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# AIR TRAFFIC CONGESTION AND CAPACITY IN THE CHICAGO, ILLINOIS REGION AND ITS EFFECTS ON THE NATIONAL AIR TRAFFIC SYSTEM

## FIELD HEARING

BEFORE THE

## COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION UNITED STATES SENATE

ONE HUNDRED SEVENTH CONGRESS

FIRST SESSION

JUNE 15, 2001

Printed for the use of the Committee on Commerce, Science, and Transportation

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SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED SEVENTH CONGRESS

FIRST SESSION

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# AIR TRAFFIC CONGESTION AND CAPACITY IN THE CHICAGO ILLINOIS REGION AND ITS EFFECTS ON THE NATIONAL AIR TRAFFIC SYSTEM

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**FRIDAY, JUNE 15, 2001**

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
*Chicago, IL.*

The Committee met, pursuant to notice, at 9:10 a.m. in room 2525, Dirksen U.S. Courthouse Building, Hon. John McCain, presiding.

## OPENING STATEMENT OF HON. JOHN MCCAIN, U.S. SENATOR FROM ARIZONA

Senator MCCAIN. Good morning. I want to welcome everyone here to this very important hearing this morning. And I'm joined here by my colleagues, Senator Rockefeller of West Virginia, who's the Chairman of the Aviation Subcommittee and plays a very critical and vital role in the deliberations and actions of the Commerce Committee. My colleague and friend, Senator Dick Durbin as well as Senator Peter Fitzgerald.

We'd like to welcome all the witnesses today and those of us who have a brief opening statement. And then we would like to welcome our first panel of witnesses and we would urge our colleagues from the first panel to try to keep their opening remarks to 3 minutes since we have two additional panels to hear from this morning. And we appreciate the courtesy and we are very grateful that you would take the time from your busy schedules to join us this morning.

As everyone who flies is well aware, air travel is reaching a crisis point. In critical areas around the nation, such as Chicago, the demand for air services is pushing existing capacity to its limits. Deregulation of the airline industry unleashed a great revolution in travel, one that greatly benefited the flying public. As a consequence, the demand for flying is reaching new heights. But the lack of critical infrastructure is threatening to take us backwards. Given the importance of aviation to our future, I don't think that this is an acceptable option.

The Chicago area will, without a doubt, play a key role in the future of the national air transportation system, not including the work of the latest corporate giant to call the Windy City home. Because O'Hare is a major hub for the two largest airlines in the world, it plays a critical role in the efficiency of the whole air trans-

portation system. While the airport can reasonably handle current demand on a good weather day, it is the reality of seasonal severe weather and the prospect of continued growth in air traffic that threaten Chicago and the nation with aviation gridlock in the not too distant future.

The bottom line is that we now face a serious national problem. And I emphasize a national problem that requires numerous regional solutions. Right now, the Federal Government does not build airports or runways, it merely assists local officials in doing so. But conflicts and indecision at the local level are threatening the economic well-being of this nation.

I fully recognize the difficulties associated with building new airports and expanding those in urban and suburban communities. Not-in-my-backyard attitudes are all too common, even among those who otherwise complain about airline delays.

Progress in transportation is rarely easy, but any negative impacts are virtually always far outweighed by the benefits. Undoubtedly, some communities were harmed by the construction of the interstate highway system, but I think we all can agree that it produced a tremendous national gain. We must think of airport infrastructure in the same way.

I'm no stranger to the controversies and politics surrounding airport development in this area, I do not come here to advocate a particular solution. I do not know whether it would be best to expand O'Hare, to build a new airport in Peotone, to expand existing facilities in outlying areas, or to directly undertake all of these actions.

The only thing that is not an option is inaction on the part of state and local officials. While I am reluctant, extremely reluctant to interfere with local and regional decisionmaking in this area, failure to act could force the Federal Government to become involved in the situation. I think we've already seen the beginnings of that with the introduction of bills in Congress to take away certain elements of state control of the expansion of O'Hare.

I'm anxious to hear from today's witnesses. There are a wide variety of viewpoints represented here, and it should make for a spirited discussion. The one message I have at the outset is that something must be done soon. I strongly encourage everyone to work quickly and cooperatively toward a solution. If it is not to be done at the local level, the pressure to impose a result from above will grow rapidly.

I want to thank all of you for being here today. There are people who asked to testify today and we simply could not because of capacity. But their written statements will be included in the record of this hearing.

[The prepared statement of Senator McCain follows:]

PREPARED STATEMENT OF HON. JOHN MCCAIN, U.S. SENATOR FROM ARIZONA

As everyone who flies is well aware, air travel is reaching a crisis point. In critical areas around the nation, such as Chicago, the demand for air services is pushing existing capacity to its limits. Deregulation of the airline industry unleashed a great revolution in travel, one that greatly benefitted the flying public. As a consequence, the demand for flying is reaching new heights. But the lack of critical infrastructure is threatening to take us backward. Given the importance of aviation to our future, I do not think that this is an acceptable option.

