). While Commissioner Mosena was keeping the details of the Master Plan process confidential — especially regarding public comment — the Department of Aviation was working closely with the airlines on the details of the Master Plan Update (a/k/a ALP Update).

The Master Plan Update (a/k/a ALP Update) formally got started in late Fall 1992, or early Winter 1993. In June of 1993, Mark Conway, the lead consultant for the airlines on the Master Plan Update (a/k/a ALP Update) project, wrote Jack Black of United and said:

This letter serves as a proposal to provide aviation and airport **master planning** consulting services to the Chicago Airline Top Committee during the **on-going planning for the future growth of Chicago O'Hare International Airport**....

The City of Chicago has initiated a **Master Planning** process with the support of several specialized consultants.

In addition, the Airline Facility Steering Group conducts semi-weekly reviews of the **Master Plan Activities**.¹⁰⁷

On July 16, 1993, Jack Black of United wrote to Assistant Commissioner Freidheim:

The provision of this type of information is a necessity if we are going to come to a consensus on **the Master Plan**, which we expect will serve as the beginning of an **ODP II**.¹⁰⁸

On August 4, 1993, Conway wrote to Black:

Thoughts on an **Airfield Expansion Strategy**.

This memo attempts to initiate thoughts on the development of an “airline strategy” for the **Master Plan**.

The **alignment of the Elgin-O'Hare highway will be a factor** in the decisions, but as yet is not a part of the **Master Planning**;

Given all of this, I believe that the Airlines must develop a strategy for their response to the **Master Plan** to anticipate the direction it will likely take, and be prepared to direct the outcome, rather than react to it.¹⁰⁹

On September 27, 1993, Tess Snipe of United wrote a memo stating:

¹⁰⁷ Exhibit CBIN 26 (emphasis added). Again, the airlines were given full participation in the Master Plan Update (a/k/a ALP Update) while the public and the impacted communities were shut out and not even informed that the process was going forward.

¹⁰⁸ Exhibit CBIN 28 (emphasis added).

¹⁰⁹ Exhibit CBIN 29 (emphasis added).

The City of Chicago is formulating its **Master Plan** that would include the construction of one or two new runways as well as runway relocations.¹¹⁰

On December 13, 1993, John Black of the Chicago Airlines TOP Committee wrote Assistant Commissioner Freidheim:

We look forward to reviews of updated analyses **on Master Plan issues...**¹¹¹

On January 5, 1995, at a meeting of United executives, the ongoing ORD Master Plan Update (a/k/a ALP Update) was discussed:

A briefing on the ORD **master plan** was presented by Chuck Henschel.¹¹²

G. The scope and topics covered by the Master Plan Update (a/k/a ALP Update).

That the Master Plan Update (a/k/a ALP Update) covered the same scope and planning elements of the original Master Plan can be seen in the “scopes of work” submitted by Landrum & Brown and in the “RFQ” (Request for Proposal) issued by Chicago. Because Chicago believed that Landrum & Brown had already completed much of the “airside” work for the Master Plan Update in the 1991 Capacity Enhancement Study (a/k/a “Delay Task Force”), the Master Plan work was divided between two contractors — Landrum & Brown and a contractor to be selected for the Landside and Terminal portions of the Master Plan Update (a/k/a ALP Update).

The lead consultant on the Master Plan Update (ALP Update) was Chicago’s long-time lead consultant on airport issues: Landrum & Brown. In May 1991, June 1992, and October 1992, Landrum & Brown submitted a series of proposed “scopes of work” for the ALP Update which parallel the exact steps followed in the 1975-1995 Master Plan and the steps identified by

¹¹⁰ Exhibit CBIN 31 (emphasis added).

¹¹¹ Exhibit CBIN 33 (emphasis added).

¹¹² Exhibit CBIN 40 (emphasis added).

Commissioner Franke as being the elements of a Master Plan in his January 1990 letter to DuPage County. For example, the May 1991 proposed scope of work states:

ALP UPDATE (**ODP II**)

The foundation around which the ALP Update [Master Plan Update] will be performed is the **aviation demand forecast** for the airport.

Using the **aviation demand forecasts** developed in Task 3, facility requirements will be developed. This will include:

- Airside/Airfield Facilities (Runways, nav aids and Taxiways)
- Terminal Facilities (Domestic, International and general aviation)
- Access Facilities (Roadways and Parking Lots)
- Ancillary Facilities (Cargo/freight, fueling, maintenance, etc.)
- Land Support Activities (on airport land use)
- **Integration** of Overall Requirements.¹¹³

Thus, the “ALP Update” – which Landrum & Brown identified as being “ODP-II” – would start with the foundation of the aviation demand forecast, and from that forecast determine whether any changes were needed in the various critical areas of the airport (*e.g.*, landside, terminals, and airside), and then “integrate” these requirements into an overall plan. That is exactly what a Master Plan does.

The June 19, 1992 version of the proposed scope of work contained additional language that identified the new runways as providing major capacity increases at O’Hare:

ALP UPDATE (**ODP II**)

Unconstrained demand — a scenario would reflect accommodating an **unconstrained level of passenger demand** through the **addition of new runway**(s), air traffic improvements and expansion of landside facilities. This scenario would assume that Lake Calumet Airport is not developed.

¹¹³ Exhibit C 34 (emphasis added).

Using the short-list of airport component alternatives, a series **of integrated airport facility concepts** will be developed.¹¹⁴

On July 12, 1991, Chicago advertised a Request for Proposal (RFQ) for the Landside and Terminal components of the Master Plan Update (ALP Update). The RFQ described the elements of the original Master Plan and O'Hare Development Program (ODP-I) and asked for a consultant proposal to prepare a twenty-year development program.

In 1982, the **O'Hare Master Plan** was adopted **and was implemented as the O'Hare Development Program or ODP**. The master plan provided a schedule **for airport expansion for the period from 1982-1995**. Ground was broken on the first project in August 1982. As of December 1989 the ODP was 90% complete for design and 85% for construction.¹¹⁵

Chicago's Request For Proposal (RFQ) directed the bidding contractor to:

Prepare a **development program that identifies all capital improvement projects expected to occur within the 20-year planning time frame**. The development program should be divided into three development phases: 1995-2000, 2000-2005, 2005-2015.¹¹⁶

H. The Chronological Development of the Master Plan Update (a/k/a ALP Update).

The best way to understand the development of the Master Plan Update (a/k/a ALP Update) is to examine that development in chronological sequence:

1. 1991 Work on the Master Plan Update (a/k/a ALP Update).

While several important steps were taken toward initiation of the Master Plan Update in 1991, an actual start of the O'Hare Master Plan did not begin for a number of reasons, including the fact that much of the Department of Aviation's and Landrum & Brown's resources were focused on Lake Calumet.

¹¹⁴ Exhibit C 49 (emphasis added).

¹¹⁵ Exhibit C 37 (emphasis added).

¹¹⁶ Id. (emphasis added).

a. The Goal of ODP-II (Master Plan Update (a/k/a ALP Update): identify and implement a long-term development plan for O’Hare.

On September 18, 1991, the ORD ALP Update Steering Committee met. This committee consisted of Commissioner Franke, Deputy Commissioner Loney, Assistant Commissioner Freidheim and a Mr. Durwin Ursery for the Department of Aviation, and Mary Vigilante, Doug Goldberg and Russell Blanck for Landrum & Brown.¹¹⁷ Among the subjects discussed were “Planning **ODP2** Objectives.” (emphasis added). As stated at the meeting, the aim and objective of the “ODP2” planning was to:

Aim: Identify and implement **a long-term development plan** for Chicago O’Hare International Airport.¹¹⁸

In that meeting, Ms. Vigilante stated that the “ORD **Master Plan**” will use the LCA [Lake Calumet] forecasts to project future O’Hare airport capacity, delay and demand levels.¹¹⁹ The same meeting indicated that the Mayor’s office was determining the size and scope of the O’Hare expansion as part of negotiations with the airlines and the state as to Lake Calumet:

DEFINE THE PHYSICAL ENVELOPE (Mayor’s Office**)**

- One new runway will be constructed — 14/32 orientation
- Western access will only be undertaken if publicly demanded by DuPage County; otherwise, new access point will be from the Northwest Tollway.
- Midway Airport will be closed upon the opening of LCA [Lake Calumet]; activity at O’Hare will be limited below the natural cap and off-loaded to LCA in accordance with an administrative act (cap/budget).¹²⁰

This one O’Hare runway – off-loading of some O’Hare growth traffic to the Lake Calumet – was the political bargain that Chicago was trying to sell at the time to the airlines and

¹¹⁷ Exhibit C 40.

¹¹⁸ Id. (emphasis added).

¹¹⁹ Id. (emphasis added).

¹²⁰ Id. (emphasis added).

the state: A single O'Hare runway and limited expansion at O'Hare in return for state support for the Lake Calumet Airport.¹²¹

As discussed below, once Lake Calumet was defeated, Chicago returned to the goal of a full buildout at O'Hare. As noted in the 1987 secret strategy memo, the only way to increase capacity in the region was to either expand O'Hare, expand Midway, or build a new airport. Once Chicago's new airport plan was defeated — and given Chicago's stance against a new airport to the southwest — Chicago turned to a full buildout of O'Hare.

b. Segmenting the Hold Pads and 4R Exit out of the Master Plan/ODP Process

It was at this same meeting that Assistant Commissioner Freidheim suggested breaking the proposed hold pads and high speed 4R runway exit projects out of the Master Plan Update (ALP Update) process, even though they had been identified as part of facilities necessary to enhance capacity in the Capacity Enhancement (Delay Task Force Report); and even though Commissioner Franke had identified the hold pads in his 1989 memo to Kreusi as elements of the Master Plan/ODP-II program.

On November 1, 1991, at another meeting of the Master Plan Update (ALP Update) Steering Committee, Deputy Commissioner Loney stated that the Committee approved Assistant Commissioner Freidheim's suggestion breaking the hold pads out of the Master Plan Update.¹²²

c. The Airline Mini-Master Plan and Long term Development Criteria for O'Hare.

On September 18, 1991, the airline consultant presented a discussion outline of a “mini-master plan” for O'Hare. As stated by the airlines:

The City of Chicago - Department of Aviation in the near future will initiate an Airport Layout Plan Update Study (ALPUS) for O'Hare. Consultant SELECTION is underway. The City's ALPUS [Master Plan Update] Study is *believed to have a purpose of defining the further expansion of O'Hare*.¹²³

¹²¹ See Exhibit C 21. Franke memo to Kruesi August, 10, 1990.

¹²² Exhibit C 42.

¹²³ Exhibit CBIN 14 (second capitalization and emphasis added).

On November 21, 1991, the airlines produced a document entitled “Long-Range Facility Planning & Development Criteria Chicago O’Hare International Airport.” In that document the airlines stated:

In May 1991, the Airlines TOP Committee at Chicago O’Hare International Airport commissioned a study to examine in a broad scope approach, *the development needs and requirements at Chicago O’Hare International Airport for the next twenty years.*

The results of the analyses conducted in this study showed that the *expansion* and improvement of Chicago O’Hare International Airport is necessary and financially feasible.

On the basis of the analysis of prospective demand and facility requirements, the basic requirements and components for an airport expansion program of O’Hare have been identified. This improvement program should form the basis for initiating discussion on the scope, costs and funding for an O’Hare Development Program II (*ODP II*).

List of Recommended *ODP II* Projects:

AIRFIELD:

New Runways 9/27 & 14/32

Hold Pads (4 locations to be agreed upon by users) with deicing

Runway 14L Extension 300’

Relocate Runways 9L/27R & 4L/22R

Runway 4R Exits...¹²⁴

2. 1992 Work on the Master Plan Update (a/k/a ALP Update).

a. Landrum & Brown to be overall project manager for Master Plan Update (a/k/a ALP Update).

On January 16, 1992, Landrum & Brown wrote Commissioner Franke and confirmed that Landrum & Brown would be the overall manager of the Master Plan Update (ALP Update) project:

¹²⁴ Exhibit CBIN 15 (emphasis added).

Per our discussions, **Landrum & Brown will manage the ALP Update for O'Hare.** Our key technical role will be in the airside simulation/planning, ALP preparation (**integration of the landside/terminal work with the airside**), environmental processing and financial feasibility.¹²⁵

Landrum & Brown was confirming their role as manager of the project.

b. Airline ODP-II Program.

On April 8, 1992, the Airlines provided Chicago with a document entitled "O'Hare International Airport Planning Discussion." That document lists the following elements of an *ODP-II* program:

AIRFIELD:

- New runway(s) 14/32, 9/27
- Other Airfield improvements identified in the Chicago Delay Task Force Report dated December 1991. [These included the hold pads and the 4R high speed exit.]

TERMINAL:

- Upgrade T2 [terminal 2], T3 [terminal 3] & Concourses E, F, and G
- Extensions of Concourses B, F, G, and L

EXTERIOR ACCESS:

- I-190 improvements
- SOO Line bridge widening
- Bessie Coleman Drive improvements
- Enhanced curbside management
- Western by pass road¹²⁶

¹²⁵ Exhibit C 44 (emphasis added).

¹²⁶ Exhibit C 45.

c. TOP Committee approves funding for Master Plan Update (a/k/a ALP Update).

On May 29, 1992, the Airlines TOP Committee approved a funding approval request from Chicago for \$4,400,000 to conduct the Master Plan Update (a/k/a ALP Update) under a Department of Aviation funding request for “ALP Airside/Landside Planning.”¹²⁷ According to the request and the approval, the study was to be in three phases:

1. Phase I was to identify existing conditions, to conduct forecasting of demand and conduct capacity analysis and to conduct “sketch plan” level analyses of major development options for terminals, airfield and roadways.
2. Phase II was to “integrate potential solutions to current airport problems and development options, recommended for further consideration in Phase I, into rational development alternatives. A total of 2-3 such alternatives are anticipated. Once 2-3 alternatives emerged from the process, a single recommended alternative would be chosen. “The selected alternative will provide direction for subsequent phasing of development projects to be identified in Phase III of this study.”
3. Phase III: Implementation. “Phase II [sic III] will address plan production and implementation.... As part of this process, project priorities and phasing recommendations will be identified.”¹²⁸

d. Ursery describes relationship between airside planning and landside.

On May 15, 1992, Durwin Ursery, the departmental project coordinator for the Master Plan Update (ALP Update), stated the relationship between the airside and the landside/terminal aspects of the Master Plan:

The **airfield improvements are the driving force behind the development at the airport.** Most of the major airfield

¹²⁷ Exhibit C 48.

¹²⁸ Id.

improvements have been identified and are contained in the Delay Task Force [Capacity Enhancement Plan] recommendations. This document becomes the basis of the airside portion of **the master planning** program.

Once the **direction for the runway and airfield issues have been established the landside development can take place**. These issues revolve around terminals, support facilities, ground access system and land support development considerations.

The update of the Airport Layout Plan is considered a part of the Landside Program because of the many elements that must be brought together in a balanced and coordinated way with the Delay Task Force airfield recommendations.¹²⁹

e. Vigilante meets with Franke — discusses Mayor's intervention to tell Department of Aviation how to use Landrum & Brown.

On June 12, 1992, Mary Vigilante, Vice President of Landrum & Brown, met with DOA Commissioner Franke and Assistant Commissioner Freidheim. At that meeting, Commissioner Franke informed Landrum & Brown that another consultant, HNTB, would no longer be participating in the ALP Update and DOA wanted Landrum & Brown:

to prepare a **proposal to integrate the ALP Update** effort and to be responsible for the preparation of the actual ALP. **This appears to be in direct response to the Mayor telling Franke how to use L&B**

I stayed and talked with Jay for a few minutes. He questioned why JNT [Jeffrey N. Thomas] had send [sic] him the letter concerning deficiencies in the Department **and why JNT had gone to the Mayor**. I told Jay that he was not living up to his original commitments, and that the **Mayor had supported these directions**.¹³⁰

¹²⁹ Exhibit C 47 (emphasis added).

¹³⁰ Exhibit C 52. As discussed, *infra*, Landrum & Brown and Mr. Thomas have an unusual relationship with Chicago. Either directly or through intermediaries such as Mr. Oscar D'Angelo, Landrum & Brown is able to go around the Department of Aviation directly to the Mayor to communicate their recommendations and their requests.

f. Landrum & Brown Work Plan for Master Plan Update (a/k/a ALP Update) calls for evaluating and ODP-II with “unconstrained” demand with new O’Hare runways.

On June 19, 1992, Landrum & Brown prepared a scope of work pursuant to a request by Commissioner Franke. Included in the proposed scope was the preparation of a forecast of “unconstrained demand”. As stated by Landrum & Brown:

ALP UPDATE (**ODP II**)

Unconstrained demand — a scenario would reflect accommodating an **unconstrained level of passenger demand** through the **addition of new runway**(s), air traffic improvements and expansion of landside facilities. This **scenario would assume that Lake Calumet Airport is not developed.**

Using the short-list of airport component alternatives, a series **of integrated airport facility concepts** will be developed.¹³¹

g. Freidheim’s concern over “political nightmare” over use of unconstrained growth forecast at O’Hare.

Assistant Commissioner Freidheim was upset at the suggestion to prepare a long-term unconstrained demand forecast – *i.e.*, the demand that would occur if there were no physical constraint on airfield capacity. She was afraid that disclosure of growth potential at O’Hare would jeopardize Chicago’s justification for the Lake Calumet Airport.

Getting into **unconstrained forecast** is **political nightmare** we do not want to raise. We must protect Lake Calumet and any new runway at O’Hare **has to be justified on basis of delay reduction, not unconstrained demand.**¹³²

Freidheim was obviously concerned about the “political nightmare” that would take place if Chicago disclosed that an expanded O’Hare could handle significant growth in “unconstrained” demand by adding new runways. That disclosure would work against Chicago’s then current argument that a new airport was needed at Lake Calumet.

¹³¹ Exhibit C 49 (emphasis added).

¹³² Exhibit C 50 (emphasis added). This fear over a political nightmare if honest long-term forecasts were made public is a repeat of the “terrible dilemma” Thomas described in Chicago’s desire to hide politically unpleasant

h. The decision to go forward with unconstrained demand.

On June 25, 1992, Vigilante again met with Commissioner Franke and Assistant Commissioner Freidheim to discuss the June 19, 1992 proposed scope of work. At that meeting Commissioner Franke – who had told DuPage County that the City would do a Master Plan with maximum opportunity for public input and participation – now stated that he wanted a “quick capital improvement program,” and that he did not want to address “the financial planning or environmental issues.” As to long term growth and strategic issues, Commissioner Franke questioned Landrum & Brown as to the need for an “unconstrained” demand forecast:

Franke felt that we were continuing to try to keep alive western access and new runways. Kitty and I noted that we should keep parallel constrained and unconstrained concepts in the evaluation stage until a political decision had been reached.¹³³

i. Legislature defeats Lake Calumet proposal.

In early July of 1992, the Illinois legislature rejected Chicago Mayor Daley’s proposed Lake Calumet Airport. A short time later, a United executive reported to J. Richard Street:

ORD MASTER PLAN — DOA is now mobilizing very quickly to proceed with the **ORD master plan**.¹³⁴

j. Franke replaced as Commissioner by David Mosena.

After the demise of Mayor Daley’s Lake Calumet proposal – which had been championed by Commissioner Franke – Mayor Daley appointed a new aviation commissioner, his former Chief-of-Staff, David Mosena.¹³⁵

information from the impacted suburbs and other interested members of the public.

¹³³ Exhibit C 52. The political decision they were apparently waiting on was the Legislature’s decision as to whether to approve Chicago’s Lake Calumet proposal.

¹³⁴ Exhibit CBIN 20 (italics and second emphasis added).

¹³⁵ Exhibit CBIN 22.

k. The Daley-Wolfe meeting.

In mid-September, 1992, there apparently was a meeting between Mayor Daley and Stephen Wolfe, CEO of United Airlines. Among the topics of discussion were the fact that there was a plan for O'Hare expansion that should be funded and implemented as soon as possible:

There is a plan for significant airport and roadway improvements that should be funded and implemented as soon as possible.

Airfield

- New runway(s).
- Relocation of runways (9L/27R and 4L/22R).
- New runway holding pads.

Terminal

- Terminal Two and Terminal Three upgrade.

Roadways

- I-90 improvements.
- Improved access from north, west and south.¹³⁶

As a suggested action plan, United suggested to Daley that the Department of Aviation and airline representatives “should meet promptly to resolve issues related to...***the new master plan for O'Hare.***”¹³⁷

l. Mosena's assistant writes of need for comprehensive strategic planning for O'Hare.

On September 29, 1992, Assistant Commissioner Geoffrey Goldberg, who had worked on the Lake Calumet project, wrote Commissioner Mosena a memo stressing:

the identification of ***need for comprehensive and strategic planning*** for O'Hare,...

On a more pragmatic level, one thing is clear: given the complexity of the operations at O'Hare, ***all the pieces interface with each other. Action in any one sector of the organization will have impacts on others.*** No part of the program can be fully

¹³⁶ Exhibit CBIN 21.

¹³⁷ Id. (emphasis added).

isolated from other parts, and yet each have immediate needs and requirements.

In order to make prudent decisions, these different needs must **be understood in a comprehensive manner**.¹³⁸

m. Street of United Demands that Master Plan — including new runways — be implemented and completed.

On October 19, 1992, Richard Street, Vice President of United and Chairman of the TOP Committee, wrote Commissioner Mosena as follows:

It is imperative that **a comprehensive O'Hare Master Plan be implemented and completed at the earliest possible date**, and that the Delay Task Force recommendations — **including relocated and additional runway(s)** — be an **integral component of that Plan**.

Without a completed Master Plan, optimum construction phasing opportunities will be lost.¹³⁹

n. Landrum & Brown's October 19, 1992, Briefing on the Master Plan Update (a/k/a ALP Update) — need quad runways for ultimate buildout of O'Hare.

On October 19, 1992, Landrum & Brown presented the Department of Aviation with a project briefing on the Master Plan Update (ALP Update). In that briefing, Landrum & Brown outlined "Strategic Planning Process/Issues," and identified the "range of potential development options" as:

- A. No Build (would include hold pads and 4R angled exit);
- B. Limited Development No New Runways (would include the same as Option A, but add expansion of the Terminal Core, the relocated runways of the north airfield, an expanded cargo area, and roadway improvements;
- C-1 Moderate Development – one new runway with no western access;
- C-2 Moderate Development – one new runway with western access;
- D-1 High Development – two new runways with no western access;
- D-2 High Development – two new runways with western access; and

¹³⁸ Exhibit C 56 (emphasis added).

E. Long Range Development (quad parallel 9/27s and/or quad parallel 14/32s with western access.¹⁴⁰

The report contained a matrix to examine each of the alternatives and a decision flow diagram as to the impact of each of the alternatives.

Significantly, Landrum & Brown and Chicago knew within three months of this October 19, 1992, meeting that the only alternative that would meet Chicago's own twenty-year (then 2015) demand forecast was "E" — the quad runway option (see discussion, *infra* below). And, as discussed below, that realization put Chicago and the Department of Aviation, in their words "in a box." The only way to provide the capacity to meet Chicago's own twenty year demand was either to go with a large "quad runway" system or to build a new airport.

Chicago was – and still is – afraid of the political impact of announcing a quad runway system. Yet at the same time, Chicago did not want to provide ammunition for supporters of a new third airport. Now that Chicago was no longer a third airport advocate (with the defeat of the Lake Calumet proposal), Chicago did not want to release any information that would support arguments for a third airport. This was — and is — the same "terrible dilemma" that Jeff Thomas of Landrum & Brown described in discussing Chicago's "Guerrilla War" mentality in the 1980s.¹⁴¹ Telling the truth was — and is — too politically painful. Not telling the truth to the public and this Court about issues surrounding airport expansion at O'Hare — either through material omissions, half-truths or outright lies — is politically more comfortable for Chicago.

o. Landrum and Brown's October 19, 1992 Work Plan.

On October 19, 1992, Landrum & Brown submitted a revised version of the May 12, 1991 scope of work for the Master Plan Update (ALP Update). Again, the work plan emphasized the importance of the demand forecast:

¹³⁹ Exhibit CBIN 23 (emphasis added).

¹⁴⁰ Exhibit MP 2.

The foundation around which the ALP will be performed is the **aviation demand forecast** for the Airport.

The quantity of aviation demand at an individual facility dictates the extent of facilities required. Therefore, various demand/operations scenarios may require investigation. These scenarios may include:

Unconstrained demand — a scenario would reflect accommodating an **unconstrained level of passenger demand** through the **addition of new runway(s)**, air traffic improvements and expansion of landside facilities. This **scenario would assume that Lake Calumet Airport is not developed.**

Using the short list of airport component alternatives, a series **of integrated airport facility concepts** will be developed.¹⁴²

p. The November 2, 1992, Master Plan Organizational Meeting.

On November 2, 1992, the Department of Aviation held an “O’Hare **Master Plan** Organization Meeting.” The role of the various consultants in the Master Plan were discussed.

A meeting will be scheduled ... with DOA senior staff, including Kitty Freidheim, **Dave Mosen**, and Dave Suomi, to discuss the **overall scope of the project.** Durwin Ursery will also set up a meeting later that week with Landrum and Brown (L&B) to discuss coordination between L&B and the **Master Plan** team.¹⁴³

q. Ursery: “Master Plan Program is A Team Planning Effort.

On November 11, 1992 Durwin Ursery wrote:

It is understood that the **master plan** program is a team effort planning project.¹⁴⁴

r. November 12, 1992. Master Plan Organization Meeting

On November 12, 1992, the Department of Aviation held another “O’Hare **Master Plan** Organization Meeting.”

¹⁴¹ Exhibit C 76.

¹⁴² Exhibit C 60 (underlined emphasis in original, boldfaced emphasis added).

¹⁴³ Exhibit C 61 (emphasis added).

¹⁴⁴ Exhibit C 62 (emphasis added).

Kitty reviewed the roles of the involved parties. L&B will be responsible for the ALP (which is to be completed by the end of next year), the environmental, and airfield. Gary Blankenship will be responsible for the terminal and interface with L&B and Foster for the roadway and access systems.

Within four to five months, we will select two or three refinements and develop them....

At the same time as L&B starts the ALP work, the team will develop and refine a list of projects, which by the end of nine months, **will become the basis of ODP-II.**

Doug [Goldberg] said that...[t]he current constraint is airfield, **not gates.**¹⁴⁵

s. The November 17, 1992. Master Plan Team Meeting.

On November 17, 1992, the Department of Aviation held another “**Master Plan** Team Meeting,” attended by Commissioner Mosena.¹⁴⁶

Forecasts will be performed for each five-year period from 1995 to 2020 for peak-month average day....

All members of the **Master Plan team** will need detailed air passenger, baggage, and aircraft performance data for existing conditions.

Dave Mosena ... stressed that the airfield drives the project. All information on the effort should be **kept as confidential as possible, especially regarding public comment and release of documents.**¹⁴⁷

t. November 18, 1992. Master Plan (ALP Update) Team Presents Master Plan (ALP Update) Project Overview to Airline TOP Committee.

On November 18, 1993, Department of Aviation and the Master Plan Team made a presentation on the project to the airlines TOP committee. At the meeting, the Department of Aviation presented a chart showing the relationship between the Master Plan Update (ALP

¹⁴⁵ Exhibit C 63 (emphasis and bracketed text added).

¹⁴⁶ Exhibit C 65.

¹⁴⁷ Exhibit C 65(emphasis added).

Update) consultants, with Landrum & Brown having a major role in ALP integration and coordination.¹⁴⁸

u. On November 24, 1992, Landrum & Brown submitted a budget for the Master Plan Update (ALP Update).

On November 24, 1992, Landrum & Brown submitted a budget estimate for its share of the Master Plan Update (ALP Update) in the amount of \$3,418,000.¹⁴⁹

v. November 24, 1992. Jack Black to Airlines: Master Plan Update (ALP Update) will develop airport needs over a twenty-year time frame.

On November 24, 1992, Jack Black on behalf of the TOP Committee, sent the following letter to airline representatives:

As background, with the support of the Airlines, *the City has begun the process of developing an updated Airport Layout Plan that will reflect anticipated airport facility requirements over the next 20 years.*¹⁵⁰

w. Chicago and Parsons Engineering sign contract for Landside/Terminal Portion of Master Plan Update (ALP Update) for \$2,600,000.

On November 6, 1992, Chicago and Parsons Engineering executed a \$2.6 million contract for the Landside and Terminal aspects of the Master Plan Update (ALP Update).¹⁵¹ The contract called for the same three Phases of the Project: Existing Conditions, Selection of Preferred Alternative, and Implementation as had been approved by the TOP Committee.¹⁵²

x. November 30, 1992. Landrum & Brown submits its revised scope of services for Master Plan Update (ALP Update).

On November 30, 1992, Landrum & Brown submitted its revised scope of services for the Master Plan Update (ALP Update). The proposed work involved the following:

¹⁴⁸ Exhibit C 67. We know the chart was presented from a memo by Doug Goldberg Exhibit C 64, and we know that the date of the meeting with the airlines TOP Committee was on November 18 from paragraph 2 on Exhibit C 65 (November 18, 1992, Summary of O'Hare Master Plan Team Meeting).

¹⁴⁹ Exhibit C 68.

¹⁵⁰ Exhibit C 69 (emphasis added).

¹⁵¹ Exhibit C 58 at p. OH 00008963.

¹⁵² During this same period, Landrum & Brown modified its work scope to incorporate these same three Phases.

A strategy for providing the DOA with answers to key questions relative to the implications of alternative development scenarios will be developed. This strategy will include filling in the blanks of a decision matrix shown in Attachment 1.

The Aviation Demand Forecast serves as the foundation for planning future airside, terminal and landside facilities.

Both a **constrained** and an **unconstrained** forecast will be prepared for the years **2005, 2010, and 2015**.

The primary difference between **the constrained and the unconstrained forecast will be the number of connecting passengers, which materially affects terminal and landside requirements.**

Design day flight schedules will be prepared for each of the annual forecast scenarios. These schedules will be used in later tasks to evaluate airside capacity and delay, gate requirements, terminal and roadway requirements, and noise impacts.

...[F]ive alternative airfield concepts associated with each the following broad airfield envelopes:

- No build
- Limited Development (No New Runways)
- Moderate-High Development (**New Runways**)
- **Airport Reconfiguration**

L&B will *coordinate with the landside/terminal contractors to integrate terminal and roadway concepts with each airfield concept.*¹⁵³

Landrum & Brown's proposed scope of work was divided into three phases: 1) Phase I Existing Conditions; 2) Phase II Concept Formulation and Evaluation (evaluation of various alternatives and selection of a preferred alternative); and 3) Phase III Implementation (Implementation of the Selected Alternative).¹⁵⁴

See Exhibit C 64 (OH/LB 000300).

¹⁵³ Exhibit C 70 (emphasis added).

¹⁵⁴ The description of these phases becomes important because as discussed *infra*, at the end of Phase I of the Master Plan study, the only alternatives selected by Chicago to go forward into Phase II were alternatives that included new runways, and the ultimate alternative selected at the end of Phase II was the same two new runways and same relocated runways which Chicago said in the 1975-1995 Master Plan would accommodate 1,200,000

y. December 2, 1992. Landrum & Brown presented the “constrained forecast” for O’Hare used in the Lake Calumet Study.

On December 2, 1992, Landrum & Brown presented to the airlines Facility Steering Group the existing “constrained” forecast used for O’Hare in the Lake Calumet analysis. That constrained forecast was for 941,000 operations in the year 2020, with 43,520,000 boarding passengers.¹⁵⁵

z. December 23, 1992. Assistant Commissioner Freidheim tells airlines Master Plan Update (ALP Study) will cover all airport development for a 20 year period.

On December 23, 1992, Assistant Commissioner Freidheim sent out the following letter to the O’Hare airlines:

This updated Airport Layout Plan [Master Plan Update] will serve as ***an overall guide to nearly all airfield, terminal, ground access, and other development at the Airport for the next 20 years.***¹⁵⁶

This 20-year period becomes very significant. The 1975-1995 Master Plan covered a 20-year period. Commissioner Franke’s 1990 letter to Mary Eleanor Wall of DuPage County expressly stated that the Master Plan Update would cover a 20-year period. The public bidding document — the RFQ for the Master Plan sent out by Chicago — called for a 20-year period. The scopes of work submitted by Landrum & Brown for the Master Plan Update (ALP Update) all called for a 20-year period. The meeting minutes of the Master Plan team in 1992 all speak of a plan to determine the airside, landside, and terminal needs over a 20-year period — a long-term plan for the development of O’Hare.

But, as discussed below, the 20-year unconstrained forecast — when Chicago received it in early 1993 — suffered the same “terrible dilemma” faced by Chicago in the 1980s. The unconstrained 20-year forecast demonstrated that even an expanded O’Hare would be inadequate

operations and which Chicago said was rejected because of environmental harm to neighboring communities. The alternative selected at the end of Phase II was also the same new runway design recommended by Landrum & Brown as the ultimate build out of O’Hare in its 1987 strategy paper.

¹⁵⁵ Exhibit MP 3.

¹⁵⁶ Exhibit C 72 (emphasis and bracketed text added).

to meet the forecast passenger demand. If that were the case, Chicago knew that such a disclosure would again provide factual evidence to those who advocated a new airport. Faced with that dilemma, Chicago chose — as it did in the 1980s — to hide the truth from the public.

I. The 1993 Acknowledgement that Chicago Had Been Waging A “Guerilla War” and Lying to the Public and the Courts.

The 1987 Landrum & Brown secret strategy paper laid out the three key steps Chicago needed to follow to achieve Chicago’s objectives: 1) find and propose a site for a new regional airport; 2) update the O’Hare Master Plan and buildout O’Hare to its full ultimate development; and 3) update the Midway Master Plan and buildout the terminal facilities at Midway.

By the end of 1992, Chicago had followed each of these steps. The O’Hare Master Plan Update (a/k/a ALP Update) was about to get underway. The Midway Master Plan Update was underway. And Chicago had tried, but failed, to make its choice, Lake Calumet, the new regional airport. Consistent with its 1987 strategy paper, Chicago was — and is — adamantly opposed to a regional airport built southwest of the City.¹⁵⁷ Under the logic of that strategy paper, the only choice for Chicago was a full build-out of O’Hare.

In light of these events, the discovery ordered by this Court unearthed another remarkable document authored by Jeff Thomas, Chicago’s lead airport consultant for almost 40 years. On January 5, 1993, Jeff Thomas sent an unsigned letter to the Chicago Department of Aviation.¹⁵⁸ In that letter, Mr. Thomas, who has guided the efforts of the Department of Aviation under every Chicago mayor since 1962, admitted that Chicago knew in the 1980s that additional capacity was needed in the region. He admitted that Chicago knew in the 1980s that there were (and are) only three ways to add capacity to the region: 1) runways at O’Hare, 2) runways at Midway; or 3) a new airport. But he said that Chicago was in a “terrible dilemma”. If Chicago acknowledged the

¹⁵⁷ Chicago has never explained why an airport to the southeast — even one in Gary, Indiana, which Chicago now supports — helps Chicago and the region while an airport in the south or southwest suburbs harms Chicago and the region.

need for new capacity, it would have to take political heat if it wanted new runways at O'Hare. On the other hand, if it said no runways at O'Hare but admitted the capacity shortfall, Chicago knew it would be supporting the development of a third airport. Therefore, Chicago chose to lie to the public (and to the federal courts), and claim that no capacity increases were needed in the region.

Mr. Thomas considered even the aborted attempt at Lake Calumet a success because it blocked for another two years any state attempt to build a new airport in any other location. In Mr. Thomas's terms, Chicago since the 1980s has engaged in a "protracted but successful Guerilla War" against the state. Mr. Thomas's own words acknowledge the "terrible dilemma", the knowing falsehood that capacity was not needed, and the "protracted successful Guerilla War."

When IDOT conducted its "Third Airport Study" in the late 1980s, it was positioned as an alternative to further development of the ORD airfield. At the time, Mayor Washington's DOA was paralyzed by a **terrible dilemma**.

On the one hand, the City recognized that **additional airfield capacity would someday be needed in the Chicago Region**.

There were **only three** possibilities for providing that additional capacity: **new runways at ORD**; new runways at MDW **or a third airport**.

On the other hand, the City recognized that new runways at MDW were impractical and **was unwilling to incur the political heat that would accrue to any suggestion that new runways were being considered at either ORD or MDW**.

Thus the City was forced to argue that new capacity was not and would not ever, in the foreseeable future, be required in the Chicago Region.

The City did manage, by waging this argument, to stall any serious plans for a third airport outside the city limits.

Ultimately, after Mayor Daley took office, the City recanted on the ultimate need for new airfield capacity in the Chicago Region and proposed a MDW replacement airport at Lake Calumet.

The effort to demonstrate feasibility of this concept lasted about two years and **succeeded again in preventing IDOT from making any meaningful progress toward developing a new airport in a suburban location.**

Thus, the City has conducted a protracted but successful Guerrilla war against the state forces that would usurp control of the City's airports by launching development of a new airport in the Southwest suburbs and creating a Regional Airports Authority responsible for the third airport development and for operation and maintenance of ORD and MDW.¹⁵⁹

These words, describing the period from the mid 1980s to 1993, accurately recount what Chicago has done from 1993. What Chicago has known since the mid-1980's — that the region needs new capacity and that the only way to provide that capacity is either with new runways at O'Hare or a new airport — remains true to this day. Moreover, study after study by Chicago since 1993 has confirmed this need for either new runways or a new airport. Yet, Chicago is still faced with this “terrible dilemma.” If it admits the need for new airport capacity, it must address the two alternatives that create a “political nightmare” for Chicago: the capacity must be built either by new runways at O'Hare or a new airport.

Since Chicago does not want to admit that new airport capacity is needed and does not want to deal with the regulatory and political impacts of acknowledging that the region needs either new runways at O'Hare or a new airport, Chicago again returns to the same tactic that served it so well in the Guerilla War described by Mr. Thomas — lying to the public and the courts and saying that new capacity (*i.e.*, new O'Hare runways or a new airport) is not needed. As discussed below, Chicago has known for some time that the key capacity constraints to traffic growth at O'Hare is runways. There is significant evidence that — at current levels of traffic — new terminals and additional gates are not needed. Thus, the \$6 billion “World Gateway Program” announced with such fanfare in 1999 — emphasizing larger terminals with a claim of no new runways — is another deception by Chicago. That is why the terminals of the World

¹⁵⁹ Exhibit C 76 (underlined emphasis in original, boldfaced emphasis added).

Gateway Program are actually part of a larger program — called the Integrated Airport Plan — which calls for “quad” runways at O’Hare.

The terminal operation must balance as equally as possible with airside capacity. At the present time *the terminal appears to be somewhat overbuilt* because the utilization of the airfield is maximized all through an average day at O’Hare and many terminal gates are underutilized (based on either annual passenger throughput or aircraft operations per gate as compared to other U.S. domestic hub airports).

In a balanced operational scenario, *additional airfield capacity* could provide the impetus for more terminal facilities. *If no additional airside capacity is provided, there should be no need for additional terminal facilities.*¹⁶⁰

J. The Chronological Development of the Master Plan Update (a/k/a ALP Update) 1993.

1. January 4, 1993. The new 20-year Master Plan Forecast.

On January 4, 1993, Landrum & Brown published its “unconstrained” 20-year forecast for O’Hare for the year 2015 – 56,358,000 enplanements.

The forecast represents unconstrained demand, therefore it does not consider current or future capacity constraints at the Airport.¹⁶¹

2. The January 5, 1994. Landrum & Brown Scope of Work for the Master Plan Update (a/k/a ALP Update).

On January 5, 1994, Landrum & Brown presented its revised scope of work on the Master Plan Update (ALP Update):

The Aviation Demand Forecast serves as the foundation for planning future airside, terminal and landside facilities.

An unconstrained forecast will be prepared for *the years 2005, 2010, and 2015.*

The primary difference between the constrained and the unconstrained forecast will be the number of connecting passengers, which materially affects terminal and landside requirements.

¹⁶⁰ Exhibit C 91

¹⁶¹ Exhibit C 74.

An integrated report will be prepared for each of the three study phases. L&B will integrate the technical papers prepared by each contractor for various project elements into a single Project Phase Report.¹⁶²

3. Assistant Commissioner Freidheim's January 7, 1993 letter emphasizing that the Master Plan Update (ALP Update) will provide a long-range plan to guide future development.

On January 7, 1993 Assistant Commissioner Freidheim wrote to Jack Black emphasizing the need to get information:

[I]t is important to recognize that completion of the ALP Update is necessary before we can consider implementation of many potential airport system improvements. In addition, the ALP [Master Plan Update] *will provide a long-range plan to guide future development* that may affect future airport operations.

The ability to develop a successful plan and, equally important, to acquire the necessary approvals for recommended improvements, requires accurate base data and study input assumptions....This is especially true for the preparation of the *aviation demand forecast* and development of design day flight schedules, *which serve as the basis for determining future airside, terminal, and landside requirements.*¹⁶³

This recognition — that the aviation demand forecast is the key element in determining what airside, terminal, and landside facilities need to be built — is central to understanding Chicago's continuing dilemma. The forecast determines the size of the expansion and also the need for and availability of alternatives to the expansion, *e.g.*, a new airport. Chicago had been deliberately not telling the truth about forecast demand and the capacity of O'Hare to handle that demand since the days of Mayor Washington's administration.

¹⁶² Exhibit C 75 (emphasis added). Again, the scope of work had the three phases which called for the screening down to a few alternatives in Phase I, and the selection of the preferred alternative in Phase II.

¹⁶³ Exhibit C 78 (emphasis and bracketed text added).

4. January 11, 1993. Landrum & Brown presents its methodology for determining constrained and unconstrained demand forecasts.

On January 11, 1993, Landrum & Brown presented its methodology for preparing constrained and unconstrained forecasts.¹⁶⁴ There is nothing exotic about this methodology, but it is critical to understanding the logic behind the number manipulation performed by Chicago on the critical demand forecast.

The key distinction lies between so-called “origin-destination” (O&D) and “connecting” passengers. O&D passengers are persons who are actually coming to or from the Chicago area as their origin or their destination. Connecting passengers are coming from an originating location other than Chicago, never leave the airport, and are using the airport to connect to other flights to other destinations.

Historically, O’Hare has operated with a very high ratio of connecting passengers — 55-60% of the traffic has been connecting passengers. The demand-capacity debate centers on whether the Chicago area wants to maintain, expand or reduce that historical percentage of connecting passengers.

The unconstrained and constrained forecasts start out with the same base. The growth in O&D passengers over a 20-year period is calculated. Both the unconstrained and constrained forecasts have the same 20-year forecast for O&D passengers.

The difference between the unconstrained and constrained forecasts lies in the treatment of connecting passengers. In the unconstrained forecast, Landrum & Brown simply applies the historical ratio of connecting passengers to O&D passengers to the 20-year O&D forecast. This gives the total passenger travel demand for that twentieth year. Similar calculations are done for the intermediate years (5-10-15). That unconstrained passenger load is then converted into a number of operations by applying assumptions as to the number of passengers per aircraft operation.

In the constrained forecast, Landrum & Brown again starts out with the same O&D forecast as the unconstrained forecast. Landrum & Brown then calculates the airfield operational capacity of the airport in terms of numbers of aircraft operations that can be handled. This operational capacity is the controlling factor for calculating connecting passengers. Landrum & Brown then applies the O&D passenger demand it has previously calculated on a per-aircraft operation basis to determine how many operations (within the operational capacity of the airport) it will take to handle the O&D passenger demand.

Landrum & Brown then subtracts the operations needed for O&D passengers from the total operational capacity of the airport. The remaining number of flights within that operational capacity limit is then assumed to be available for connecting passengers. Applying assumptions about number of passengers per aircraft then gives the number of connecting passengers that can be accommodated in any future year.

5. January 11, 1993. “High Stakes!!! Today’s Decision Environment at DOA.”

In early January 1993, Landrum & Brown and the Department of Aviation engaged in an analysis of which direction O’Hare would go if O’Hare were limited to constrained development, and additional capacity were instead built at a new airport. An interesting shift in thinking occurred.

Six months earlier, Chicago and Landrum & Brown were telling the Illinois legislature that Chicago could — and should — operate with two connecting airports (airports serving a significant percentage of connecting passengers), namely O’Hare and Lake Calumet. In late 1992 and early 1993 — in the wake of the failure of Chicago’s Lake Calumet and Chicago’s long-standing opposition to a Southwest suburb airport it did not control — Landrum & Brown developed the argument that the region could only have one connecting airport.¹⁶⁵ Landrum &

¹⁶⁴ Exhibit C 79.

¹⁶⁵ The argument first began to surface in late 1992. See October 1992 briefing. Exhibit C 60.

Brown contended that therefore the choices were: 1) either to allow O’Hare to grow to service primarily origin-destination traffic (with no need for increases in exiting capacity) and develop a “super-hub” elsewhere in the region, or 2) to fully buildout O’Hare to a super-hub status.

It is in this context, first seen in October 1994, that Landrum & Brown and Chicago start discussing a “quad” runway system for O’Hare. As discussed later, this ultimately becomes the “quad” runway system that is at the core of the late 1998 Integrated Airport Plan. As will be seen, in January 1993 — fresh from its defeat on Lake Calumet and facing pressure for a new airport from O’Hare communities and south suburban communities — the single “super-hub” concept held great appeal to Chicago. According to Landrum & Brown, in January 1993, it meant: “No third airport needed ever!” (Exclamation and emphasis in original.)

On January 11, 1993, Landrum & Brown submitted to Chicago a briefing paper entitled “High Stakes!!! Today’s Decision Environment at DOA”¹⁶⁶. In that paper, Landrum & Brown stated:

O’Hare 2050: The International Super Hub....[vs.]....O’Hare
2050: Also Ran

The O’Hare ALP that emerges from ***the current Update Project*** [Master Plan Update] could embody a choice between two, very different long term futures for the airport and for the City.

O’Hare 2050: International Super Hub. To satisfy this vision of the future, ORD would have to be planned as the Chicago Region’s ***one and only***, major connecting hub. It would have capacity (airfield, terminal area and supporting ground transportation and access networks) to handle the majority of the Region’s O&D passengers through virtually all of the 21st century plus connecting passengers at volume levels such that connections would be between 55 and 60 percent of total passengers throughout the country. In addition, it would have to be designed to support efficient, large scale domestic/international operations by two major hubbing airlines.

O’Hare 2050: Also Ran This is the future that would befall ORD if the current ALP Update Project [Master Plan Update] either forecloses important options for future International Super Hub

¹⁶⁶ Exhibit C 80.

development; or **accepts any of the following as unchangeable planning constraints:**

- Community resistance **to additional runways and/or land acquisition.**
- The existing airport boundaries
- The presence **of the military at ORD**
- The current roadway and/or railroad facilities bordering the airport.
- High Density rules or other capping of ORD operations below physical capacity

O'Hare 2050: International Super Hub

Airfield post Year 2000

- Either triple or **quadruple parallels** in two directions (either 9-27 & 4-22 or 9-27 and 14-32).
- Closure of either the 4-22 or 14-32 runways

Long Term Implications

- Chicago remains No. 1 in the world's emerging global air transportation network and the Region's economy continues to enjoy the benefits that accrue to that status
- O'Hare remains Chicago's only, major connecting hub. **No third airport needed ever!**

Short Term Implications

- **Land acquisition in Bensenville must be accomplished in the short term.**
- **The military should be moved off the airport.**
- Comprehensive analysis of triple and/or **quad parallels** in the 9-27 & 4-22 and 9-27 and 14-32 directions **should be initiated immediately.**¹⁶⁷

6. The January 13, 1993 Strategic Meeting on O'Hare Long-Term Development.

The need for quad runways to meet O'Hare's long-term growth was again emphasized on January 13, 1993 at a key strategic Department of Aviation meeting attended by Commissioner Mosena, his chief of staff John Harris, Assistant Commissioner Robert Repel, and a key advisor

¹⁶⁷ Exhibit C 80 (underlined emphasis and exclamation in original, boldfaced emphasis and bracketed text added).

“Petey” Getzels. Attending for Landrum & Brown were Jeff Thomas, President of Landrum & Brown, Chris Young, Chief Financial Officer, and Doug Goldberg, the Landrum & Brown vice president in charge of the Master Plan Update for Landrum & Brown.¹⁶⁸

The purpose of the meeting was to obtain decisions from the DOA concerning the **long-term (beyond 2015) development strategy of O’Hare**. The decision is to either plan O’Hare **to accommodate all the region’s forecast demand** (both origination & destination and connecting) **or to force connecting passengers/airlines to another regional airport**.

Chris Young, L&B, informed the group that the ALP Update Project must address **the issue of O’Hare’s long-term goal as either the region’s only major air carrier airport or to allow O’Hare to become a reliever to new regional airport**. **By not developing O’Hare to accommodate the increasing levels of demand, the City will be indirectly supporting the development of another airport somewhere in the region....**

Short term development must be planned to “phase” into long-term development requirements.

Doug Goldberg, L&B, presented to the group two future development scenarios that are contingent upon the City’s long-term commitment to the development of O’Hare. The two scenarios either develop the airport to accommodate all the region’s future demand or accommodate only a portion of the region’s demand through limited development.

To accommodate all the region’s demand requires the ability to operate four runways independently through all weather conditions (Quads).

Mr. Goldberg also indicated that there is no immediate need for additional gate capacity according to discussions with the airlines.

He [Jeff Thomas] also stated that the maximum development of O’Hare (as presented) requires the relocation of the military to construct a north Runway 9/27 which is the number one decision to be made....

Mr. Young indicated that it is important to have development options that could accommodate all the region’s demand to counter any plans that may be developed for a third airport.

¹⁶⁸ Exhibit C 82.

Mrs. Freidheim inquired as to when the City should go public with the maximum build plan. Mr. Young said that the ALP should not show the quad runway configuration. Mr. Blankenship said the ALP must be developed so as not to preclude development of the quad runway scenario. The decision as to when to go public with the maximum build plan must be given careful thought and will be decided when more information about the Plan is available from the Project Team.

Mr. Ursery stated that it is necessary to *integrate* and balance *the three components (airfield, terminal, and ground access)*....¹⁶⁹

Consider what is being said here.

1. By not developing O'Hare to accommodate increasing levels of demand, the City will be indirectly supporting the development of another airport in the region.
2. Short-term developments must be planned to “phase” into long-term development requirements. It is necessary to “integrate” the three components of airfield, terminal, and ground access.
3. There is no immediate need for additional gate capacity.
4. To accommodate the region’s future demand at O'Hare requires the ability to “operate four runways independently through all weather conditions (quads).”
5. Maximum development of O'Hare requires construction of a new north east-west runway (9-27) which requires the relocation of the military property.
6. The Master Plan Update (a/k/a ALP Update) should not disclose the maximum build (*i.e.*, quad runway) plan. The decision as to “when to go public” with the maximum build should be given “careful thought.”

Again, Chicago had resorted to the same deception mode that previously characterized its actions. Chicago knew that the only options for needed capacity in the region were either to buildout O'Hare with new runways or to build a new airport. Chicago wanted the full buildout (quad runways) to prevent the new airport, but it did not want to disclose the quad runway plan — or the impacts of that plan to the public.

7. January 19, 1993. Quad Runways again identified as ultimate buildout plan for O'Hare.

On January 19, 1993, the Master Plan Team met again, and again stated that the ultimate development of O'Hare would include a quad runway system:

¹⁶⁹ Exhibit C 82 (emphasis and bracketed text added).

This plan is based on L&B's ultimate development airside configuration, which consists of **four 9-27 runways** and **two 4-22 runways**.¹⁷⁰

This is exactly the same quad runway airfield configuration for the Integrated Airport Plan developed by Chicago in 1998 of which the so-called "World Gateway Program" is a key part.

8. The January 27, 1993 Master Plan (ALP) Update Report on Forecasts.

As discussed above, the demand forecast is the key factor in determining 1) the need for expansion, 2) the size of the expansion, and 3) the analysis of any alternatives to expansion.

On January 27, 1993, Landrum & Brown presented its long-term 20-year Master Plan forecasts — showing demand for the years 1995, 2000, 2005, 2010, and 2015. These forecasts have never been made public outside this litigation. Although the airlines had full opportunity to participate in the development of these forecasts, they were hidden from public view.

This document describes some of the planning assumptions the ALP Team will use in **determining future airside, terminal and ground access requirements** for the O'Hare Airport Layout Plan (ALP) Update Project.

The first chapter presents assumptions associated with the passenger and aircraft **operations forecast for the years 1995, 2000, 2005, 2010 and 2015**.

The forecast for the years 1995 and 2000 assumes a constrained growth scenario and is consistent with the forecast information associated with the 1992 GARB and T-5 bond financing.

The post-2000 forecast represents unconstrained demand and therefore, does not consider potential capacity constraints.

The forecast assumptions will materially influence the airside, terminal and ground access recommendations of the ALP Update.

Introduction.

The **practical capacity** of the airfield **will be defined** as the maximum level of average all-weather throughput achievable while **maintaining an acceptable level of delay**.

p. II-1.

¹⁷⁰ Exhibit C 84 (emphasis added).

Ten minutes per aircraft operation will be used as the **maximum level of acceptable delay** for the assessment of the existing airfield's capacity....**This level of delay represents an upper bound for acceptable delays at major hub airports....**¹⁷¹

p. II-1.

This report gives useful information on two critical issues: 1) demand, and 2) capacity. The report sets forth a very important definition of capacity. As discussed elsewhere, airport capacity is defined in terms of the level of aircraft operations that can be processed at an airport at an acceptable level of delay. Chicago has defined the acceptable level of delay as ten minutes average annual delay per operation.¹⁷² For a hubbing airport which experiences more delays in peak periods, this ten-minute average delay has been stated by Chicago to be the “upper bound” for acceptable delays at a major hub airport.

This report is fascinating in both its short-term and long-term forecasts of demand.

Short Term. What is fascinating about this forecast is that it compares the unconstrained growth of demand (*i.e.*, the demand that would accrue if there were no capacity limits on O’Hare) with the constrained growth that would occur with the capacity limitations of the existing runways at O’Hare. The Landrum & Brown January 1993 forecast shows that O’Hare would be out capacity in 1995 (probably even in 1993) without new runways.

Long Term. The January 1993 forecast shows that O’Hare demand would grow to 56,368,000 enplaned passengers in 2015 – up from 29,376,000 in 1991. Assuming, at the 1991 levels of enplanements per operation, the year 2015 aircraft demand at O’Hare would be 1,575,278 operations. Assuming a 10% increase in enplanements per departure still meant demand at O’Hare in the year 2015 for 1,347,300 operations per year. At a 25% increase in enplanements per operation, Landrum & Brown estimated the operational demand at 1,147,000

¹⁷¹ Exhibit MP 4.

¹⁷² This definition of ten minutes average annual delay per operation is also used by the United States DOT and by the State of Illinois to define the point at which capacity is exhausted and new capacity should be constructed. *See e.g.*, A Study of the High Density Rule (USDOT May 1995).

operations per year.¹⁷³ Landrum & Brown’s January 27, 1993 report indicates that even with the two new runways advocated by the Delay Task Force (the new 9-27 and 14-32), the airport could not accommodate the forecast traffic in the year 2015.

9. February 2, 1993. Memo from Doug Trezise to Freidheim.

On February 2, 1993, Douglas Trezise, another consultant for Chicago, wrote Assistant Commissioner Freidheim. As previously discussed, the Master Plan Update and the “ALP Update” had been defined as a 20-year plan to define the long-term aviation needs of the region, much as the 1975-1995 Master Plan had done.

But the 20-year forecast presented by Landrum & Brown on January 27, 1993 caused major problems for Chicago. If the forecast demand were disclosed in conjunction with Landrum & Brown’s finding that demand would exceed capacity at O’Hare even with the two new runways called for by the “Delay Task Force” (a/k/a Capacity Enhancement Plan), then proponents of a new airport could argue for a new airport instead of the new runways at O’Hare.

Thus Trezise suggested abandoning the 20-year long-term forecast by redefining the Master Plan Update (ALP Update) as a short-term, not a long-term program.

It is our understanding that the purpose of the ALP Update is to define a **near term** development program through the year 2000.

Under this approach, **developing forecasts for the post-2000 period which exceed the capacity of the future development and, as a result, argue for a third airport, is not necessary.**

However, if the study is to produce a traditional “master plan” for the airport, forecasts for the 20-year timeframe are appropriate.¹⁷⁴

¹⁷³ It is useful to put these yearly operations into a daily perspective. Under the January 27, 1993 forecast, daily flights would increase from 2,409 per day to 3,314 per day.

¹⁷⁴ Exhibit C 87 (emphasis added).

10. The February 8, 1993 Landrum & Brown letter re: shifting from long-term plan and forecasts to short-term plan and forecasts.

On February 3, 1993, there was a review of the forecasts, and a decision was made to restrict the forecast to the year 2005 on a constrained basis, and to justify the new runways based on delay reduction and not on increasing capacity:

The constrained scenario for 2005 will be described as a new runway option based on the Chicago Delay Task Force recommendations, with emphasis on delay reduction rather than overall capacity maximization.¹⁷⁵

Again, faced with their own information that O'Hare's short-term and long-term capacity was being exceeded by demand, Chicago decided to hide the evidence and try to justify the new runways — not as increasing capacity, which would cause public uproar — but as reducing delay. As shown above, the whole “Delay Task Force” terminology was primarily a public relations exercise to hide the fact that Chicago — like dozens of other major airport cities — was conducting a capacity enhancement study. The new runways were to increase capacity — not to reduce delays to the existing levels of traffic.

Indeed, Landrum & Brown knew that if delay reduction were the real justification for the new runways, there would be a strong argument that the traffic should be capped at existing levels. The delay reduction benefits of capacity expansion only occur if traffic is held down. Once traffic is allowed to increase, delays return to their historical levels — but now at higher rates of traffic.

11. March 10, 1993. Landrum & Brown senior officials protest delay reduction rationale — point out that new runways will increase capacity.

On March 10, 1993, two senior officers with Landrum & Brown wrote Chicago and raised serious concerns with Chicago's attempt to shorten the planning period from the 20-year

¹⁷⁵ Exhibit C 88. Letter of February 8, 1993 from Landrum & Brown (Joe Jackson) to Kitty Freidheim.

period contained in the approved work plans and in the traditional Master Plan to ten years, and to justify the new runways as delay reduction — not capacity enhancement:¹⁷⁶

Development of a new O'Hare runway(s) is certain to be controversial. Accordingly, it is imperative that the City do everything possible to present its case for the new runway(s) such that the probability of a successful outcome is maximized.

During internal strategy discussions to date, the City has recognized two possible alternative ways in which to characterize the purpose and need for new runway development at O'Hare: delay reduction or capacity enhancement.

[C]apacity enhancement is a more accurate characterization of what the City really intends to seek.

The City's real intentions in building a new runway(s) at O'Hare include both delay reduction and capacity enhancement.

The net effect of this will be that the Airport will accommodate **more annual operations** than either it is accommodating today **or than it could accommodate in the future without new runways.**

To the suburbanite living near the airport, providing capability to handle more annual operations is *capacity enhancement pure and simple.*

*Further, the City **appears to be avoiding the issue** by only developing a plan to address aviation needs through the year 2005.¹⁷⁷*

Consider again what Landrum & Brown is saying here. Landrum & Brown is admitting what the suburban communities have been saying for years. New runways are not for delay reduction; they allow new growth in traffic which means more operations and more noise. Plaintiffs could not have said it better:

¹⁷⁶ Exhibit C 89.

¹⁷⁷ Exhibit C 89 (underlined and italicized emphasis in original, boldfaced emphasis added).

To the suburbanite living near the airport, providing capability to handle more annual operations is *capacity enhancement pure and simple*.¹⁷⁸

And again — as in past years — Chicago was ducking the issue by hiding the 20-year forecast and its implications for a new airport.

12. March 15, 1993. Landrum & Brown submits revised forecast with 2005 end point but includes 20-year forecast as complying with accepted planning principles.

On March 15, 1993, Landrum & Brown submitted its revised forecast report to reflect Chicago's instructions to shorten the planning period to 2005. In that report Landrum & Brown stated:

These forecasts use 1991 data, and where available, 1992 data to define the base year. The forecast horizons are 1995, 2000, 2005, 2010, and 2015. However, the planning horizon for the Airport Layout Plan Update is the year 2005. Therefore, the Airport Layout Plan Update identifies the facility development necessary to accommodate aviation activity through the year 2005. The remaining forecast horizons are presented to comply with the generally accepted airport planning standard that calls for a 20-year forecast window.¹⁷⁹

Landrum & Brown was doing what Chicago asked, but also pointed out that a 20-year forecast — the same time frame used in the earlier 1975-1995 Master Plan and in Commissioner Franke's letter to Mary Eleanor Wall of DuPage County — was the proper time frame to use under accepted planning standards.

In the 1975-1995 Master Plan and in the January 27, 1993 Master Plan Update (ALP Update) report, Landrum & Brown had used the terms “unconstrained” and “constrained” to stand for two conditions: 1) “unconstrained” meant O'Hare with no capacity limitations, and 2) “constrained” meant O'Hare with capacity limitations. Now, because of the flap raised at the February 2, 1993 meeting, Landrum & Brown used the same concepts but with different names.

¹⁷⁸ Exhibit C 89 (italics in original).

¹⁷⁹ Exhibit MP 4, p. II-1 (emphasis added), Exhibit C 76.

The March 15, 1993 Landrum & Brown Master Plan Update (a/k/a ALP Update) Report now used, instead of “constrained,” (“activity”) and in place of “unconstrained,” (“demand”):

Because growth at O’Hare Airport is becoming more and more defined by **the ability of the airfield to accommodate additional aircraft operations at acceptable level of delay, there is a growing difference between the potential demand to use the facility** (the “demand” forecasts”) and the **activity that O’Hare Airport will actually accommodate** (the “activity forecasts”).

Recognition of the likely existence of a difference between future demand [unconstrained forecast] and activity [constrained forecast] at O’Hare Airport requires examination of two forecasting paths.

One path is to forecast demand to use O’Hare Airport independently of the airfield’s capability to accommodate that demand (demand forecasts) [a/k/a “unconstrained” forecast].

The second path is to forecast the activity that O’Hare is likely to accommodate based on the demand to use the facility in concert with the airfield’s probable future capability to accommodate that demand (activity forecasts) [constrained forecast].

The principal difference between the two approaches **is the consideration of O’Hare Airport’s future capacity**. Both paths assume that O’Hare Airport will accommodate all future growth in originating demand. However, **connecting** demand is treated differently. The demand forecast path assumes that all potential growth in connecting demand will be accommodated, but the activity forecast path assumes that **only some of the potential growth in connecting demand will be accommodated, reflective of the future capacity**.¹⁸⁰

The March 15, 1993 report also acknowledged that several of the individual projects that had originally been part of ODP-II and the Delay Task Force Report — all of which were to be considered in a Master Plan Update — had already been built and would increase the capacity of the airport.

Several capital improvement projects (27L and 9R Hold Pads, 4R Angled Exit and design of the Scenic Taxiway Hold Pad) recommended by the Chicago Delay Task Force [Capacity Enhancement Plan] are currently planned and **will increase**

¹⁸⁰ Exhibit MP 6.

O'Hare Airports operational capacity during certain weather conditions while reducing delay.¹⁸¹

Again, the March 15, 1993 Demand Forecast report — like the January 27, 1993 report — demonstrated clearly that O'Hare's existing runway system was out of capacity as early as 1995 and that even with the two runways (which created triples not quads) recommended by the Delay Task Force, O'Hare could not handle the future traffic demand. Thus, again this report demonstrated that either quad runways (the full O'Hare buildout) was necessary or that a third airport was needed.

13. March 17, 1993. Memo from Getzels, Special Assistant to Mosena, to Commissioner Mosena.

On March 17, 1993, Petey Getzels, a special assistant to Commissioner Mosena, wrote:

LB's report begins with an analysis clearly stating that what the current ALP proposes will not accommodate future demand at O'Hare. This is probably true — given continuation of present trends and no radical changes in airlines business.

It [L&B's March 15 Forecast] firmly states at the outset of the report that by 1995 will not be able to accommodate 3.03 million connecting enplanements that are predicted to be demanded — and by 2015 O'Hare will fall short of accommodating the demand (for connecting) by 8.73 million. This situation will occur if O'Hare puts in place only the upgrades recommended by the Delay Task Force ... which in effect is what the ALP [Update] is proposing.

This puts us in a box. The only response is to build out O'Hare [the quad runways] or support a new airport. We are trying to forestall this decision.¹⁸²

Here again, Chicago is trying to hide from the consequences of reality. Reality puts Chicago “in a box.” According to Chicago's own consultant, O'Hare is going to be out of

¹⁸¹ Exhibit MP 6 at p. II-5 (emphasis and bracketed text added). In handwritten edits on Page II-5 of the March 15 report, the phrase **increase O'Hare Airports operational capacity** is edited to say “enhance operational efficiency” the standard euphemism developed by Chicago to hide capacity increases. (Exhibit MP 7 at p. II-5).

¹⁸² Exhibit C 90 (underlined emphasis in original, boldfaced emphasis and bracketed text added).

capacity in 1995.¹⁸³ Further, even with the two new runways proposed in the Delay Task Force report, demand would exceed the new capacity of O’Hare before 2015 — leaving a significant capacity shortfall for the region and supporting the need for a new airport.¹⁸⁴ Moreover, these problems existed even with the shortened 2005 planning time frame selected by Chicago to avoid this problem.

Chicago’s answer to this was simply to hide this information and not make it available to the public.

14. March 25, 1993. Trezise to Getzels.

Doug Trezise voiced the same concerns. On March 25, 1993, Trezise wrote Freidheim:

Use of Activity Forecasts suggests that there will be unserved demand. ***If this is the case, then why build anything at all except a new airport?***¹⁸⁵

15. March 30, 1993. Presentation of Three Recommended Alternatives — all with new runways — to Department of Aviation for approval to move to Phase II of Master Plan Update (a/k/a ALP Update).

On March 30, 1993, Landrum & Brown met with Commissioner Mosenia and presented three recommended alternatives (Three “Integrated” Airport Sketch Plan¹⁸⁶ Options) for the Master Plan Update to proceed to Phase II. The recommended alternatives did not include a no-build — *i.e.*, keeping the current airfield — alternative. The recommended alternatives were:

Option B1-3 A new runway 14/32

Option B2-3 A new runway 9/27

¹⁸³ As discussed *infra*, O’Hare was likely out of added capacity in 1995. Using the definition of capacity as that level of traffic that can be accommodated without unacceptable levels of delay — and the acceptable maximum level of delay as 10 minutes per operation on an annual average basis — all the available data shows average delays at O’Hare were exceeding 10 minutes average annual delay in 1993 and 1994.

¹⁸⁴ The shortfall between unconstrained (Demand) growth with no capacity constraints and “constrained” (“activity”) growth in the face of O’Hare capacity constraints from 1995-2005 is shown in Exhibit C 93.

¹⁸⁵ Exhibit C 92 at R 013973 (emphasis added).

¹⁸⁶ The “Integrated” options included airside (airfield), Terminal and Landside (access roads) components. The terminal and roadside components are currently scheduled for construction in the “World Gateway” phase of the Integrated Airport Plan.

16. April 6, 1993. The O’Hare Communications Program — Using Public Relations to Gain Support for New Runways at O’Hare.

On April 6, 1993 Marilou Von Fuerstel, of Ogilvy, Adams & Rinehart, submitted the O’Hare Airport Communications Program:

The goal of our campaign is to **win widespread public and political support for runway expansion** at O’Hare.

Craft a **compromise** package that meets or exceeds those terms and conditions to win support in the communities most affected by noise.

Show that the current opposition to O’Hare expansion is limited to a minority of suburban residents and officials.

Using research findings, the City must develop a package **combining runways** with noise abatement and other “trade offs” to the suburbs.¹⁸⁸

Ogilvy, Adams & Rinehart was one of the subcontractors for Chicago on the Master Plan Update (a/k/a ALP Update). Plaintiffs have no objection to Chicago and its public relations consultants publicly stating that Chicago wishes to offer a “compromise.” Indeed, as part of its joint public relations program with the airlines, Chicago is currently offering soundproofing for approximately 10% of the homes which Chicago acknowledges are adversely affected by noise.

Plaintiffs objection is that Chicago is hiding from Plaintiffs and the rest of the impacted public the *quid pro quo* for the soundproofing “compromise” — new runways and significantly increased flights. That’s the information Chicago has in the past — and continues to this day — to hide from the public and the impacted communities.

¹⁸⁷ Exhibit MP 9.

¹⁸⁸ Exhibit C 94 (emphasis added).

17. April 16, 1993. Master Plan (ALP Update) says limited build [no new runways] will not accommodate year 2005 demand.

On April 16, 1993, Landrum & Brown submitted another Master Plan report entitled Sketch Plans Working Paper, which explicitly stated that the existing airfield *without* new runways would not accommodate the projected year 2005 demand:

[T]he Limited Build Options [no new runways] would **not** allow O'Hare to accommodate the level of activity envisioned for the year 2005 planning horizon.¹⁸⁹

18. April 20, 1993. Department of Aviation directs Landrum & Brown to proceed to Phase II of the Master Plan Update (a/k/a ALP Update).

On April 20, 1993, the Department of Aviation directed Landrum & Brown to proceed to Phase II of the Master Plan with the three new runway alternatives presented at the March 30 presentation:

The findings of the preliminary screening and a recommendation to pursue examination of three options for the 2005 planning horizon were presented to DOA on March 30. In the April 20 Team meeting DOA *directed us to refine the three recommended airside development options as part of Phase II of the ALP Update.*

[Phase II] includes the refinement and evaluation of three **integrated** airport development concepts.¹⁹⁰

As described above the no-build alternative — keeping O'Hare's existing runways without new runways — was rejected as not being able to satisfy year 2005 demand.¹⁹¹

¹⁸⁹ Exhibit MP 11 (emphasis added).

¹⁹⁰ Exhibit C 95 (emphasis and bracketed text added).

¹⁹¹ This rejection is significant. In 1993, Chicago and Landrum & Brown conclude that year 2005 demand cannot be met without new runways at O'Hare. Yet Chicago is now before this court saying that no new runways are needed at O'Hare until after 2012. This shows the value of discovery. The inconsistency in Chicago's position in 1993 vs. its position today would never have come to light without discovery.

19. May 21, 1993. Landrum & Brown status report stating that Landrum & Brown is moving forward to develop three “integrated” plan alternatives – integrating airside, landside and terminal — all involving new runways.

On May 21, 1993, Landrum & Brown submitted a status report stating that Landrum & Brown had initiated Phase II of the Master Plan study based on the refinement of the three airfield concepts selected by DOA.

[T]he planning team should focus its attention on *integrating the airfield, terminal, and ground access elements of the most viable plan.* This approach is particularly attractive because it will enable a more detailed evaluation of the selected *integrated* plan as we prepare for the implementation phase....¹⁹²

20. June 9, 1993. Department of Aviation decides to only show “constrained” forecast to 2005 — eliminates all unconstrained forecasts and all forecasts beyond 2005.

On June 9, 1993, the Department of Aviation officials met and decided formally to show only the “constrained” demand (now called “activity”), and that the unconstrained forecast would not be used — even for the years 1995, 2000, and 2005.

The Activity/*Constrained* forecast *should solely be used*, projected out to the year 2005, not beyond. *All references to forecast years beyond 2005 in the narrative, exhibits and tables should be deleted.*¹⁹³

By taking this action, the Department of Aviation was seeking to erase the evidence that the existing airfield could not meet short term demand and that the new runways proposed in the Delay Task Force Report (Capacity Enhancement Report) could not handle the twenty-year forecast traffic — and that either quad runways at O’Hare or a new airport would be needed to meet forecast demand.

21. June 14, 1993. Conway proposes continuing consulting on Master Plan (ALP Update) Process.

On June 14, 1993, the airlines consultant Mark Conway submitted a proposal to consult for the airlines on the ongoing Master Plan process:

¹⁹² Exhibit C 95A (emphasis added).

¹⁹³ Exhibit C 96.

This letter serves as a proposal to provide aviation and **master planning consulting** services to the Chicago Airline TOP Committee during the **on-going planning for the future growth** of Chicago O'Hare International Airport."

The City of Chicago has initiated **a Master Planning Process** with the support of several specialized consultants.

....

In addition, the Airline Facility Steering Group conducts semi-weekly reviews of the **Master Plan activities**.¹⁹⁴

22. Landrum & Brown notes that no unconstrained forecast is being developed which affects environmental and alternatives analysis.

On June 16, 1993, Landrum & Brown submitted its proposed work scope for the Environmental Assessment for the Master Plan Update. The transmittal letter emphasized that there was no "unconstrained" demand forecast for the region and that such a forecast would be required to assess the various alternatives.

To date the ALP Update Team has prepared and evaluated a **constrained aviation "activity"** forecast through the year 2005....

A "demand" forecast would present the unconstrained aviation demand for the region....

No one is now working on **developing a truly unconstrained demand forecast** for the Chicago region...¹⁹⁵

23. Department of Aviation acknowledges that each of the three alternatives approved for Phase II analysis in the Master Plan Update will involve taking of land in Bensenville.

On June 28, 1993, Department of Aviation and Landrum & Brown met to discuss the three options the Department of Aviation had approved for Phase II analysis: 1) a new 14/32 runway (Option B1-3), 2) a new 9/27 runway (Option B2-3), and 3) new runways 14/32 and 9/27 (Option B3-2). As stated at the meeting, each of the three options "assume acquisition of Garden Horseshoe Neighborhood" in Bensenville. Throughout this entire Master Plan Update (a/k/a ALP Update) process, Bensenville — a community deeply affected by the outcome of the Master Plan — was never informed that the Master Plan process was underway, never informed that

¹⁹⁴ Exhibit CBIN 26 (emphasis added).

major portions of its community were being programmed for condemnation, and never given an opportunity to participate in the Master Plan process. The airlines were at the table getting all the information and details — but the impacted public was excluded.

24. July 16, 1993. Jack Black again writes that Master Plan process is underway and that Master Plan will lead to ODP-II.

On July 16, 1993, Jack Black wrote on behalf of the airline TOP Committee to Assistant Commissioner Freidheim:

Following our last Airline Planning Group (APG) Meeting, the airlines discussed several issues related to the presentations, and **the Master Plan process** in general.

The provision of this type of information is a necessity if we are going to come to a consensus on the **Master Plan**, which we expect will serve **as the beginning of an ODP II.**¹⁹⁶

25. July 20, 1993. Landrum & Brown sends in Revised Work Scope to Implement ODP-II by completing Phase III of the Master Plan Update (a/k/a ALP Update) — includes discussion of a long-range plan for O’Hare.

As indicated above, Landrum & Brown was unhappy that Chicago had shortened the Master Plan Update (a/k/a ALP Update) from the 20-year traditional Master Plan time frame to a much shorter horizon — and then even cut the 10-year horizon by requiring the use of a misleading “constrained” forecast so as to hide the lack of capacity of the existing airfield. On July 1, 1993, Doug Goldberg of Landrum & Brown met with Assistant Commissioner Freidheim and discussed what was necessary to complete the shortened Master Plan Update (a/k/a ALP Update), and also to discuss the need for a long-range plan to replace the twenty-year Master Plan that had been aborted by the decision to hide the consequences of the January and March 1993 20-year demand forecast reports.

On July 20, 1993, Doug Goldberg wrote Assistant Commissioner Freidheim a letter outlining this meeting and the planning that was proposed.¹⁹⁷ That letter (entitled “Scope of

¹⁹⁵ Exhibit C 98 (emphasis added).

Services to Support Implementation of **ODP-II**”), along with a letter sent on August 5, 1993, spells out in great detail the fact that: 1) Chicago needs a long-range plan (to 2020) for airport facilities, and 2) that the real issue facing Chicago is the need for “**additional airside capacity** and where and how to provide it.”¹⁹⁸ The July 20, 1993 letter also makes it abundantly clear that the so-called “ALP Update” is really a euphemism for the Master Plan/ODP-II program discussed by Commissioner Franke back in 1989, and repeatedly identified since as the Master Plan program:

In our July 1 meeting, we discussed the importance of three planning efforts necessary to facilitate implementation of **ODP-II**.

The first effort we discussed was the completion of the ALP Update. As you requested, we have prepared a **revised scope of services for Phase III of the ALP Update** to reflect changes in project direction since we began last December.

We also discussed the need to develop a **long range vision for O’Hare** to guide near-term land use decisions.¹⁹⁹

a. Discussion of the need for a long-range study.

Preparation of Long-Range Vision For O’Hare

The decision to use the year 2005 as the planning horizon for the ALP Update has its merits. However, we strongly believe that the **DOA should have a formal long range plan for O’Hare to guide decisions about airfield, roadway, terminal and collateral development land use** during the next five to ten years.

Without such a plan, near-term airport development decisions may very well prevent DOA **from realizing O’Hare’s full potential** as a major engine of economic development for the region beyond the 2005 planning horizon.

The key issue associated with the long-range future of O’Hare revolves around its role as either a major connecting hub or a local O&D passenger facility. The most efficient airfield, terminal and roadway system beyond the year 2005 hinges on the type(s) of passengers O’Hare is expected to accommodate and the expected reaction of the airline industry. The ability to maximize the economic benefit of O’Hare also hinges on the level of connecting

¹⁹⁶ Exhibit CBIN 28 (emphasis added).

¹⁹⁷ Exhibit C 101.

¹⁹⁸ Exhibit C 102.

¹⁹⁹ Exhibit C 101 (emphasis added).

passengers served at O'Hare. Right now, the DOA has the ability to make either alternative future a reality.

Concurrent with the completion of Phase III of the ALP Update, *we propose to develop two long range development concepts for O'Hare. One concept will contemplate O'Hare as an O&D facility while the other will assume O'Hare retains its role as a major connecting hub.* For each concept, we will estimate the expected economic and operational impacts to the City of Chicago.²⁰⁰

Consider again what is being said here in light of the discussions at the January 13, 1993 strategy meeting. If O'Hare retains its role as the sole connecting facility in the region, the participants in the January 13, 1993 meeting knew and acknowledged that O'Hare would require quad runways. Any study that bases its presumption on O'Hare retaining a role as the sole connecting airport in the region — as will be shown, the core of the so-called World Gateway/Integrated Airport Plan — must include the need for quad runways. Moreover, as will be seen in the discussion of the following August 5 letter (the July 20 letter said that the scope of work for the long-term study would be sent in a later letter), the real issue is additional airfield capacity, now, in the short term.

b. Phase III of the ALP Update was Implementation of ODP-II.

Attached to the July 20, 1993 letter was a draft Scope of Services for Airport Layout Plan Update “Phase III.”²⁰¹ That Scope of Services makes several things clear:

1. The ALP Update was indeed the planning mechanism to create and implement ODP-II.
2. The Master Plan and then the implementation program to construct the Master Plan — just as in the case of the 1975-1995 Master Plan and ODP-I — involves an overall coordinated program involving a large number of related individual airside, terminal, and landside projects.
3. The “airside, terminal and ground access projects which comprise the development program will be defined” in ODP-II.

As stated in the Scope of Work:

²⁰⁰ Id. (emphasis added).

²⁰¹ Id.

The third and final phase of the O'Hare ALP Update will provide the DOA with the following:...

Elements of ODP II including project cost, timing, duration, and sequence.

The future ALP and accompanying analysis will provide the basis **for implementing Phase II of the O'Hare Development Program (ODP-II)**.

p. 1.

The **development program will identify a series of airside, terminal and landside projects associated with ODP-II...**

p. 8.

Implementation of ODP-II may require five or more years to construct.

p. 9.

The **airside, terminal and ground access projects which comprise the development program will be defined**. The landside contractor will provide information relative to the terminal and ground access projects. The cost, time frame, and duration of construction will be defined for **each project of ODP-II.**²⁰²

p. 10.

26. August 4, 1993. Mark Conway to Jack Black — airfield capacity (runways) is primary goal in Master Plan strategy — alignment of Elgin-O'Hare should be a part of Master Plan process.

On August 4, 1993, Mark Conway wrote to Jack Black describing his thoughts on the airline strategy for the Master Plan and airfield expansion.²⁰³ Conway also noted that the alignment of the Elgin-O'Hare expressway is a factor in all these decisions and should be made part of the Master Plan process.

Thoughts on an Airfield Expansion Strategy

This memo attempts to initiate thoughts on the development of an "airline strategy" for the **Master Plan**.

²⁰² Id. (emphasis added).

²⁰³ Exhibit CBIN 29.

The City and Airlines believe that maximizing the capacity of O'Hare is "important," however the degree of importance is likely different;

There are political issues to be dealt with to **achieve maximum airfield capacity;**

The number of new runways will most likely be a "politically negotiated deal" which has already been cut, or already in the works, between the City and the suburbs.

The **alignment of the Elgin-O'Hare highway will be a factor in the decisions, but as yet is not a part of the Master Planning.**

Given all of this, I believe that the Airlines must develop a strategy for their response to the **Master Plan** to anticipate the direction it will likely take, and be prepared to direct the outcome, rather than react to it.

"Broadly stated the ability to **maximize the number of airplanes** in a most effective and efficient manner is the **primary goal.**

The **runways** are the **key to constrain[ing] or improving the airport and should serve as the focus of any strategy.** The following projects implemented at some point in time are desirable:

New 14/32 — **capacity.**

New 9/27 — **capacity.**²⁰⁴

Again, here is the airlines' consultant, formerly with Landrum & Brown, emphasizing that maximizing the number of planes that can be moved through the airport is the primary goal of the airlines in the Master Plan, and that the new runways will add capacity. Yet again, the need for additional capacity — to move more planes — and the fact that new runways are needed to provide that capacity, is being publicly denied by Chicago.

27. On August 5, 1993, Landrum & Brown sends Chicago its Proposed Workshop on a 2020 Long-Range Plan for O'Hare.

On August 5, 1993, Doug Goldberg wrote Assistant Commissioner Freidheim discussing the need for an O'Hare Long Range Conceptual Planning Study. He discussed not only his July 1, 1993 meeting with Assistant Commissioner Freidheim, Chief-of-Staff John Harris and

Mosena special assistant Petey Getzels, but also his subsequent meeting on the same subject with Commissioner Mosena.

a. The statements in the letter concerning the 2020 long-term plan.

In our meeting on July 1 with you, John Harris and Petey Getzels, we discussed the need for preparing a long-range O'Hare planning concept to guide decisions about airfield, terminal, roadway and collateral development for the next five to ten years.

As promised in our July 20 letter to you, we have prepared the attached workscope for *developing alternative 2020 O'Hare development concepts and examining the associated economic, environmental, and operational impacts.*

As we discussed, the level of airport development needed beyond the 2005 Update planning horizon and O'Hare's contribution to the region's economy will be influenced by the future role of the airport. If O'Hare is relegated to the role of serving only O&D passengers, it would require very different infrastructure development beyond the year 2005 than if it were developed to retain its historical role of a global transportation center.

With long-range consequences of near term development decisions in hand, we believe you can provide the Mayor's office with information that *will prevent ODP-II and the implementation of the Delay Task Force recommendations from coming to a screeching halt.*

ùù*

The attached scope of services describes our understanding of the need for preparing a long-range vision for O'Hare and includes a description of tasks necessary to complete this assignment.

We are available to meet with you and your staff at your convenience to *review this project and the answers it can provide relative to moving forward with ODP-II.*²⁰⁵

b. The Attached "Understanding of the Requirement For A Long-Range Conceptual Planning Study" and Scope of Work.

Attached to the August 5 letter was Landrum & Brown's "Understanding of the Requirement For A Long-Range Conceptual Planning Study" for O'Hare and a "Scope of Services."

²⁰⁴ Exhibit CBIN 29 (emphasis added).

²⁰⁵ Exhibit C 102 (emphasis added).

Despite the continuing miracles of aviation technology, the **day is almost at hand** when the City's Airports (O'Hare, Midway and Meigs) **will not have sufficient airside capacity** to support (at acceptable levels of delay) further growth of the region's demand for transportation services.

p. 2.

Thus the issue for Chicago **now** is **additional airside capacity** and where and how to provide it.

...Chicago Is Left With Just Two Options.

Build another new airport way out in the countryside and hope for the best.

Add airfield capacity at O'Hare....

p. 3.

The year 2005 is the planning horizon for the O'Hare ALP Update. Aviation activity forecasts and design day flight schedules were prepared to serve as the basis for defining airside, terminal and ground access facility needs through the year 2005.

However, this 12 year planning horizon does not allow sufficient insight to project options necessary for meeting long range aviation needs of the City.

Therefore the **O'Hare 2020 Conceptual Planning Study** will begin where the ALP Update ended **and examine the airport facility concepts necessary to serve the City through the year 2020.**²⁰⁶

p. 5.

Consider what is being said here:

1. The day is almost at hand when Chicago will not have sufficient airside capacity.
2. The issue for Chicago now is additional airside capacity.
3. Chicago is left with just two options: 1) building another airport, or 2) adding airfield capacity at O'Hare.²⁰⁷
4. The 12 year planning horizon of the shortened ALP Update is not long enough to define the long range needs of Chicago.²⁰⁸

²⁰⁶ Exhibit 102 (emphasis added).

²⁰⁷ Consider these admissions when Chicago tells the Court that new runways will not be needed until 2012 and beyond.

²⁰⁸ Chicago wants the Court to put blinders on and not look past the 2012 of Phase 3 of the Integrated Airport Plan — the date Chicago says new runways are needed.

5. Chicago should have a long term plan to determine the needs of the region until the year 2020.

28. August 9, 1993. DOA sends marked up edits of forecast paper to Landrum & Brown.

On August 9, 1993, the Department of Aviation sent Landrum & Brown a marked up version of the Landrum & Brown March 15, 1993 forecast with explicit instructions to delete all reference to forecasts beyond the year 2005. At page II-5 of the handwritten edits is another example where euphemisms are used to disguise politically damaging or sensitive words. Consider the following change:

Original:

Several capital improvement projects (27L and 9R Hold Pads, 4R Angled Exit, and design of Scenic Taxiway Hold Pad) recommended by the Chicago Delay Task Force [Capacity Enhancement Plan] are currently planned and **will increase O'Hare Airport's operational capacity....**

Chicago edit:

Several capital improvement projects (27L and 9R Hold Pads, 4R Angled Exit, and design of Scenic Taxiway Hold Pad) recommended by the Chicago Delay Task Force [Capacity Enhancement Plan] are currently planned and will **increase enhance** O'Hare Airport's operational **capacity efficiency and safety....**

29. August 16, 1993. Landrum & Brown submits Revised Forecast Demand and related Master Plan Update (a/k/a ALP Update) reports to Chicago.

As requested by Chicago, Landrum & Brown submitted a report which limited the 2005 forecast to a "constrained" forecast, but did not disclose that the forecast value was "constrained" or otherwise limited by a lack of capacity in O'Hare's existing runways or by lack of capacity with the new runways.²⁰⁹

30. September 2, 1993. Trezise to Freidheim complains that the forecast report reads like the forecast is constrained — and that it supports the suburbs position for new airport.

On September 2, 1993, Trezise wrote:

²⁰⁹ Compare the 40,090,000 enplaned passengers forecast in 2005 in the August 16, 1993, Revised Forecast Exhibit MP 24, p. 4-20, with Exhibit C 93 which says that in an unconstrained environment, 44,990,000 passengers would go through the airport.

Throughout the document [8-16-93 forecast] reference is made to the relationship between forecast activity (connecting passenger and operations) and airport capacity **suggesting that the forecast is constrained. This would appear to support the suburbs' and State's position that a new airport is needed as opposed to O'Hare expansion even in the near term.**

The forecasts of activity (enplanements, operations, and fleet mix) appear to **have been predetermined to coincide with the projected capacity of the airport.**²¹⁰

Treize was right. The forecast figures were constrained and O'Hare could not handle the traffic — even with the two new runways proposed by the Delay Task Force. That was exactly the problem that Getzels said in his March 17, 1993 memo, put Chicago “in a box.”²¹¹ O'Hare could not handle the forecast traffic to 2005 without going to quad runways (the full buildout). And he was right in his statement:

This would appear to support the suburbs' and State's position that a new airport is needed as opposed to O'Hare expansion even in the near term.²¹²

What Treize apparently did not know is that Landrum & Brown had been directed by Chicago to only use the constrained figures in an attempt to hide the shortfall between O'Hare and the true demand forecast for 2005.

31. September 19, 1993. Chief-of-Staff John Harris instructed Master Plan team to not use constrained or unconstrained terms — make no mention of capacity increase.

On September 19, 1993, the Department of Aviation (with Commissioner Mosena in attendance) conducted a meeting concerning the status of the Master Plan Update:

John Harris asked that the Team not use the term “constrained” or “unconstrained” in the reports. Doug said that constrained, in the report, referred to the fact that **only one or two runways were being considered.**²¹³ Mr. Harris also said that the future EIS effort

²¹⁰ Exhibit C 105 (emphasis added).

²¹¹ Exhibit C 90 (emphasis added).

²¹² Exhibit C 105.

²¹³ As shown in Exhibit C 93, the two runways proposed by the Delay Task Force (which runways only provided “triple” configurations). As discussed on January 13, 1993, to handle all the proposed increase, O'Hare would need

will be effected [sic] by wording such as “Delay Reduction” or “Capacity Increase”.

Chris Young suggested the stated purpose in airfield improvements be Delay Reduction. **Make no mention of capacity increase.**

Doug Goldberg said that ODPI added gates. The current effort is to **improve the airfield** to balance the airside and the terminal.²¹⁴

32. September 27, 1993. Tess Snipes (UA) Master Plan underway by Chicago.

On September 27, 1993, Tess Snipes wrote a memo to her superior stating:

The City of Chicago **is formulating its Master Plan** that would include the construction of one or two new runways as well as runway relocations.²¹⁵

33. September 29, 1993. Chicago directs Landrum & Brown to proceed with two new runway alternatives.

On September 29, 1993, Chicago directed Landrum & Brown to proceed with Option B3-2 as the selected alternative and to prepare a “Plans Package” which:

...reflects the runway layout and associated airside and landside facilities depicted on Option B3-2 (Two intersecting 7,500 foot runways).

The Plans Package will also reflect the acquisition of the Garden Horseshoe Neighborhood and the residential area bounded by York Road to the west, the Milwaukee Railroad to the south and the City tree farm to the east [all in Bensenville].²¹⁶

This alternative — a new southerly 9-27 and a new 14/32 with relocated runways in the north end of the airfield — is exactly the runway package rejected in the 1975-1995 Master Plan as being environmentally unacceptable and exactly the same configuration shown in the 1987 strategy memo. Despite the fact that the alternative called for acquisition of a large number of homes and businesses in Bensenville, Bensenville was never notified that a Master Plan Update (a/k/a ALP Update) process was underway or given an opportunity to participate.

quad runways — and according to the capacity deficiency shown in Exhibit C 93 — would need quad runways by 2005.

²¹⁴ Exhibit C 106 (emphasis added).

²¹⁵ Exhibit CBIN 31 (emphasis added).

34. October 4, 1993. Illinois DOT Secretary Kirk Brown complains that Master Plan process is bypassing impacted communities and violates state and federal law.

On October 4, 1993, Illinois Secretary of State Kirk Brown wrote the FAA concerning the conduct by Chicago of its secret Master Planning process:

This action [the Master Plan] deliberately by passed any involvement by the State of Illinois and suburban communities impacted by O'Hare noise.

We believe this action to be inconsistent with provisions of state and federal law requiring Illinois' approval of the use of federal funds.

We also have no knowledge of the technical work being performed by the City of Chicago or the aviation facilities being considered in this new master plan.

By this letter the State of Illinois, acting through the Illinois Department of Transportation, requests that no further work be done on a new O'Hare master plan until the City of Chicago develops a process similar to that proposed for the South Suburban Airport Master Plan.²¹⁷

Despite these complaints, IDOT did nothing to stop the Master Plan from going forward in secret and nothing to enforce Chicago's promise for public participation in the Master Plan — especially participation by impacted communities.

35. October 5, 1993. Edward Blankenship, chief terminal planner for the Master Plan Update (a/k/a ALP Update), submits article on planning effort at O'Hare to Chicago.

On October 5, 1993, the chief terminal planner for the Master Plan Update Team wrote Assistant Commissioner Freidheim:

The attached draft article is provided for your confidential consideration as a means of summarizing the planning which has been underway at O'Hare during the past several months.²¹⁸

The enclosed article by Mr. Blankenship provides useful information on the Master Plan process then underway at O'Hare:

²¹⁶ Exhibit C 108.

²¹⁷ Exhibit C 111.

²¹⁸ Exhibit C 114.

All this [various events] has translated into uneven demands being placed upon airside, terminal, and landside facilities and the balanced effective utilization of valuable resources has been more difficult to achieve.

A comprehensive planning effort [Master Plan Update] was recently undertaken to provide for O'Hare's future and to attempt to bring the capacities of the key Airport components into balance with one another.

Of the three main components [Airside, Landside, Terminal] at the Airport, **only the passenger terminals have any spare capacity** today and this surplus is found primarily at one location at Terminal 2.

At the present time, the **airfield and landside capacities** at O'Hare are severely tested during peak operating hours while the terminal component has limited spare capacity.

The airside consultants for O'Hare, Landrum & Brown, Inc. have proposed that **additional airfield capacity** in the form of one or possibly two runways be added.

All recommended airside improvements are critical to the future of O'Hare and fundamental to the development of the terminal and landside components of the airport as well.

Airside capacity enhancement is fundamental to the future of O'Hare.

The plan for O'Hare's future has been subject to intensive **airline user review**.

While all of the recommended improvements in the **comprehensive plan for O'Hare** have been given careful consideration, they will not happen overnight. The Department of Aviation, which manages the airport for the City of Chicago is now working on a **phased implementation plan** for individual projects to be carried out over the next ten years.

The key to implementing the comprehensive plan will be to **balance the capacities of all three main elements: airside, terminal, and landside** in each **phase** and to match demand with

capacity as Chicago's O'Hare International Airport moves into the 21st century.²¹⁹

Again consider what Mr. Blankenship is saying about O'Hare:

1. The three components of the airport: airside, terminals and landside, must be brought into balance.
2. Of the three components only the terminals have excess capacity. The airside capacity is the most stressed.
3. **Airside capacity enhancement** is fundamental to the future of O'Hare.
4. The recommended airside improvements are "fundamental to the development of the terminal and landside components of the airport as well."
5. All the individual recommended projects have been coordinated into a comprehensive plan for O'Hare. The actual construction of the individual projects in the overall plan will be implemented through a "phased implementation plan."

As discussed elsewhere, the overwhelming evidence is that the existing terminal facilities are not the component of O'Hare that is at capacity — the capacity shortfall is in the runways and then the roadways. The World Gateway Plan — which has as its primary focus adding more terminals and gates without adding more runway capacity — is simply adding terminal capacity which cannot be used without adding the new runways.

36. November 1993. Landrum & Brown submits 1994 Work Program to develop long-range plan for the region.

In November 1993, Landrum & Brown submitted its 1994 Work Program which included an element that followed up on the July 20, 1993, and August 5, 1993, letters discussing the need for a long term year 2020 development plan for O'Hare:

Develop airside, terminal, and landside facility requirements based on the **long range regional aviation demand forecasts** and develop a **long-range contingency plans [sic] to serve as the solution to the Chicago region's transportation needs.**²²⁰

²¹⁹ Id. (emphasis added).

²²⁰ Exhibits WP 1, p. 4 & WP 2, p. 8 (emphasis added).

37. December 13, 1993. Landrum & Brown submitted project booklets for the individual projects of ODP-II.

On December 13, 1993, Landrum & Brown submitted a series of project booklets for several of the individual projects that were included in ODP-II.

The O'Hare Development Program (**ODP-II**) involves the construction of various **landside and airside** projects that will accommodate the projected demand through the year 2005.²²¹

38. December 29, 1993. Landrum & Brown delivers final revised forecast for Master Plan Update (a/k/a ALP Update).

On December 29, 1993, Landrum & Brown delivered its revised forecast to the year 2005.²²²

On December 29, 1993, we delivered a revised forecast document based on DOA comments. The forecast reflects the 2005 level of activity previously agreed upon by DOA and the airlines, and unconstrained activity levels for the interim years 1995 and 2005 [sic].

DOA's direction to modify the forecast represented a change from the original DOA direction to rely on the 1995 and 2000 forecast used in the T5 bond financing.

Further, we continue to **believe preparation of unconstrained forecasts through the year 2020** will ultimately be required to secure FAA approval **and to develop an airport development plan which meets the City's economic objectives.**²²³

K. The Chronological Development of the Master Plan Update (a/k/a ALP Update) 1994.

1. January 10, 1994. Conway to Black re: continuing participation in Master Plan process.

On January 10, 1994, Conway wrote Jack Black with a proposal for continuing consulting and participation in the Master Plan process:

²²¹ Exhibit C 120 (emphasis added). See also Exhibit C 121 transmitting **O'Hare Development Program II** Project Booklets.

²²² Exhibit MP 26.

²²³ Exhibit C 86A (emphasis added). Landrum & Brown status report for December 1993, dated January 28, 1993. The status report says that the work completed in December 1993, completed Landrum & Brown's obligations under its original scope of work for a cost of \$3,195, 276.

I would like to thank you and other members of the Airline Planning Group (APG) for this opportunity to continue assisting your efforts to provide input to the City of Chicago's Airport Layout Plan Update for O'Hare International Airport.

This work scope is intended to provide the APG [Airline Planning Group] with assistance and support in providing coordinated responses (input and comments) to the City of Chicago on O'Hare **Master Planning** issues.²²⁴

2. February 9 and 18, 1994. Landrum & Brown presented its scope of work for capacity analysis of various new runway alternatives.

As a continuation of the Master Plan effort, on February 9 and 18, 1994, Landrum & Brown submitted its scope of work for doing capacity simulation analysis for various runway alternatives.²²⁵ The capacity of various runway and airfield configurations is typically analyzed through use of simulation models. After demand forecasts, capacity calculations are one of the most important elements in Master Planning.

Landrum & Brown had wanted to use its proprietary capacity simulation program known as AIRSIM.²²⁶ But the airlines wanted to use the FAA capacity model known as SIMMOD.²²⁷

The revised February 18, 1994, Landrum & Brown work program for SIMMOD contained the following "cases" which would be tested against the various alternative runway configurations.²²⁸ These "case" levels of demand become very important because they can be matched against demand levels coming from the demand forecast.²²⁹

²²⁴ Exhibit CBIN 34 (emphasis added).

²²⁵ Exhibits C 130 and C 131.

²²⁶ See Exhibits C 130 and C 131.

²²⁷ Exhibit C 130.

²²⁸ In late 1993, at the request of the airlines, Chicago added several additional new runway configurations for capacity analysis:

B3-2 = Combined 9/27 and 14/32

H-1 = South 9-27 located 800' east

H-2 = South 9-27 located 2150 east

C = North Runway 9/27 with various spacings

D = North Runway 9/27 with various spacings with 4L/22R closed

Activity Level	Design Day Operations	Annual Operations
1993 Baseline	2,490	860,000
2005 Case I	2,724	940,000
Case 3 (deleted)	2,838	980,000
Case 3 (revised)	3,300	1,150,000

These are the demand levels that are used in the simulation analysis to determine if a given runway alternative has the capacity to handle forecast traffic.

3. April 21, 1994. Parsons contract extension calls for public relations program to gain support for runway expansion at O’Hare.

On April 21, 1994, Chicago entered into a contract amendment with Ralph M. Parsons Company. Parsons was the parent company for Barton-Aschman, the Landside consultant, and also had subcontracted with other contractors for elements of the Master Plan Update. The contract amendment, signed by Mayor Daley, had the following contract task:

The objective of the O’Hare Airport Communications Program is to **gain widespread support for runway expansion at O’Hare.** The **runway expansion will result from the ORD ALP Update selected alternative.**²³⁰

4. May 3 and May 11, 1994. Jeff Thomas proposal to Commissioner Mosenia for unconstrained 2020 forecast.

On May 3, 1994, Jeff Thomas wrote to Commissioner Mosenia and suggested again that Chicago conduct a study to determine the long-term (2020) unconstrained demand for air service in the Chicago region:

To date the ALP Update planning has focused entirely on the 2005 time horizon, making use of demand projections derived from the 1991 Lake Calumet Feasibility Study and subsequent International Terminal bond feasibility studies. These prior **studies assumed certain capacity constraints** at O’Hare...Therefore, the existing forecasts **do not fully address** the effects of long-term aviation

E = North Runway 9/27 with various spacings with 14/32 closed

²²⁹ Exhibits C 130 and C 131.

²³⁰ Exhibit C 133 (emphasis added).

trends on **unconstrained demand** for air service in the Chicago Region...²³¹

On May 11, 1994, Thomas sent another letter and a revised scope of services for the unconstrained 2020 forecast to Chief-of-Staff John Harris:

To assist the City of Chicago Department of Aviation in maximizing the economic contribution of O'Hare and Midway to the Chicago Region, Landrum & Brown will prepare an "unconstrained" long-range forecast of aviation demand for the Chicago Region and for Chicago-O'Hare International Airport and for Chicago Midway Airport.²³²

5. June 1994. Chicago public relations consultant on Master Plan submits public relations plan to build support for O'Hare modernization and to "diffuse support for Peotone."

In June of 1994, Chicago's public relations consultant — operating under the contract term to win support for new runways at O'Hare — submitted its "Aviation Plan" for O'Hare. Among the goals of the program were to "build support for O'Hare's modernization (increased capacity)" and to "diffuse support for Peotone."²³³

6. June 1994. Baseline SIMMOD Capacity study shows existing O'Hare runways will not accommodate 940,000 operations.

In June of 1994, Landrum & Brown submitted its first "baseline" capacity analysis of its SIMMOD capacity study:

The level of activity associated with the Case I and Case II level of demand will likely exceed the capacity of the existing airfield system.²³⁴

The SIMMOD analysis was confirming what Chicago and Landrum & Brown already knew. O'Hare was out of capacity and could not handle even short-term future growth.

²³¹ Exhibit C 134 (emphasis added). Mr. Thomas made another telling observation in the May 3, 1994 letter. "Today's economic environment mandates airlines to search for ways to maximize ROI, *whether or not the result is good for the host city.*" (emphasis added) This statement is pertinent to the attempts by United described, *infra*, to keep competition out of the region.

²³² Exhibit C 135.

²³³ Exhibit C 137.

²³⁴ Exhibit S 4.

7. July 1994. SIMMOD shows that 14/32 runway conflicts with Midway.

In July of 1994, a handwritten note indicates that SIMMOD shows that a new runway in the northwest-southeast direction (14/32) would have conflicts with Midway.

14/32 [runway] has conflicts with Midway Airport.²³⁵

8. August 1994. Senator Philip and Minority Leader Daniels complain about illegal hold pad construction and segmented, piecemeal expansion.

In August of 1994, Chicago announced its plan to build a so-called “Scenic Hold Pad” at an announced cost of \$65 million. Senate President Pate Philip and House Minority Leader Lee Daniels wrote the Northeastern Illinois Planning Commission and said:

The segmented piecemeal construction approach being pursued by Chicago to construct individual capacity expanding elements of what is an overall capacity increase design is structured so as to prevent public debate and discussion of alternatives to capacity expansion at O’Hare — particularly construction and operation of the Third Airport.²³⁶

9. September 1994. Chicago and Landrum & Brown hold project status meeting on unconstrained 2020 forecast (Chicago Air Service/Forecast Analysis).

In September 1994, Chicago and Landrum & Brown had a project status meeting on the long-term 2020 forecast project (called Chicago Air Service/Forecast Analysis):

The purpose of this forecast analysis is to prepare an “unconstrained” long range (2020 horizon) aviation demand forecast for the Chicago O’Hare and Midway Airports.²³⁷

This is the long-term 2020 unconstrained forecast that Landrum & Brown had been telling Chicago it needed — ever since Chicago shortened the Master Plan/ALP Update to 2005 — to determine the long-range aviation facility needs of the Chicago region. See letters of May 3 and May 11, 1994.²³⁸

²³⁵ Exhibit C 139.

²³⁶ Exhibit C 142.

²³⁷ Exhibit C 143.

²³⁸ Exhibits C 134 & C 135.

10. December 1994. Landrum & Brown issues SIMMOD report showing O’Hare out of capacity in 1994.

In December 1994, Landrum & Brown issued a SIMMOD report entitled “Chicago O’Hare International Airport Existing Airfield/Future Airspace” that showed that O’Hare was already out of capacity in 1994.²³⁹

L. The Joint Chicago-Airline Effort to A New Airport – to “Kill Peotone”.

1. November 1994. Memo by Ed Merlis ATA (Air Transport Association) concerning Republican election victory in Springfield: likelihood of 1) new airport, 2) regional airport authority — circulates letter by airlines CEOs opposing use of Peotone.

Shortly after the November 1994 election, Mr. Ed Merlis, a vice president of the major airlines trade association (the Air Transport Association) (ATA) wrote the ATA Senior Advisory Committee a memo about the November election and its likely impact on the prospects for a new airport in metropolitan Chicago:

Local political factors in Illinois are bringing closer to reality the prospect of a third Chicago area airport, located in Peotone....

Several member carriers have asked ATA to send a letter expressing industry opposition to Peotone.

Against a backdrop of strong anti-noise activism in the O’Hare area to industry advocacy of **additional runway capacity** at ORD, the Chicago civic community has long supported the concept of building a third airport.

Republican Governor Edgar’s re-election and the GOP’s winning of both legislative chambers in Springfield has given the Peotone site new life. Both the new House Speaker and the Senate President represent the same ORD-adjacent district that is **virulently opposed to any new runways because of aircraft noise concerns.**

Given these factors, we expect the state of Illinois to proceed legislatively on several fronts:

- 1) to create a statewide airport authority taking some control over ORD and MDW;

²³⁹ Exhibit S 18.

- 2) to prevent new runways at ORD and
- 3) to boost a new airport at Peotone

Governor Edgar has stated that Peotone development will not proceed without the support of the airlines.

...[T]he industry's public opposition to the Peotone site must be clearly enunciated to deter further financial commitment [to Peotone] and to preserve the **future expansion** of O'Hare and Midway.²⁴⁰

The memorandum urges each airline CEO to sign an enclosed letter stating that the signatory airlines were against construction of the new airport.

2. December 21, 1994. Tess Snipes (UA) Peotone Action Plan.

On December 21, 1994, Tess Snipes, an executive with United Airlines, wrote a memo entitled "Peotone Action Plan" to United Executive Larry Clark stating:

Solidify **UA position on new ORD runway** and future ORD development

- A. Set up UA strategy Meeting with representatives from Airport Affairs, Customer Service, Finance, Government Affairs, Flight Operations, Legal, Planning and Scheduling (Peotone Strategy Committee)... develop recommendations for senior management on UA position.

Brief UA Senior Management on recommendations of **Peotone Strategy Group**.²⁴¹

3. January 3 1995. Department of Aviation Assistant Commissioner Robert Repel writes Ed Merlis of ATA; suggests edits to proposed airline CEO letter; encloses anti-Peotone paper "The Case Against the Peotone Airport" written by Landrum & Brown.

On January 3, 1995, Bob Repel of the Department of Aviation sent ATA his suggested edits to the proposed CEO letter opposing Peotone, and he enclosed a paper prepared by Chicago and Landrum & Brown called "The Case Against the Peotone Airport."²⁴²

²⁴⁰ Exhibit C 146 (emphasis added).

²⁴¹ Exhibit CBIN 37.

²⁴² The Case Against The Peotone Airport is located at Exhibit C 148.

4. January 5, 1995. United Executives at Peotone Strategy Meeting “Kill Peotone”.

On January 5, 1995, a team of United Executives conducted a “Peotone Strategy Meeting.” The meeting agenda items included an “Update on O’Hare Master Plan” and “Develop Recommendations”.²⁴³ At the meeting the following discussions took place:

A briefing on the **ORD master plan** was presented by Chuck Henschel.

What do we want?

1. **Kill Peotone** (cost/**competition**/split operation)²⁴⁴

5. January 17, 1995. United and ATA obtain signatures of 16 CEOs on letter to Governor Edgar to refuse to use new airport.

On January 17, 1995, the Chief Executive Officers of 16 airline members of the Air Transport Association sent Governor Edgar a letter stating that they would not use the new capacity built at the new airport.²⁴⁵ This letter was written at the instigation of United Airlines,²⁴⁶ and has raised serious questions of antitrust violations. The refusal of major airlines (who do not have a significant competitive presence in the Chicago market) to compete against United and American for the metro Chicago travel market — and to openly announce their refusal to use new capacity in the Chicago market — raises questions as to illegal concerted agreement not to compete in geographic markets.

6. January 31, 1995. Tess Snipes reports on Peotone Status — Chicago Department of Aviation and airlines developing joint position paper against new airport; circulates anti-Peotone paper written by Chicago (Landrum & Brown) “The Case Against Peotone”.

On January 31, 1995, Tess Snipes reported back to Larry Clark about the anti-Peotone effort:

²⁴³ Exhibit CBIN 39.

²⁴⁴ Exhibit CBIN 40 (emphasis added).

²⁴⁵ Exhibit CBIN 41.

²⁴⁶ “We also spearheaded the effort at the ATA to have the entire airline industry express its views to the Governor.” Letter from Gerald Greenwald to Mayor Richard M. Daley, February 4, 1998 (Exhibit C 204).

Peotone Status

- UA conducts brainstorming/strategy session with Airport Affairs, Government Affairs, Flight Operations, Customer Service, Safety/Environmental, Marketing/Sales and Legal.
- 16 Airline CEOs sign a letter issued by the Air Transport Association (ATA) opposing the Peotone Airport.
- Local Chicago newspaper editorials support the airline opposition to Peotone.
- Governor Edgar voices plans to continue Peotone studies in spite of airline opposition.
- ***ATA and the Department of Aviation develop a position paper opposing Peotone.***
- FAA is working on a response regarding future safety at ORD to eliminate arguments favoring Peotone.
- Meeting with Governor Edgar and Gerald Greenwald scheduled for February 7.
- Government Affairs is coordinating lobbying efforts to oppose Peotone.

Attachments:

- Peotone Fact Sheet
- ***Case Against Peotone Position Paper developed by the City of Chicago***²⁴⁷

7. March 1995 and January 1996. Chicago and airline officials deliberately mislead legislative officials — tell them there is plenty of capacity at O’Hare.

In March 1995, Commissioner Mosena testified before the Illinois Legislature and said that the Chicago region did not need any more capacity because connecting passengers could simply use other cities’ airports.

The question arises when you look at connecting traffic. And the airlines have made it clear that they don’t need a new airport for connecting traffic. There are many existing airports elsewhere, where the airlines already have major investments, that they can route their connecting passengers through.²⁴⁸

²⁴⁷ Exhibit CBIN 42 (emphasis added).

²⁴⁸ Testimony of Chicago Aviation Commissioner David Mosena before the Illinois House Executive Committee, March 2, 1995

In January 1996, representatives of the airlines made similar arguments that there was plenty of capacity at O’Hare for origin-destination traffic and that connecting traffic could simply go to other cities.

Over the past several years, much discussion and debate has taken place concerning where a new airport for metropolitan Chicago should be built, *not whether it is actually needed*. The assumption upon which the third airport debate has been centered *is the myth that O’Hare Airport is at or near capacity...The myth that Chicago airports are nearing capacity has been proffered by uninformed groups and individuals who lack a basic understanding of the aviation industry’s economics and operational methods*....The airlines have the ability to route connecting passengers through other hubs thus accommodating local passengers or increases in local demand.²⁴⁹

At the same time Commissioner Mosena and these airlines officials were stating publicly and to the Illinois legislature that no new capacity was needed in the region and that the argument that O’Hare was at or near capacity was a “myth,” Chicago and United’s respective consultants were advising that O’Hare needed new runways because O’Hare needed new capacity.

8. March 22, 1995. United official calls for “shell organization that can front the campaign” against the new airport.

On March 22, 1995, a United executive — either Stuart Oran or Larry Clark — wrote a memo recommending a public relations campaign against Peotone:

Need to... create a *shell organization* that can *front the campaign [against Peotone]*.²⁵⁰

9. April 13, 1995. John Kiker of United’s memo to United Policy and Operating Committee — “Kill legislation that could be precursor to Peotone Airport”; “Kill all discussions of third airport at Peotone.”

On April 13, 1995, John Kiker of United sent United’s Policy and Operating Committee and enclosed a Peotone discussion document:

²⁴⁹ Exhibit C 165a. January 22, 1996 letter signed by Herb Gardner, governmental affairs official with United and Bill Hood, governmental affairs official with United. And sent to legislators and other public officials.

²⁵⁰ Exhibit CBIN 44 (emphasis added).

Objectives

Short Term: ***Kill legislation that could be precursor to Peotone Airport***

Long Term: ***Kill all discussions of third airport at Peotone***²⁵¹

10. April 14, 1995. Chicago Mayor Daley announces formation of new airport authority with Gary Indiana.

On April 14, 1995, Mayor Daley announced the formation of an airport authority compact with Gary.²⁵² Under the terms of the interstate compact between Chicago and Gary, the Chicago Gary Regional Airport Authority now claims legal authority to oversee commercial airport development in several counties in northern Illinois.

11. Airlines publish and mail anti-Peotone brochures throughout metropolitan area and State.

During the course of Chicago and the airlines' efforts to "Kill Peotone," the airlines sent tens of thousands of color brochures critical of the new airport throughout the metropolitan area.²⁵³

12. 1995-1996 Chicago and Airlines form large coordinated public relations/lobbying team to defeat new airport.

Most of the public have no idea of the size and scope of the team of professionals put together by the airlines and Chicago to kill the new airport. Throughout 1995 and 1996, Chicago and the airlines have mobilized a large political team to push for O'Hare expansion and kill the new airport.

On September 29, 1995, Chicago's public relations consultant, Ogilvy Adams & Rinehart, wrote to the Chicago-Airline team to "package our 'road show'." ²⁵⁴ The purpose of the meeting was "to have all the right people in the room to ensure we're singing from the same

²⁵¹ Exhibit CBIN 47 (emphasis added).

²⁵² Exhibit CBIN 48.

²⁵³ Exhibit C 265.

song sheet.” The team included Herb Gardner (United Airlines), Bill Hood (American Airlines), Barrett Murphy (City of Chicago), Hugh Murphy (City of Chicago), Mark Pufundt, Bob Repel (City of Chicago), Laurie Stone (Greater O’Hare Association), with cc’s: to Bill Filan, Lisa Howard, Jerry Roper (Chicagoland Chamber of Commerce), and Carolyn Grisko.

As of October 16, 1995, the Chicago-Airlines Legislative lobbying team consisted of: David Axelrod, Ed Bedore (Mayor’s office), Paula Belnap (Jasculca/Terman), Rob Biesenback (Ogilvy), Lynn Corbett Fitzgerald (Ogilvy), Lisa Eilers (DOA), Mary Frances Fagan (American), Bill Filan (Legislative Team Rep), Herb Gardner (United), Susan Goodman (Southwest), Carolyn Grisko (Mayor’s Office), Bill Hood (American), Lisa Howard (DOA), Shelley Longmuir (United), Bill Luking (Legislative Team Rep), Mike McClain (Legislative Team Rep), David Mosena (DOA), Barrett Murphy (DOA), Bob Repel (DOA), Ron Ricks (Southwest), Gerald Roper (Chicagoland Chamber of Commerce), Warren Silver (DOA), Diane Soney Bergan (United), Laurie Stone (Greater O’Hare), Bill Strong (Jasculca/Terman), Jim Terman (Jasculca/Terman), Marilou Von Ferstel (Ogilvy) and Steve Wermcrantz.²⁵⁵

M. O’Hare Master Planning Continued — 1995 Chronology

1. January 19, 1995. Landrum & Brown delivers new long term 2020 forecast for O’Hare to Chicago. Forecast demand for O’Hare 1,411,000 flights and 69 million boarding passengers. Study hidden from public to this day.

On January 19,1995, Landrum & Brown submitted its report to Chicago on the long range 2020 unconstrained demand forecast for the region and for O’Hare. In contrast to the forecast of the ALP Update, Landrum & Brown said that demand at ORD would grow to 69 million boarding passengers and 1,411,000 operations in the year 2020.²⁵⁶

This is the “unconstrained” long-term 2020 forecast that Landrum & Brown had emphasized in May 1994, as needed to do long-term airport facility planning for the region. It

²⁵⁴ Exhibit C 163.

²⁵⁵ Exhibit C 164.

illustrates what Plaintiffs have been saying and what Chicago has long known — there must be a new airport or there must be new runways at O’Hare to provide the capacity for traffic growth at O’Hare. As shown above, Chicago has known that these are the only two alternatives and that these are the alternatives that must be disclosed and discussed in any fair and rational permitting decision over Chicago’s expansion plan. Yet Chicago continues to claim that neither alternative is necessary and that it can continue to hide from reality.

2. March 14, 1995. Jeff Thomas writes paper entitled *Maximizing The Economic Contribution Of Chicago's Air Transportation System* — says 2020 forecast shows O’Hare to grow to demand of 69 million passengers and 1,350,000 flights. Suggests even with two new runways, O’Hare would not have capacity to handle growth.

On March 14, 1995, Jeff Thomas wrote a paper entitled *Maximizing The Economic Contribution Of Chicago's Air Transportation System*.²⁵⁷ That draft paper reports the results of the long term 2020 demand study commissioned by Chicago, and compares those long term demand forecasts with the SIMMOD capacity analyses of O’Hare and other capacity studies of Midway:

This paper outlines those issues which suggest that the time for City commitment ***to further long-term development of Chicago's airport system is here.***

Given the ***previously assumed capacity constraints*** and recent industry trends, ***a long-range air service analysis was conducted to address the range of potential unconstrained Chicago Region aviation demand for the year 2020.*** Two scenarios were examined as follows:

- **Upper Bound Forecast** - This scenario is based on the assumption that the cost of air travel over the 25-year time horizon continues to decline in real terms stimulating the growth of O&D passenger demand. Non-stop air service in the Chicago Region and throughout the domestic system will increase as the major carriers lower their cost structures to remain economically viable in the face of competition from "Southwest" type lower cost providers.

²⁵⁶ Exhibit C 151 (pp. OH/WS 005146 and OH/WS 005151).

- **Lower Bound Forecast** - This scenario assumes that the cost of air travel increases modestly over the next 25 years resulting in less O&D passenger demand growth and consequently a greater level of connecting service throughout the domestic system.

- **2020 Domestic Connecting Enplanement Forecast** - The range of potential Chicago Region connecting passenger flow was forecast assuming a two-airport system consisting of a **capacity unconstrained** O'Hare with Midway operating to the full potential of its existing airfield capacity.

- **2020 Total Region Passenger Enplanement Forecast** - The O'Hare enplanement projections combined with Midway Airport's long range forecast of 9.2 million annual passengers yields a total Chicago Region demand potential of 74.4 million to 78.6 million annual passenger enplanements in the year 2020. This represents a potential to grow more than two-fold by the year 2000.

- **2020 Aircraft Operations Forecast** - The forecast range of aircraft operations required to fully accommodate the potential Region passenger demand in 2020 is approximately 1.6 million annually. Over the forecast time horizon, demand of aircraft operations would grow at an average compound rate of 1.5% to 1.6%.

Recently **completed simulation analyses updates performed for O'Hare** along with previous Midway capacity studies provide the basis for estimating the **future enplanement and operations capacity** of the existing Chicago Airport System. Within the constraints imposed by its existing runway system capacity, Midway Airport can accommodate 271,500 commercial aircraft operations and 9.2 million passenger enplanements annually. While **in an unconstrained environment**, O'Hare could attract as many as 69.4 million enplanements by the year 2020, more than **twice the 32.1 million enplanements** served at O'Hare in 1993, this potential cannot be realized **without new runway development**.

- **Capital Development:** In this environment **without the additional capability provided by a new runway, it is unlikely the airlines will support major capital projects**

such as the relocation of Runway 9L-27R or western access. This will send a clear signal to the major hub airline operators not only at O'Hare but also at Detroit, Atlanta, St. Louis, and other hub airport cities to eventually begin looking elsewhere for long range capital expansion opportunities. The Midway terminal improvement program would be the only major Chicago airport system development project. Further, since this project will not add airside capacity, it will not slow the eventual diversion of connecting activity from Chicago and the State of Illinois.

In The Midst of Uncertain Airline Industry Conditions, The Chicago Region Can Best Maintain Its Competitive Air Service Superiority And Enhance Its Economic Growth Potential By Expanding The Capacity Of Its Primary Airport - O'Hare International.

	Unconstrained Demand				Capacity	
	Enplanements (millions)		Operations		Enplanements (millions)	Operations
	Low	High	Low	High		
O'Hare						
No-Build	65.2	69.4	1,297,000	1,354,000	48.3	946,000
One Runway	65.2	69.4	1,297,000	1,354,000	60.6	1,174,000
Two Runways	65.2	69.4	1,297,000	1,354,000	63.3	1,225,000
Midway						
Existing Airport	9.2	9.2	271,500	271,500	9.2	320,000
Replacement Airport	9.2	9.2	271,500	271,500	16.4	500,000
Total Region-Existing Airports	74.4	78.6	1,568,000	1,625,000	57.4	1,266,000
One O'Hare Runway/ Midway Replacement	74.4	78.6	1,568,000	1,625,000	77.0	1,674,000
Two O'Hare Runways/ Midway Replacement	74.4	78.6	1,568,000	1,625,000	79.7	1,725,000

- a) **System Capacity:** ...By reducing IFR delay and improving all weather reliability, O'Hare could accommodate as many as 1.2 million annual operations and 60 million annual enplanements by the year 2020. This would provides (sic) sufficient capacity to allow the Chicago region to continue to reap the benefit of superior air service at least through the year 2015. Between the year 2000 (which represents the earliest date in which a new runway could be operational) and the year 2015, O'Hare would be operating with excess airside capacity.
- b) **Passenger Demand:** *A new runway would allow O'Hare to efficiently serve both O&D and connecting demand through the year 2015 and possibly beyond.* By the year

2020, the airlines may find it necessary to reroute between five and nine million enplanements annually out of Chicago due to insufficient capacity. However, as in Scenario 1, these unserved connecting passengers would be re-routed through other existing airports rather than through a poorly located and inconveniently located.²⁵⁸

Examine the three alternative scenarios. With even one or two runways O'Hare would not have the capacity to meet the region's needs. Further note that Chicago would consider a new airport.

To preserve the potential long-range need to serve additional unconstrained region demand, the City would consider a Midway replacement facility, if necessary, in an accessible, operationally and financially viable location.

This option provides the basis to remove from ***consideration the construction of Peotone,*** which, if constructed, would drain infrastructure investment funds from Chicago projects.²⁵⁹

- 3. March 27, 1995. Jeff Thomas writes a second paper called “Chicago Aviation At a Critical Juncture” — says demand will exceed O'Hare existing runway capacity in 2003-2004 time frame “without new runway construction”; says the current constraining elements on O'Hare growth are runway and access road capacity.**

On March 27, 1995, Jeff Thomas wrote another paper called “Chicago Aviation At a Critical Juncture” stating:

Pending near-term decisions concerning the future governance structure and future configuration of the Region's commercial airport system will largely determine the long-term role Chicago will play in the rapidly evolving global air transportation system.

Viewed 30 years hence, actions ***taken today*** will likely be seen as a watershed point having one of ***two distinctly different end outcomes:***

- Chicago's civic leaders can select a course which continues to leverage to the fullest extent possible our 50-year position as the pre-eminent mid-continent U.S. air transportation super-hub. By ***aggressively improving O'Hare's airfield system*** and Midway's terminal facilities today, Chicago can

²⁵⁸ Id. (emphasis added).

²⁵⁹ Exhibit C 155.

potentially seize an opportunity for a significantly larger role as the nation's premier mid-continent international gateway, thus enhancing Chicago's competitive economic position well into the next century.

- **Alternately**, the leadership can elect to focus its energy and resources on **development of a new supplemental airport** at Peotone for which there is demonstratively no real need and no opportunity for significant economic multiplication on the investment. In taking this path, our historic strategic asset as one of the most air accessible cities in the world will be needlessly squandered and the Region will increasingly find itself bypassed by regional competitors such as Dallas/Ft. Worth and Denver, who are intent on seizing Chicago's strategic advantage.

As was the case with the difficult decision to build O'Hare, the first super-regional airport, almost 40 years ago, the issues are technically complex and little understood by any but a small handful of aviation experts. As was the case back then, these public policy decisions will have tremendous long-term economic implications on the Chicagoland business community.

While the **\$2 billion ODP**, begun in 1981 and **just now reaching completion**, provided modern, state-of-the-art **terminal** facilities, including the world-class International Terminal, **it did not provide additional runway or access roadway capacity, the two current constraining elements of the O'Hare airport system.**

In the absence of **expansion of O'Hare's runway capacity**, the only way to protect the City's long-term air transportation supremacy in the emerging global air transportation network **is development of a large-scale super-hub replacement airport** in a location reasonably accessible to Chicago's Loop, such as the Lake Calumet site selected previously.

Additional O'Hare airport runway improvements are needed if the City is to continue reaping the high quality air service benefits associated with hosting of the two largest major U.S. airlines (United and American) in today's competitive global economy.

With new technology and a "flattening" of traffic throughout the year, O'Hare can accommodate as many as 946,000 annual operations. An expected 25 - 30 percent increase in aircraft gauge over the next 25 years would allow the O'Hare runway system to serve as many as 48.3 million enplanements by the year 2020.

However, operational demand will exceed existing capacity in the 2003 to 2004 time frame without new runway construction.²⁶⁰

Thomas is emphasizing here that the two current constraining elements of the O'Hare airport system are runways and road access — not terminals. Further, he emphasizes that in the absence of new runways at O'Hare the only alternative is a new airport. So again we see the conflict that Chicago tells this Court does not exist. Chicago's chief consultant for the last 38 years is telling Chicago that the choices are either new runways at O'Hare or a new airport. In disregard of this advice, the stark facts, and its own long-time consultant, Chicago is telling this Court that neither new runways at O'Hare nor a new airport need to be considered and that O'Hare can proceed without new runways and we do not need a new airport.

4. April 7, 1995. Thomas paper *Chicago Aviation At a Critical Juncture* circulated at United Airlines.

On April 7, 1995, Tess Snipes wrote Larry Clark of United and enclosed the paper “Chicago Aviation At A Critical Juncture”:

- While ODP, begun in 1981 and just now reaching completion, provided modern, state-of-the-art terminal facilities, including the world class International Terminal, ***it did not provide additional runway or access road capacity, the two current constraining elements of the O'Hare airport system.***

- Well-entrenched suburban political opposition to timely additions to O'Hare's airfield capacity and the Governor's insistence on a Peotone airport initiative are limiting Chicago's future air service growth opportunities....

...THE REGION CAN BEST MAINTAIN ITS COMPETITIVE AIR SERVICE SUPERIORITY ...BY EXPANDING THE CAPACITY OF ITS PRIMARY AIRPORT — O'HARE INTERNATIONAL.

²⁶⁰ Exhibit C 157 (emphasis added).

Additional primary airport runway improvements are needed if the City is to continue reaping the high quality air service benefits associated with hosting of the two largest major airlines today in today's competitive global economy

- In the absence **of expansion of O'Hare's runway capacity**, the only way to protect the City's long-term air transportation supremacy in the emerging global transportation network is development of a large-scale super-hub replacement airport in a location reasonably accessible to Chicago's Loop such as Lake Calumet.
- **Expansion of O'Hare's runway and access system capacity** will contribute to improvement of Chicago Region air quality, and such improvements as **western access**, long sought by suburban interests, may be essential in meeting increasingly burdensome Federal transportation conformity regulations.

- The attached exhibit [missing] compares the enplanement capacity of O'Hare and Midway airports as defined in recently completed airfield simulation analyses with the forecast future Chicago Region enplanement demand.
- With new technology and a "flattening of traffic throughout the year, O'Hare can accommodate as many as 946,000 annual operations. An expected 25-30 percent increase in aircraft gauge over the next 25 years would allow the O'Hare runway system to serve as many as 48.3 million enplanements by the year 2020. However, **operational demand will exceed existing capacity in the 2003 to 2004 time frame without new runway construction.**²⁶¹

Again, Landrum & Brown's president is saying that additional runways are needed at O'Hare and that the only alternative to those runways is a new airport.

5. October 1995. The current lawsuit to enforce the state permit statute filed by Bensenville, Elmhurst and Wood Dale.

In October of 1995, the communities of Bensenville, Wood Dale, and Elmhurst brought this lawsuit to enforce the state statute requiring a certificate of approval for any alteration of an airport.

²⁶¹ Exhibit CBIN 46 (emphasis added).

6. December 1995. DuPage County and DuPage County States Attorney file suit.

In December 1995, the DuPage County Board and the DuPage County State’s Attorney joined the suit as Plaintiffs.

7. Master Planning placed “on hold” sometime in 1995.

Sometime in 1995, the multi-million-dollar Master Plan Update (a/k/a ALP Update) was put “on hold” by the Department of Aviation.²⁶² No one has explained what being put “on hold” means. But the reasons given suggest that the Master Plan Update (a/k/a ALP Update) was put on hold because Chicago was engaged with telling the Legislature that no new runways were needed even though the Master Plan Update (a/k/a ALP Update) called for new runways.

N. O’Hare Master Planning Continued — 1996 Chronology.

- 1. January 30, 1996. New Version of Thomas paper *A Plan For Maximizing The Economic Contribution Of Chicago's Air Transportation System* circulated; paper calls for either additional runway expansion at O’Hare or Chicago building a new airport; Chicago “must commit an all out effort to develop and implement a long-range improvement program for its airport system.”**

On January 30, 1996, Landrum & Brown published *A Plan for Maximizing the Economic Contributions of Chicago’s Air Transportation System*.

This paper outlines those issues which suggest that the time for City commitment to further long-term development of Chicago’s airport system is here.

While the **ODP**, begun in 1981 and **just now reaching completion**, provided modern, state-of-the-art **terminal** facilities, including the world-class International Terminal, **it did not provide additional runway or access roadway capacity, the two current constraining elements of the O’Hare airport system.**

In The Midst of Uncertain Airline Industry Conditions, The City Can Maintain Its Competitive Air Service Superiority And Enhance Its Economic Growth Potential By Expanding The Capacity Of Its Primary Airport.

²⁶² Exhibit CBIM 4. “Master Plan on hold: politics” handwritten note on strategic meeting agenda for meeting between Mosen and airline executives, September 15, 1995. An undated Freidheim memo suggests another reason: “ALP Update. This effort has remained untouched since the litigation regarding the certificates of approval.” Exhibit C 264.

- **Additional primary airport runway improvements** are needed if the City is to continue reaping the high quality air service benefits associated with hosting of two largest major airlines in today's competitive global economy.

- In the absence of **expansion of O'Hare's runway capacity**, the only way to protect the City's long-term air transportation supremacy in the emerging global air transportation network is development of a large-scale super-hub replacement airport in a location reasonably accessible to Chicago's Loop such as Lake Calumet.

To Prevent The Foreclosure Of Its Future Aviation-Related, Economic Development Options, *The City Should Prepare Its Own Long-range Strategic Plan* For Maintaining Chicago's Competitive Advantage While Conditions For Success Are Favorable

- The City's present posture which focuses on short-term (year 2005) O'Hare delay reduction **rather than on the means to expand long-term capacity at O'Hare** or, failing to achieve that, to **develop a new accessible super-hub elsewhere**, will allow the current deterioration of Chicago's air service advantage to continue,...

- The City must commit an all-out effort to **develop and implement a long-range improvement program** for its airport system.²⁶³

- The current ALP Update planning effort should extend beyond the Department of Aviation's current 2005 planning time horizon and **reflect improvements necessary to serve the City's needs through the year 2020.**²⁶⁴

2. February 20, 1996. John Drummond of Kapsalis & Drummond — a business affiliate of Landrum & Brown — writes of need for a "Global Hub" as "ODP-II".

On February 20, 1996, John Drummond of Kapsalis and Drummond²⁶⁵ wrote:

²⁶³ Exhibit C 166 (emphasis added).

²⁶⁴ Exhibit C 166 (emphasis added).

²⁶⁵ Thomas Kapsalis was the Aviation Commissioner of Chicago under Mayor Jane Byrne and John Drummond was his deputy. Kapsalis & Drummond have an as yet undetermined business relationship with Landrum & Brown

The need to create an ever more efficient consolidated international arrival hub, “The Global Hub”, for O’Hare is now before us. Can this opportunity be translated into a physical reality in the near future?

In order to accomplish this most complex “metamorphosis” over the next ten years (**ODP II**), I believe that first, a thoughtful analysis and thorough understanding of the “issues” and impacts must be considered.

Having had a hand in overseeing the assemblage of various tasks over a broad range of professional disciplines for ODP I, I believe that we must, once again, structure the issues into their primary components for **ODP II**.²⁶⁶

3. June 12, 1996. Mosena leaves as Aviation Commissioner; Interim Commissioner is Hugh Murphy.

On June 12, 1996, David Mosena left as aviation commissioner and was replaced on an interim basis by Hugh Murphy.²⁶⁷

4. August 1, 1996. Jeff Thomas writes Mayor Daley— reemphasizes need for long range plan for O’Hare expansion; encloses scope of work for long term plan called “O’Hare Beyond 2000 Concept Study”; also encloses color brochure “O’Hare Beyond 2000”.

On August 1, 1996, Jeff Thomas, Landrum & Brown’s President wrote Mayor Daley a lengthy memo regarding the need for a new long term plan for Chicago’s airport system:

Preceding each of these milestone financial events **was a “Master Plan” that served to guide the development of the Airport** while preserving the opportunity for future, but yet unknown aviation system needs. The **original plan** called for the construction of the terminal core and the runway system as we know it today. **The 1983 Master Plan provided the basis for building the New International Terminal, United’s Terminal One, the South Cargo Area, relocation of the Inner and Outer Taxiways, the Airport Transit System, and the other projects that comprised the \$2 billion O’Hare Development Program.**

In response to **the need for an updated long-range plan**, in 1990, the City of Chicago launched, a planning effort to define a vision for Chicago's airport system that would serve the metropolitan

and have done work on the Integrated Airport Plan.

²⁶⁶ Exhibit CBIM 5.

²⁶⁷ Chicago Tribune, Thursday, June 13, 1996.

region well into the next century. After successfully achieving consensus for the Lake Calumet Airport Concept, the City prudently declined to participate in implementing the plan when the state legislature failed to deliver a viable operating agreement. In the five years since then, the state has been maneuvering to wrest control of the Chicago Airport System from the City of Chicago in order to constrain development of O'Hare in an attempt to facilitate construction of a new rural airport 35 miles south of the Loop....In the meantime, the City of Chicago initiated the country's most aggressive noise abatement program at O'Hare, focused on development of a new terminal at Midway, and has pursued implementing various short term improvements at O'Hare. While the City was defending the ownership of its airport system, ***the long-term future vision for O'Hare was put on hold.***

The City of Chicago has long recognized the synergistic role of each airport within the Chicago airport system. Each of its airports serve a unique function and collectively serve to make Chicago one of the most air accessible cities in the world. The City of Chicago has embarked on a plan to strengthen the role of Midway as a cost-effective Origin and Destination reliever to O'Hare by building a new terminal complex. In establishing the Chicago-Gary Regional Airport Authority, the City is further examining ways to relieve O'Hare and Midway by maximizing the use of currently available capacity at Gary Regional Airport. ***As a third leg in this strategy, the City should now assemble a plan for implementing the next generation of major improvements necessary to strengthen its largest aviation asset, Chicago O'Hare International Airport.***

In recognition of the need for ***a long-term vision*** which embraces a host of viable short term improvements, Landrum & Brown has prepared a scope of services that will provide the framework and direction for the pursuit of such a vision.

Accordingly, L&B proposes to prepare an "O'Hare Beyond 2000" Concept Study, which will lay the groundwork and set the boundaries associated with the range of airport development opportunities.

The results of this study will enable Chicago's leadership to begin laying the foundation for securing the future of O'Hare and achieving the City's full economic potential beyond year 2000.²⁶⁸

²⁶⁸ Exhibit C 172 (underlined emphasis in original, boldfaced emphasis added).

5. August 16, 1996. Judge Wheaton rules that Elmhurst, Bensenville, Wood Dale and DuPage County — and their concerns over noise, air pollution, and safety regarding O’Hare — are concerns intended by the Legislature to be protected by the Illinois Aeronautics Act.

On August 16, 1996 Judge Wheaton denied Chicago’s motion to dismiss the Complaint filed by Elmhurst, Bensenville, Wood Dale and DuPage County. In denying the motion to dismiss, the Court ruled that these communities had stated an implied cause of action under the Illinois Aeronautics Act and that the concerns of these communities over noise, air pollution, and safety regarding O’Hare were among the concerns intended by the Legislature to be protected by the Illinois Aeronautics Act.²⁶⁹

6. September 1996. Mary Rose Loney returns to Chicago as Aviation Commissioner. Loney had been former Assistant Commissioner in charge of 1988-91 Capacity Enhancement Plan (Delay Task Force).

In September 1996, Chicago hired Mary Rose Loney as its new Aviation Commissioner. Ms. Loney had been the Assistant Chicago Aviation Commissioner in charge of the 1991 Capacity Enhancement Plan (a/k/a Delay Task Force).

7. October 3, 1996. Doug Goldberg of Landrum & Brown writes Commissioner Loney — asks to discuss “long-range vision” for Chicago airport system.

On October 3, 1996, Goldberg wrote to Loney:

Welcome Back!

I am happy to know that you are returning to lead the world's busiest airport as it prepares to embark into the next century. In light of the formidable challenges facing the Chicago Airport System, the Mayor has chosen the right person to lead the City in this important position.

Once you get settled in, I would like to arrange a meeting to brief you on the L&B work program in general and on several specific projects, including the regional airspace restructuring process *and the long-range strategic vision for the Chicago airport system*. Both of these projects contribute to the City's effort to help Chicago retain its title as the Nation's preeminent mid-continental global hub. I am available at your convenience to discuss with you the these [sic] projects and other relevant strategic issues.

²⁶⁹ Exhibit C 2.

Finally, on behalf of Landrum & Brown we would like to host a dinner in your honor in San Diego at the upcoming ACI conference. Please let me know what date best suits your schedule and who you would like us to invite.

Once again, I look forward to working with you in Chicago again and *finishing what we started with the Delay Task Force in 1991!*²⁷⁰

8. October 28, 1996 Goldberg writes of meeting with Department of Aviation to discuss “ORD ALP Update/Global Hub Planning Process”; says Master Plan/ALP Update project will directly support global hub concept.

On October 28, 1996, Goldberg wrote:

ORD ALP Update/Global Hub Planning Process - (DOA participants - Kitty Freidheim, Dwain Hawthorne, Barrett Murphy). Although, *the ALP update project has not been active for the past year or so, much of the findings will directly support the pursuit of the global hub concept we discussed on Friday.* When you are ready to further *discuss the strategic development opportunities for O'Hare* and the Chicago Airport System, we will arrange a thorough briefing on the previous ALP update process, as well as other related topics, including the pending System Forecast Update and our examination into the feasibility of collapsing the O'Hare cost centers and the establishment of multiple EIS [sic FIS] facilities.²⁷¹

9. November 11, 1996. Loney at meeting with airlines approves resumption of long-term planning.

On November 11, 1996 — at a meeting with the airlines — Loney gave approval to resume the long-term planning:

- Airlines (AA/UA) want to re-start plng. [planning] process.
- MRL agrees, go ahead.²⁷²

²⁷⁰ Exhibit C 173 (emphasis added).

²⁷¹ Exhibit C 174 (emphasis added).

²⁷² Exhibit C 175 (bracketed text added).

O. O'Hare Master Planning Continued — 1997 Chronology

- 1. January 23, 1997. Goldberg writes Commissioner Loney and states that Landrum & Brown has begun preliminary work on two studies: 1) a Global Hub Feasibility Study, and 2) a new long-range forecast of demand.**

On January 23, 1997, Douglas Goldberg wrote Commissioner Loney and stated that Landrum & Brown had begun preliminary work on a “Global Hub Feasibility Study” and a new long range forecast of demand.²⁷³

- 2. January 28, 1997. Landrum & Brown generates a scope of work for long range forecast of demand to the year 2020.**

On January 28, 1997, Landrum & Brown generated a scope of work for the new demand forecast study which stated:

The purpose of this project is to prepare new long-range aviation activity forecasts for the airports of the City of Chicago. Activity forecasts are vital to the planning of aviation facilities and for the City to meet the expected operational demands placed upon its airports.

Finally, long-range planning for the Chicago Airport System necessitates new forecasts of demand to 2020.

The forecast periods are expected to be 2000, 2005, 2010 and 2020.²⁷⁴

- 3. January 28, 1997. Landrum & Brown generates scope of work for a “Global Hub Feasibility Study” — virtually the same language as “O'Hare Beyond 2000” study submitted by Jeff Thomas to Mayor Daley in August 1996.**

On that same date, January 28, 1997, Landrum & Brown generated a scope of work for a “Global Hub Concept Study” which virtually paralleled (and indeed used much of the same

²⁷³ Exhibit C 177.

²⁷⁴ Exhibit C 180.

language) as the August 1996 “O’Hare Beyond 2000” proposal submitted by Thomas to Mayor Daley.²⁷⁵

4. **February 17, 1997. Oscar D’Angelo — an agent for Landrum & Brown — wrote Doug Goldberg to ask if D’Angelo should bring a copy of Thomas’s August 1, 1996 memo to Mayor Daley to his scheduled March 5, 1997 meeting with Commissioner Loney.**

On February 17, 1997, Oscar D’Angelo sent a note to Doug Goldberg:

Should I send this to Mary Rose before my March 5th meeting with her? [Referring to the August 1, 1996 memo by Thomas to Daley]²⁷⁶

5. **February 24, 1997. Goldberg writes back to D’Angelo and mentions that he has already given a copy of Thomas August 1, 1996 memo to Loney; says he presented a color presentation on long term Global Hub Feasibility Study to Loney that same day.**

On February 24, 1997, Doug Goldberg wrote to Oscar D’Angelo:

I received your note of February 17 regarding the memo from Jeff Thomas. I sent a copy of this memo to Mary Rose when I first learned of her appointment in Chicago last September.

[mentions that Ken Sura and DFG met with Grace Ransom, Mary Rose’s executive assistant about the 1997 work program]

Today (February 24), we met with Mary Rose, Kitty Freidheim and Grace (Bob Repel was invited but could not attend) about the **Global Hub Feasibility Study — the subject of Jeff’s August 1, 1996 memo** and the single most important project in our 1997 work program. We presented the attached color document that identifies a process for preparing a near-term development plan for review with the airlines and **a long-range strategy** designed to assure that O’Hare remains the #1 well into the next century.

Mary Rose is being very cautious about this effort, which seems to indicate **she has not yet been directed by the Mayor** to proceed with the planning necessary to maintain O’Hare’s preeminent role in the global aviation system.²⁷⁷

²⁷⁵ Exhibit C 181.

²⁷⁶ Exhibit C 182.

²⁷⁷ Exhibit C 183 (underlined emphasis in original, boldfaced emphasis and bracketed text added).

6. February 24, 1997. Landrum & Brown presented full color presentation of long-term Global Hub Feasibility Study; shows “quad” runway for long term O’Hare.

On February 24, 1997, Landrum & Brown presented Commissioner Loney with a detailed color presentation regarding long-term strategy, entitled “Global Hub Feasibility Study.”²⁷⁸ In that presentation, Landrum & Brown said that the choices for O’Hare were either operating in its existing configuration of runways — in which it would become a “reliever” airport or a “global hub” with quad east west runways. The Global Hub Feasibility presentation said that the study would:

Provide planning guidance in determining the strategic role for O’Hare in the intermediate and **long range time frame** for the City’s system of aviation assets.²⁷⁹

7. February 26, 1997. Goldberg thanks Commissioner Loney for opportunity to present Global Hub Study proposal; invites Loney and her executive assistant to dinner to meet Jeff Thomas, who has been providing strategic advice to Chicago since 1962.

On February 26, 1997 Goldberg wrote to Loney:

Thank you for the opportunity for Ken and I to review with you our proposed approach for addressing the immediate and long-range development opportunities at O’Hare.

[W]e would like to invite you and Grace to have dinner with Jeff Thomas, Ken and I on either March 11 or 12. Jeff is the President of L&B and has been providing strategic advice to the City of Chicago since 1962. As you may know, Jeff served a critical role in the implementation of the \$2 billion dollar O’Hare development program and he can offer unique insight into the magnitude of the opportunity facing the City.²⁸⁰

8. March 21, 1997. Goldberg and Sura (two senior Landrum & Brown executives) write to Mayor Daley in response to “your request for us to follow up from our 1996 correspondence”; includes 1987 Landrum & Brown secret strategy paper “The Chicago Aviation Facilities Development Challenge”; recommends a quad runway system at O’Hare that would add two new east-west runways (9-27s) (two already exist) and close the two northwest/southeast runways; recommends completing a long-range plan that “defines the ultimate capability of O’Hare.”

²⁷⁸ Exhibit C 184.

²⁷⁹ Id. at Chart 5 (Key Objectives) (emphasis added).

²⁸⁰ Exhibit C 185.

On March 21, 1997 Goldberg and Sura wrote to Mayor Daley:

In response to your request for us to follow up from our 1996 correspondence, we have prepared *the attached paper* that explains why the City is well positioned *to pursue a long-range development plan for O'Hare* that will enable Chicago to retain its aviation dominance and reposition itself in an expanded global economy.

The attached paper suggests that, because of the advent of new airframe and air traffic control technology, O'Hare can be *reconfigured* to provide sufficient capacity and residential noise relief well into the next century, *with no net increase in the number of runways.*

[attached paper]

ESTABLISHING O'HARE AS THE PREMIER GLOBAL HUB AIRPORT IS *THE THIRD AND FINAL ELEMENT OF THE CHICAGO AIRPORT SYSTEM DEVELOPMENT STRATEGY*

For over ten years, Landrum & Brown has provided strategic advice that has guided the development of the Chicago Airport System and has helped Chicago maintain its title as the world's busiest and most successful airport system.

In 1987, the City commissioned development of a paper entitled *"The Chicago Aviation Facilities Development Challenge"* (See Attached).

That paper laid the groundwork for a strategic plan of action that has guided the City *through four Commissioners of Aviation of the current mayoral administration.*

In summary, this paper indicated that the City's *ability to add airport capacity to the Chicago region by the beginning of the next century* will determine whether the City continues to enjoy rising prosperity or begins to suffer accelerated economic decay. Recognizing the unique set of costs and benefits associated *with the available options of adding airport capacity, the paper suggested a long-range strategy* that focused on three tactics:

- Determine the availability of a suitable airport site on or near the Chicago/Gary axis;
- Develop a plan to expand the terminal facilities at Midway to balance the capacity of the landside system with that of the airfield within current land envelop [sic];
- *Update the O'Hare Master Plan to define its full ultimate potential.*

In the past ten years, the City has successfully addressed the first two of these three recommendations.

In 1990, the City achieved consensus for its Lake Calumet Airport concept but prudently declined to participate in implementing the plan when the State legislature failed to deliver a viable operating agreement.

Today, the City is building a new terminal at Midway that will balance airside and landside capacity and will allow this supplemental airport to achieve its full potential.

The City has also aggressively pursued implementation of technological improvements, many of which originated with the 1991 Chicago Delay Task Force Study. ***These improvements have deferred the capacity “crisis” in Chicago beyond the turn of the century***, thereby obviating the immediate need for a supplemental airport.

Nonetheless, the ***sole remaining element*** for the City to complete its airport system development strategy is to develop ***a long range plan that defines the ultimate capability of O’Hare and the environmental and financial impacts and opportunities*** related to maintaining Chicago’s preeminent role in the global aviation system.

The following discussion enumerates why the City should now complete its strategy by pursuing a plan to position O’Hare to be the premier global airport of the 21st century.

5. CHICAGO HAS THE INGREDIENTS TO REMAIN THE NATION’S PREMIER CONNECTING HUB AND INTERNATIONAL GATEWAY AND ECONOMIC [sic] PROVIDED IT IS WILLING TO PURSUE A NEW VISION FOR O’HARE. TO ACHIEVE THIS VISION, THE CITY MUST:

- ***Replace O’Hare’s 30 year old intersecting six-runway configuration with a modern non-intersecting six-runway configuration*** that takes advantage of new air traffic control technology and provides increased operational efficiency and greater opportunities for further noise abatement.
- Consider closing Runways 14L-32R and 14R-32L, in conjunction with the relocating [sic] Runways 4L-22R and 9L-27R and the addition of two new east-west runways, which would significantly enhance operational efficiency of O’Hare ***with no net increase in the number of runways.***²⁸¹

²⁸¹ Exhibit C 186 (underlined emphasis in original, boldfaced emphasis and bracketed text added). Plaintiffs have not yet had the opportunity to take the depositions of Doug Goldberg and Kenneth Sura on Exhibit C 186 but we know from the other correspondence between Goldberg and D’Angelo that D’Angelo served as a communications link between the Mayor and Landrum & Brown. Exhibit C 186 clearly states that Goldberg and Sura believed that

9. **March 25, 1997. Goldberg and Sura write D’Angelo stating that “when we last met you indicated that the mayor has requested a follow up document to our 1996 correspondence”. Letter encloses paper recommending preparation of “a long-range development program for O’Hare.” — paper recommends quad runway system — same design as quad runways in Integrated Airport Plan.**

On March 25, 1997, Doug Goldberg and Kenneth Sura wrote to Oscar D’Angelo:²⁸²

When **we last met**, you indicated that the *Mayor had requested* a follow-up document to our 1996 correspondence about the opportunity to position O’Hare as the world’s premier global hub airport.

In response to that request, we have prepared the attached 2-page paper **recommending preparation of a long-range development plan for O’Hare** that will enable Chicago to retain its aviation dominance and reposition itself in an expanded global economy.

The attached paper suggests that, because of the advent of new airframe and air traffic control technology, O’Hare can be reconfigured to provide sufficient capacity and residential noise relief well into the next century, **with no net increase in the number of runways.**

We have also included a copy of a paper we prepared for the City ten years ago entitled, “The Chicago Aviation Facilities Development Challenge.”

In summary, that paper suggested a long-range airport system development strategy that focused on three tactics:

1. Determine the availability of a suitable airport site on or near the Chicago/Gary axis;
2. Expand the terminal facilities at Midway, and
3. **Update the O’Hare master plan and define its full ultimate potential.**

Upon reflecting back on the past ten years, it is rewarding to realize that the City has successfully addressed #1 and #2 above, and in doing so, has remained home to the world’s busiest airport in the face of fierce competition from other Cities. **It is now time for the City to complete tactic #3 of its airport system development strategy by defining the full build-out potential of its crown jewel - O’Hare.**

[encloses two page paper]

ESTABLISHING O’HARE AS THE CHICAGO REGION’S PREMIER GLOBAL HUB AIRPORT

the Mayor had requested the information contained in the Exhibit C 186 and Exhibit C 187 indicates that when Goldberg and Sura last met with D’Angelo, Mayor Daley had requested this information.

²⁸² Exhibit C 187.

Now that the Midway Terminal Development Program is underway, the City can complete its airport system development strategy *by preparing a long-range plan that addresses the environmental, financial and economic opportunities associated with pursuing the ultimate development of O'Hare.* The following discussion enumerates why the City should now complete its airport system development strategy by establishing O'Hare as the premier global airport of the 21st century.

1. THE AVIATION INDUSTRY IS EVOLVING IN A WAY THAT REQUIRES PHYSICAL AND OPERATIONAL CHANGES AT O'HARE FOR CHICAGO TO REMAIN NUMBER ONE BEYOND THE YEAR 2000.

- The creation of global alliances between domestic and international airlines requires consolidated airline facilities.
- Exploding global trade and unprecedented growth in international activity requires improvements in passenger processing capabilities.
- New avionics and air traffic control technology provide opportunities for enhanced operational efficiencies without commensurate increases in aircraft noise.
- Larger, quieter and longer range aircraft are being designed for high density/long haul markets that require major airfield and terminal modifications.
- Capital and operational improvements designed *to support the business objectives of United Airlines and American Airlines* are required to assure O'Hare continues to serve as the Nation's only dual airline hub airport.

2. O'HARE HAS THE INGREDIENTS TO BE THE NATION'S PREMIER GLOBAL AIRPORT, PROVIDED CHICAGO IT IS WILLING TO PURSUE A NEW LONG-RANGE VISION

- *Prepare plans to evolve O'Hare's 30 year old intersecting six-runway configuration into a modern non-intersecting six-runway configuration* that takes advantage of new air traffic control technology and provides increased operational efficiency and greater opportunities for further noise abatement.
- Consider closing Runways 14L-32R and 14R-32L, in conjunction with the relocation of Runways 4L-22R and 9L-27R and the addition of two new east-west runways. This

reconfiguration would significantly enhance operational efficiency at O'Hare with no net increase in the number of runways.

- Provide an opportunity to relieve vehicular congestion and air quality concerns on I-190, the Airport's single landside chokepoint, by developing a secondary access road for traffic west of O'Hare.
- Enable each of O'Hare's two hub carriers to respond to the explosive growth in international demand by serving domestic and international passengers from a single, consolidated terminal facility.
- Expand and reconfigure the Airport's cargo facilities to facilitate compliance with noise abatement objectives while continuing to serve as a primary international gateway for freight and cargo.
- Promote the development of collateral property and land use around O'Hare that is compatible with the City's noise abatement, environmental and revenue enhancement objectives.²⁸³

10. May 5, 1997. As part of long term "global planning" process Landrum & Brown and Department of Aviation held planning meeting with airlines to: 1) solicit airlines input in "defining the long range vision for O'Hare"; 2) "Protect business interest of Chicago's hub carriers" (United and American); and 3) "Avoid need for Peotone".

As part of the global hub planning process, the Department of Aviation and Landrum & Brown planned a planning meeting with the airlines called a "charrette". In identifying the objectives and goals to be discussed at the charrette meeting, Landrum & Brown included the following goals and objectives:

Solicit airline input on defining the long range vision for O'Hare

Protect business interest of Chicago's hub carriers

Avoid need for Peotone.²⁸⁴

11. June 9, 1997. Goldberg writes of the need for "particular focus on how to incrementally phase from the existing facilities into an ultimate Master Plan for the 2025 horizon and beyond."

On June 9, 1997, Doug Goldberg wrote:

²⁸³ Exhibit C 187 (underlined emphasis in original, boldfaced emphasis and bracketed text added).

In order to prepare information to present at the DOA Charrette, we will be conducting our own internal L&B planning charrettes targeted at preparing O'Hare for the next century ***with particular focus on how to incrementally phase from the existing facilities into an ultimate Master Plan for the 2025 horizon and beyond.***²⁸⁵

12. June 17, 1997. Landrum & Brown states that presentations at Department of Aviation-Airline meeting will develop planning for “both the immediate and long-range planning horizons.

On June 17, 1997, Landrum & Brown staff wrote another memo about the upcoming “charrette” meeting.

With this increased audience size, we are changing our participation in the City’s charrette to a presentation of suggested conceptual planning ideas ***for both the immediate and long-range planning horizons.***

Our charrette [Landrum & Brown’s] will be an informal gathering focusing on reviewing key issues, establishing goals and objectives, developing overall political and airline strategies and conceptual land use approaches to the near ***and long-term planning horizons for O’Hare.***²⁸⁶

13. June 30, 1997. Meeting with airlines re: airport expansion.

On June 30, 1997, there was apparently a “Global Hub Presentation” made to one or more airline representatives. Among the topics discussed were a review of 5-year CIP (Capital Improvement Program) projects, “timing in relation to proposed expansion program” and “Strategy to Get Airline’s Agreement on Expansion.”²⁸⁷

²⁸⁴ Exhibit C 189 (emphasis added).

²⁸⁵ Exhibit C 191 (emphasis added).

²⁸⁶ Exhibit C 192 (emphasis and bracketed text added).

²⁸⁷ Exhibit C 194.

14. July 22, 1997. Landrum & Brown presents a scope of services for a 2020 demand forecast — 2020 forecast needed to “plan aviation facilities” and for long-range planning.

On July 22, 1997, Landrum & Brown again presented a scope of services for the demand activity forecast²⁸⁸:

The purpose of this project is to prepare **new long-range** aviation activity forecasts for the airports of the City of Chicago. **Activity forecasts are vital to plan aviation facilities and for the City to meet the expected operational demands placed upon its airports.**

The need for this new, comprehensive aviation activity forecast is driven primarily by three sets of factors.

First, there have been several major aviation developments in the Chicago Airport System since 1992: the planned new terminal at Midway; the addition of the Gary Regional Airport; and the changing status of Meigs Field.

Second, airport revenue bond issues are anticipated for both O’Hare and Midway that require the forecast period for aviation activity and financial projections to go beyond the year 2005 for the first time.

Finally, long range planning for the Chicago Airport System necessitate new forecasts of demand to the year 2020.

The proposed forecast will use 1996 data to define the base year. The forecast periods are expected to be 2000, 2005, 2010, and 2020.

Growth at O’Hare is becoming more and more defined by the ability of the airfield to accommodate additional aircraft operations at an acceptable level of delay and the ability of the terminals and ground access system to accommodate new and different types of air traffic. There is likely a growing difference between the potential demand to use the facility (demand forecasts) and the activity that O’Hare will actually accommodate (activity forecasts).

The following represent the principal assumptions that will likely guide development of the aviation activity forecasts for the Chicago Airport System:

- O’Hare will continue to operate under the High Density Rule (HDR) during the forecast period. Various forms of restructuring of the HDR will be considered.

²⁸⁸ Exhibit C 195 (emphasis added).

- **No additional runways will be built at O'Hare**, however, technological air traffic control improvements will continue to be implemented in Chicago and throughout the National Airspace System. **To the extent that these advances increase the effective capacity** of the current runway system at O'Hare, they will be taken into account.
- The based military operations at O'Hare will be transferred away from the airport by 1999.²⁸⁹

15. September 18, 1987. Commissioner Loney presents 1 billion dollar plus short term "Capital Improvement Program ("CIP") for O'Hare". Terminal and road access elements of the 5-year CIP are the same as recommended in the Master Plan Update (a/k/a ALP Update).

On September 18, 1987, Commissioner Loney set forth the elements of the O'Hare five year Capital Improvement Program which included: 1) Expansion of Concourse F; 2) Expansion of the Facade in terminals 2 and 3; and 3) road access improvements such as the Lee Street entrance and the I-190 collector distributor. These were the same terminal and landside improvements listed in the 1993-1996 Master Plan/ALP Update.²⁹⁰

16. November 25, 1997. Landrum & Brown presents an outline of a "long-range" Capital Improvement Plan that would take capital planning beyond the five-year CIP.

On November 25, 1997, Landrum & Brown prepared a presentation outline on a "Long-Range Capital Improvement Plan that would take capital planning beyond the five-year CIP."²⁹¹

17. December 18, 1997. Commissioner Loney approves Landrum & Brown 1998 work program which included a program element called "Long Range CIP/PFC Planning".

On or about December 18, 1997, Commissioner Loney approved Landrum & Brown's 1998 Work Program Budget which included a program element called "Long-Range CIP/PFC Planning."²⁹²

²⁸⁹ Exhibit C 195.

²⁹⁰ Exhibit C 200.

²⁹¹ Exhibit C 201.

²⁹² Exhibit C 202.

P. O'Hare Master Planning Continued — 1998 Chronology.

1. January 16, 1998. Landrum & Brown publishes executive summary of new 2020 forecast— contains dramatically lower numbers than January 1993 Master Plan 20 year forecast and January 1995 2020 forecast; no mention made of earlier forecasts.

On January 16, 1998, Landrum & Brown produced an Executive Summary of a new aviation activity forecast which had dramatically different numbers from its prior long range forecasts. The hidden January 1995 unconstrained forecast said 69 million enplanements and 1.4 million operations in 2020. This January 1998 forecast — also by Landrum & Brown — had 49 million enplanements and 1,038,000 operations.

The existence of the 1995 unconstrained forecast was never revealed to the public. Nor was there ever an explanation for the huge difference in the two forecasts. Indeed, as shown below, even the newer 1998 forecast for 2020 was hidden from public view because it showed a level of traffic that exceeded Landrum & Brown's statement of the capacity of O'Hare without new runways.²⁹³ As Chicago did in 1993 when it deliberately shortened the forecast period from 2015 to 2005 to avoid disclosing the capacity shortfall, Chicago in 1998 shortened the 2020 forecast to the year 2012²⁹⁴ so as to avoid public examination of the consequences of that shortfall.

This manipulation of the forecast time periods — here from the private January 1998 forecast for 2020 to the public June 1998 forecast for 2012 — has enormous significance. Even if this Court accepts the huge unexplained change between the hidden 1995 forecast for 2020 and accepts the later 1998 forecast for 2020, the 1998 forecast for 2020 encompasses the period from 2012-2020 and shows that Chicago will have to build new runways to meet that demand.²⁹⁵

²⁹³ Note that Thomas had said in 1995 that with significant advances in Air Traffic Control (ATC) technology — advances which have not yet come to pass — O'Hare might (with a reduction in peak month traffic) have the capacity for 946,000 operations. (No data to support that claim has been presented.) But even accepting that claim of 946,000 capacity, the January 1995 2020 forecast showed a demand of over 1,400,000 and even the January 1998 forecast showed a demand over 1,000,000 operations for O'Hare.

²⁹⁴ Exhibit C 223 at p. I-1, et al.

²⁹⁵ The more than 1,000,000 operations exceeds even Thomas's claim of a 946,000 flight capacity.

2. **February 4, 1998.** CEO Gerald Greenwald wrote to Mayor Daley, saying **United spearheaded the campaign by ATA to have CEOs oppose Peotone and that United has hired Booz-Allen to produce a report on system.**

On February 4, 1998, Gerald Greenwald CEO of United airlines wrote Mayor Daley:

We also spearheaded the effort at the ATA to have the entire airline industry express its views to the Governor.

We have retained Booz, Allen & Hamilton to conduct a study reflecting the value of the entire existing Chicago airport system; the significance of O'Hare as a "hub" airport; the capacity of the existing system and the needs of the community for the foreseeable future; and the impact that a third airport would have on the system.²⁹⁶

3. **April 2, 1998.** Goldberg writes Commissioner Loney with need for airport plan that **views the airport as a "single integrated system."**

On April 2, 1998, Goldberg wrote Commissioner Loney²⁹⁷:

The plan must be structured in a way that maintains the existing balance of competition and provide each airline [American and United] an opportunity to declare some level of victory.

The plan must not forego ***long-term requirements*** for the sake of short-term success; therefore ***it must not be developed in a vacuum.*** The program must view the airport as a ***single integrated system.***

4. **April 8, 1998.** Goldberg submits schedule and cost for an "Integrated Airport Plan".

On April 8, 1998, Goldberg wrote a letter to Commissioner Loney with the subject line:

Schedule and cost to prepare an Integrated Airport Plan for O'Hare (IAP).

It is very encouraging that the airlines support an integrated planning process to facilitate implementation of an appropriate Capital Improvement Program (CIP) that is compatible with ***a long-term view of the Airport.*** As you requested, Landrum & Brown is prepared to lead a coordinated effort that will produce an ***Integrated Airport Plan*** consisting of three related components:

A **Plan of Development** will ***define the program*** required ***to meet*** the City's objectives in the immediate future (1998-2000), the mid-range (2001-2005) and ***the long-range*** (2006-2015). The process

²⁹⁶ Exhibit C 204 (emphasis added).

²⁹⁷ Exhibit C 209 (underlined emphasis in original, boldfaced emphasis added, bracketed text added).

will be structured to quickly identify and release those projects ready for immediate design and construction.

...I will lead the **preparation of the overall Integrated Airport Plan**.²⁹⁸

5. April 23, 1998. Goldberg submits scope of services for Integrated Airport Plan.

On April 23, 1998, Goldberg wrote Loney:

Based on discussions with you and your staff, we have refined the attached scope of services for the preparation of an **Integrated Airport Plan for O'Hare**.

We propose to reallocate funds in the current 1998 DOA/L&B work program to provide a budget of **\$950,000 for the "long-range CIP/PFC planning"** which will enable our team to complete Phase I and most of Phase II of the **Integrated Airport Plan by the end of the year**.²⁹⁹

6. April 28, 1998. Landrum & Brown produces a "Draft Outline O'Hare IAP [Integrated Airport Plan] Program Guide" which included the three basic Master Plan elements of Airside Facility Requirements, Landside Facility Requirements, and Terminal Requirements.

On April 28, 1998, Landrum & Brown produced an "Draft Outline O'Hare IAP [Integrated Airport Plan] Program Guide"³⁰⁰ which included the three basic Master Plan elements of Airside Facility Requirements,³⁰¹ Landside Facility Requirements, and Terminal Requirements.

7. May 25, 1998. Chicago approves budget for Integrated Airport Plan.

On May 25, 1998, Goldberg wrote:

The City has approved a budget of 975,000 for the **Integrated Airport Plan** (8898-01 Long Range CIP/PFC Planning).³⁰²

²⁹⁸ Exhibit C 210 (underlined emphasis in original, boldfaced emphasis added).

²⁹⁹ Exhibit C 212 (emphasis added).

³⁰⁰ Exhibit C 213.

³⁰¹ See Exhibit C 269 for 5-13-1998 color description by Landrum & Brown of the Planning Process that culminates in the Integrated Airport Plan — includes Runway Configuration as key element.

³⁰² Exhibit C 221 (emphasis added).

8. June 1998. Chicago releases only the Landrum & Brown demand forecast for 2012, but does not release the 2020 forecast.

In June 1998, Chicago released Landrum & Brown's forecast³⁰³ which only forecast demand to 2012 — not 2020: 45 million enplanements and 982,000 operations.³⁰⁴ Again Chicago has shortened the forecast period to avoid having to show what is really needed to accommodate forecast demand. Yet even Chicago's shortening of the period cannot hide the fact that O'Hare (by Chicago's own definition of demand and capacity) will need new runways by the year 2007.

9. June 10, 1998. Goldberg sends Commissioner Loney a memo which outlines the Integrated Airport Plan and identifies the same quad runway configuration as part of the Integrated Airport Plan as was identified back in January 1993 and in the March 1997 correspondence by Goldberg and Sura to D'Angelo and Mayor Daley.

On June 10, 1998, Doug Goldberg sent Commissioner Loney a memorandum which outlined the Integrated Airport Plan and the role of the quad runways:

*Prepare concepts to reconfigure O'Hare's 30 year old intersecting six-runway configuration into a modern non-intersecting six-runway configuration that takes advantage of new air traffic control technology and provides increased operational efficiency and greater opportunities for further noise abatement.*³⁰⁵

10. June 23, 1998. Chart entitled "Ultimate Airfield Configuration Analysis." Included among the topics was a capacity analysis using SIMMOD and Configuration Options.

On June 23, 1998, Landrum & Brown prepared a chart which was entitled "*Airfield Configuration* Analysis."³⁰⁶ Included among the topics was a capacity analysis using SIMMOD and Configuration Options.

³⁰³ Exhibit C 223.

³⁰⁴ Note even the 982,500 operations shown for the year 2012 (Exhibit C 223 at OH/KF 0013426) exceed the questionably high capacity of 946,000 operations stated by Thomas. According to this page of Exhibit C 223 — and accepting Thomas's capacity claim of 946,000 — O'Hare will be out of capacity, and need new runways, by 2007.

³⁰⁵ Exhibits C 227 (conveying the memo) and C 228 (quoted, emphasis added).

³⁰⁶ Exhibit C 231 (emphasis added).

11. June 24, 1998. Integrated Airport Plan Team Meeting. Subjects included “airfield configuration analysis”; “runway realignment options”; “reconfigured runway layout”.

On June 24, 1998, there was an Integrated Airport Plan Team Meeting³⁰⁷ at which the topics included “*Airfield Configuration Analysis*”, “*Runway Realignment Options*”, and a “*Reconfigured Runway Layout*” as one of the features of the Integrated Airport Plan.

12. July 20, 1998. Meeting on the Integrated Airport Plan where one of the primary topics again was “Airfield Configuration Analysis” and where the features of the Integrated Airport included “reconfigured runway layout”.

On July 20, 1998, there was another meeting on the Integrated Airport Plan³⁰⁸ where one of the primary topics was “*Airfield Configuration Analysis*” and where the features of the Integrated Airport included a “*reconfigured runway layout.*”

13. July 30, 1998. Landrum & Brown publishes diagram of Integrated Airport Plan runway layout — shows only quad runway plan.

On July 30, 1998, Landrum & Brown published its drawing of the runway layout for the Integrated Airport Plan.³⁰⁹ It is the exact quad runway system mentioned in 1993 and again in the 1997 D’Angelo/Landrum & Brown/Daley correspondence. It clearly shows the quad runway system that is shown in the later September 1998 summaries of the Integrated Airport Plan.

14. August 10, 1998. Landrum & Brown prepared an outline entitled “Draft Outline New Mayors Presentation Book Integrated Airport Plan Concepts,” and included the subject “Airfield Reconfiguration Option Matrix.”

On August 10, 1998, Landrum & Brown prepared an outline³¹⁰ entitled “Draft Outline New *Mayors* Presentation Book *Integrated Airport Plan* Concepts,” and included the subject “*Airfield Reconfiguration* Option Matrix”.

³⁰⁷ Exhibit C 232.

³⁰⁸ Exhibit C 236.

³⁰⁹ Exhibit C 268 color diagram entitled Integrated Airport Plan Runway Operation Configurations.

³¹⁰ Exhibit C 238 (emphasis added).

15. August 10, 1998. Landrum & Brown graphic board on new terminal alternatives show elimination of runways 14L/32R and 14R/32L.³¹¹

On August 10, 1998, Landrum & Brown prepared a number of graphic boards to compare various terminal alternatives. For the “central core” alternatives (which are the terminal alternative ultimately selected for the so-called “World Gateway” portion of the Integrated Airport Plan), the graphic boards show runways 14L/32R and 14R/32L being eliminated. This is the same runway configuration needed for the quad runway configuration.

16. September 4, 1998. Landrum & Brown produced a summary of projects in four phased categories for the Integrated Airport Plan. Included in the fourth category are new runways and runway relocations.

On September 4, 1998 Landrum & Brown produced a summary of projects in four categories for the Integrated Airport Plan.³¹² Included in the fourth category are new runways and runway relocations. According to the schedule, the new runways are in the last phase of the Integrated Airport Plan: 2012+. But according to the 2020 demand forecast of January, 1998 — and even the shortened June 1998 demand forecast for the year 2012, demand will (in the City of Chicago’s view) outstrip O’Hare’s existing runway capacity by the year 2007.³¹³

17. September 4, 1998. Chicago (Landrum & Brown) produced a document called Chicago Airport System Action Plan. This plan identified a quad runway system as needed “near the end” of the period ending 2012 to keep Chicago airport system viable. This quad runway system is the same as the quad runway configuration identified by Landrum & Brown in January 1993, in the March 1997 correspondence by Goldberg and Sura to D’Angelo and Mayor Daley, and in the June 10, 1998 memo from Goldberg to Loney.

On September 4, 1998, Chicago (Landrum & Brown) produced a document called Chicago Airport System Action Plan:

³¹¹ Exhibit C 270.

³¹² Exhibit C 239.

³¹³ Plaintiffs emphasize that even the 2007 figure is based on Thomas’s claim that the capacity of O’Hare is 946,000 operations if and only if certain as yet to be achieved ATC technologies come into being. The airlines and their consultant Booz-Allen have recently candidly admitted what Plaintiffs and others have been saying for some time — O’Hare is out of runway capacity now. Thus the timing of the runways in the Integrated Airport Plan as after the year 2012 is a sham — whether one accepts the reality that O’Hare is out of capacity now (as do the airlines) or whether one accepts Chicago’s year 2007 figure.

iv) 2012 + Projects:

To meet **the long-range needs** of the region, this category provides for the **reconfiguration of O'Hare** that will enable Chicago to retain its dominance in the global air transportation system well into the 21st century.

Implementation of projects in Categories 1-3 are required to meet demand through the 15-year planning horizon, while Category 4 projects will likely be required **near the end of the 15-year horizon** to demonstrate the long-term viability of the Chicago airport system.³¹⁴

The four categories of 1) Ready-To-Go Projects, 2) Pending Projects, 3) 2000-2012 Projects, and 4) 2012+ Projects are the same categories and projects listed for the Integrated Airport Plan (See Exhibit C 239). The drawings contained in this "Action Plan" are the same drawings produced electronically by Landrum & Brown as the drawings for the Integrated Airport Plan.³¹⁵ In short, the "Action Plan" of Exhibit 240 **is** the long-term Integrated Airport Plan.

The "Action Plan" (Integrated Airport Plan) shows the exact same "quad" runway configuration (four east-west runways) that Landrum & Brown said in 1993 were needed to meet the long-term demand at O'Hare and the exact same runway configuration shown in the March 1997 communication between Goldberg and Sura at Landrum & Brown and Oscar D'Angelo and Mayor Daley. Again, by Chicago's own forecast demand of June 1998 and Chicago's own capacity claim of 946,000 operations at O'Hare, the existing runway capacity at O'Hare will be exhausted by the year 2007, and new runways will be needed long before 2012.

18. November 12, 1998. The Booz-Allen Report commissioned by United is released to the press, saying that new O'Hare runways are not needed now.

On November 12, 1998 the Booz-Allen report commissioned earlier this year by United³¹⁶ was released to the public under the nominal sponsorship of the Chicagoland Chamber

³¹⁴ Exhibit C 240 (emphasis added).

³¹⁵ Exhibit C 257. These electronic drawing files of the Integrated Airport Plan are also dated September 1998.

³¹⁶ See Exhibit C 204, the February 4, 1998 letter from United CEO Greenwald to Daley.

of Commerce.³¹⁷ The report said that new runways would not be needed until after the year 2015 because advances in air traffic control technology would allow traffic to grow on O'Hare's existing runways.

The airlines and Chicago knew that this claim was false because their own studies showed that even with theoretical ATC changes, O'Hare would not be able to handle forecast growth. Nevertheless Booz-Allen made this claim publicly on November 12, 1998.

The evidence suggests that United and Booz-Allen knew in 1998 that runways were needed on a much shorter time frame but hid that information at the request of Chicago, Oscar D'Angelo and Landrum & Brown. A May 28, 1998 memo³¹⁸ from Goldberg of Landrum & Brown to Oscar D'Angelo relates a meeting between D'Angelo (Landrum & Brown's agent) and Gary Chico (lawyer for United) on May 26, 1998. The memo suggested that Booz-Allen knew in 1998 that runway capacity at O'Hare was or would soon be exhausted and that new runways would be needed much sooner.

I am pleased that you were able to meet with Gerry Chico this morning regarding the release of the Booz-Allen & Hamilton (BA&H) report of Chicago Airport System demand and capacity. I understand that **you successfully convinced him** that the **City would best be served if the BA&H study did not reference the need for additional runways.** Instead the Study might suggest that the region's aviation needs could well be served through the reasonably foreseeable future by means of a modernization program that considers the use of new technology and **the eventual reconfiguration of the Airport's forty year old runway geometry.**³¹⁹

Booz-Allen and the airlines have recently reversed their public posturing of November 1998 — *i.e.*, that new runways will not be needed until after 2015 — and now admit that O'Hare

³¹⁷ Exhibit C 245a. The Chicagoland Chamber of Commerce was a key member of the Chicago-Airline team that has been fighting the new airport and pushing for O'Hare capacity expansion. Recall the 1995 United Executive's memo of the need for a "front" organization.

³¹⁸ Exhibit C 222.

³¹⁹ Exhibit C 222 (emphasis added).

is out of capacity now and needs new runways now: “The timetable for adding runway capacity will have to be accelerated significantly.”³²⁰

19. November 13, 1998. O’Hare Development Concept paper - Same as September 4, 1998 “Action Plan” -- show Integrated Airport Plan and quad runways, western access.

On November 13, 1998 Landrum & Brown republished its Integrated Airport Plan summary³²¹ — which had been previously issued on September 4, 1998 as an “Action Plan”.

iv) 2012 & Projects:

To meet **the long-range needs** of the region, this category provides for the **reconfiguration of O’Hare** that will enable Chicago to retain its dominance in the global air transportation system well into the 21st century.

Implementation of projects in Categories 1-3 are required to meet demand through the 15-year planning horizon, while Category 4 projects will likely be required **near the end of the 15-year horizon** to demonstrate the long-term viability of the Chicago airport system.

Again, the four categories of 1) Ready-To-Go Projects, 2) Pending Projects 3) 2000-2012 Projects, and 4) 2012+ Projects are the same categories and projects listed for the Integrated Airport Plan (See Exhibit C 239). The drawings contained in this O’Hare Development Concept Paper are the same drawings produced electronically by Landrum & Brown as the drawings for the Integrated Airport Plan.³²² In short, the O’Hare Development Concept Paper (Exhibit C 247) **is** the long-term Integrated Airport Plan.

The O’Hare Development Concept Paper (Integrated Airport Plan) show the exact same “quad” runway configuration (four east-west runways) that Landrum & Brown said in 1993 were needed to meet the long-term demand at O’Hare and the exact same runway configuration shown in the March 1997 communication between Goldberg and Sura at Landrum & Brown and Oscar D’Angelo and Mayor Daley. Again, by Chicago’s own forecast demand of June 1998 and

³²⁰ See Exhibit C 265a. March 2000 report by Booz-Allen to the Civic Committee. (Note this is the very same Civic Committee and Booz-Allen firm that was working with United back in 1989 to get new runways into O’Hare.)

³²¹ Exhibit C 247 (emphasis added).

Chicago's own capacity claim of 946,000 operations at O'Hare, the existing runway capacity at O'Hare will be exhausted by the year 2007 and new runways will be needed long before 2012.

20. November 17, 1998. Landrum & Brown republishes color version of its 1987 Strategy Paper.

On November 17, 1998 as part of its strategic planning contract with Chicago, Landrum & Brown published a color presentation which restated the identical strategy that Landrum & Brown had set forth in its 1987 secret strategy paper — a strategy that had been and has been followed throughout the Sawyer and Daley administrations.³²³ The November 1998 version is significant because it again admits that there are only three (really two) options for airport facilities in the Chicago area:

1. Build a New Airport
2. Expand Midway³²⁴
3. Maximize O'Hare Expansion Potential

The exhibit only shows O'Hare expansion through 2012. On a separate exhibit³²⁵ Landrum & Brown shows the remainder of the O'Hare expansion under the Integrated Airport Plan — including quad runways and western access.³²⁶

The November 17, 1998 strategy paper is significant because it highlights again the same strategy Chicago has been following since 1987: buildout O'Hare to its maximum, but if you cannot buildout O'Hare, then build a new airport under Chicago political control. Indeed, the 1998 strategy paper reflects what Jeff Thomas has been telling Chicago for a long time — if

³²² Exhibit C 257. These electronic drawing files of the Integrated Airport Plan are also dated September 1998.

³²³ Exhibit 271.

³²⁴ This is only theoretically an option. Chicago has long known that further Midway expansion is not a viable option. There is no space for more runways.

³²⁵ Exhibit C 272.

³²⁶ Again the Court should be aware that the airlines, Booz-Allen and the airline allies on the Civic Committee all agree that the runways shown on the Integrated Airport Plan as coming after the year 2012 must actually come much sooner. Even Chicago's demand capacity analysis of June 1998 shows new runways needed in 2007.

Chicago cannot buildout O'Hare with quad runways, Chicago ought to revive the Lake Calumet airport.

This November 1998 strategy paper again reflects two central facts which Chicago and its lawyers don't want to publicly admit. The airport future for the Chicago region is either an O'Hare with new runways or a new airport. It is not, and by force of reality cannot be the position Chicago wants the public and this Court to accept: no new O'Hare runways and no new airport. Chicago knows this internally; but again, the "terrible dilemma" that has plagued Chicago for so many years prevents Chicago from telling the truth to the public and this Court.

The legal authority to make the decision between an O'Hare with new runways or a new airport does not rest unilaterally with Chicago. Through the Illinois Aeronautics Act, the Illinois Legislature has vested the power to make this vital decision with the Governor and the Illinois Department of Transportation.

21. December 17, 1998. Illinois Supreme Court ordered Chicago to produce tens of thousands of secret documents which Chicago had been withholding.

On December 17, 1998, the Illinois Supreme Court rejected Chicago's claim (on which basis Chicago attempted to hide tens of thousands of documents from discovery) that Chicago's documents and those of its consultants were privileged from discovery.³²⁷ This decision meant that Chicago's long secret long-term plans for O'Hare would finally be disclosed to the impacted O'Hare communities and the public.

22. February 4, 1999. Mayor Daley announced the so-called "World Gateway" project — only a portion of Integrated Airport Plan (claimed no new runways involved).

On February 4, 1999, Mayor Daley announced a so-called "World Gateway" project³²⁸ which included the first three phases of the Integrated Airport Plan but did not disclose the quad runways and the western access of the full Integrated Airport Plan of late 1998. Plaintiffs have done an exhaustive search of the billing records, electronic files, engineering drawings, and all

³²⁷ Exhibit C 5.

other documents up produced by Chicago and by Landrum & Brown up through January 1999 and can find no record of any project called “World Gateway”. On the contrary, the entire document and computer file record trail through 1998 shows only the Integrated Airport Plan — which included the quad runways and western access.

The press release announcing the so-called World Gateway portion of the Integrated Airport Plan lists the cost of the plan at approximately 1 billion dollars.

23. May 1999. Capital costs of CIP (Capital Improvement Program) and World Gateway portions of Integrated Airport Plan exceed 6 billion dollars.

One key purpose of the Integrated Airport Plan was to “integrate plans for short term spending with planned mid-term and long-term expenditures under an integrated plan. The short term planning for O’Hare is covered by an annually updated document called the “CIP” or Capital Improvement Program. The CIP lists proposed capital expenditures for the airport for the next 5 years. The Integrated Airport Plan was intended to integrate the 5-year CIP with long-range expenditure projects.

The first three phases of the Integrated Airport Plan covered the 5-year CIP and the called World Gateway portions of the Integrated Airport Plan. According to the May 1999 consultants’ report, the cost of just these two phases of the Integrated Airport Plan is 6.1 billion dollars. The cost of the new and relocated runways of the last phase³²⁹ of the Integrated Airport Plan is not included in this 6 billion dollar capital program.

³²⁸ Exhibit C 252.

³²⁹ According to Booz-Allen and the airlines March 2000 report, the runways must come much sooner. Even the Chicago documents show the new runways will be needed by 2007.

24. March 2000. Booz-Allen acknowledged that the 1998 Booz-Allen report was in error; new runways needed much sooner.

In March of 2000 Booz-Allen acknowledged that its November 1998 report was in error and further admits that O’Hare is out of capacity now and needs new runways now: “The timetable for adding runway capacity will have to be accelerated significantly.”³³⁰

25. March 8, 2000. Chicago counsel acknowledges that capital program at O’Hare is at least 6 billion dollars.

We have announced a **\$6 billion dollar project**, Judge that has two new terminals, roadways, extensions, all the way up the line. I mean, if that is piecemeal, we have given it to him. And we said **it’s a \$6 billion dollar plan**. It’s called the World Gateway Plan.³³¹

Chicago knows full well that the cost of the Integrated Airport Plan — of which the World Gateway project is only a part — is likely to exceed 10 billion dollars when the cost of the new and relocated runways are added to the total cost of the Integrated Airport Plan. Chicago does not want this cost disclosed to the public because that huge cost will dramatically affect the cost of the expansion of O’Hare as compared to the alternative of a new airport.³³²

³³⁰ See Exhibit 256a. March 2000 report by Booz-Allen to the Civic Committee.

³³¹ Statement by Mr. Dean Panos, attorney for the City of Chicago, to the Court in March 8, 2000, Transcript at p. 9 (emphasis added).

³³² Similarly, Chicago has not disclosed the costs of moving the western access Elgin-O’Hare westward through Bensenville — to accommodate the new southern runways of the Integrated Airport Plan — and the huge economic losses associated with this re-routing for the new runway. Nor has Chicago included the mitigation costs for the increased residential acquisition and/or soundproofing. See Black memo Exhibit CBIN 30.