The Chicago area will, without a doubt, play a key role in the future of the national air transportation system—not including the work of the latest corporate giant to call the Windy City home. Because O'Hare is a major hub for the two largest airlines in the world, it plays a critical role in the efficiency of the whole air transportation system. While the airport can reasonably handle current demand on a good weather day, it is the reality of seasonal severe weather and the prospect of continued growth in air traffic that threaten Chicago and the nation with aviation gridlock in the not too distant future.

The bottom line is that we now face a serious national problem that requires numerous regional solutions. Right now, the Federal Government does not build airports or runways—it merely assists local officials in doing so. But conflicts and indecision at the local level are threatening the economic well being of the nation. I fully recognize the difficulties associated with building new airports and expanding those in urban and suburban communities. Not-in-my-backyard attitudes are all too common, even among those who otherwise complain about airline delays. Progress in transportation is rarely easy, but any negative impacts are virtually always far outweighed by the benefits. Undoubtedly, some communities were harmed by the construction of the interstate highway system, but I think we all can agree that it produced a tremendous national gain. We must think of airport infrastructure in the same way.

Although I am no stranger to the controversies and politics surrounding airport development in this area, I do not come here to advocate a particular solution. I do not know whether it would be best to expand O'Hare, to build a new airport in Peotone, to expand existing facilities in outlying areas, or to directly undertake all of these actions. The only thing that is not an option is inaction on the part of state and local officials. While I am reluctant to interfere with local and regional decision making in this area, failure to act could force the Federal Government to become involved in the situation. I think we have already seen the beginnings of that with the introduction of bills in Congress to take away certain elements of state control of expansion of O'Hare.

I am anxious to hear from today's witnesses. There are a wide variety of viewpoints represented here, and it should make for a spirited discussion. The one message I have at the outset is that something must be done soon. I strongly encourage everyone to work quickly and cooperatively toward a solution. If it is not to be done at the local level, the pressure to impose a result from above will grow rapidly.

Senator MCCAIN. Senator Rockefeller.

## STATEMENT OF HON. JOHN D. ROCKEFELLER IV, U.S. SENATOR FROM WEST VIRGINIA

Senator ROCKEFELLER. Thank you. Thank you, Chairman McCain. I agree. Air transportation and airport capacity is a national issue. It may take form in a local situation but it is a national issue. Delays in Chicago or New York affect people throughout the country. They affect people where I come from. You get used to not being affected because you're in a big place. Some of us live in little places, live and die off of what happens according to your airport capacity.

You had a lot of delays last year. In the summer, a lot of bad weather. And other conditions, disputes, et cetera. And the nation paid a terrible price for that. And a lot of it was because you didn't have the capacity. So last year as part of Air 21, we fought hard to make sure the small communities had access to O'Hare by phasing out the high density rule, which they had put out.

We did this because we want people to come here to visit because people want to be here to visit and to go from here to other places in the country and around the world. We need Chicago to thrive. We need Chicago to grow.

Now, I understand that the mayor and the Governor are going to make a decision by July 1st. I pray that that is the case. If nothing is done, the leaders in Illinois, as Senator McCain has indicated, need to know that delay is not an option. Congress is not

going to stand for that. Either solve the issue or it will be solved for you.

You clearly need to expand and modernize O'Hare. That's clear to me anyway. All of our constituents want access to the world. And O'Hare is the way that we get there, whether the world is the world or the world of America.

The state continues to study Peotone. That's good. Funding acquisition of the land, studying the environmental issues. I've been through some similar fights in the state of West Virginia with so-called regional airports. I've been through those in my political career.

Right now, as far as I can tell, there's not a whole lot of support for Peotone. But that could change and I have to recognize that. And that could change. And——

Senator MCCAIN. If I may interrupt just for a second, Senator Rockefeller. This is a congressional hearing. And we cannot conduct it if it's going to be interrupted by members of the audience. We hope you will give the same respect to Members of this Committee and witnesses, that they deserve. And I will urge you at this time to refrain from any comments that you would wish to make, understanding the emotions surrounding this issue. So, I would ask for your courtesy. Thank you. Please.

Senator ROCKEFELLER. Thank you, Mr. Chairman. And as I say, that could change because we went through the same situation in Washington with Dulles. That was evidently not possible. Now, they're building on billions and billions of dollars. So, it's an evolving situation. Let's see what's going to happen.

But when the decision is made to expand O'Hare and/or build Peotone, I have a bill pending, along with Senator McCain and Senator Hutchison, that if enacted, will facilitate, and make more easy the building of runways across the country that get on the right kind of lists, we're likely to take this up in July.

I end by saying this, the issue is simple. We can either spend another 10 years arguing over what to do or we can act today and soon for the future. Airport development means jobs and opportunities for you. It means jobs and opportunities for your airport for my state. There is a direct and total connection with all states and O'Hare. It's one of the great airports of the world, as is transportation in the midwest.

And I end by saying claims of secret studies and the like, which we'll probably hear about, are past actions or inactions or charges or counter charges are simply not relevant, at least to me, here today. The issue is only what and when will a decision be made and who will make it? You or the Congress?

Thank you, Mr. Chair.

Senator MCCAIN. Thanks, Senator Rockefeller.

Senator Fitzgerald.

## STATEMENT OF HON. PETER G. FITZGERALD, U.S. SENATOR FROM ILLINOIS

Senator FITZGERALD. Thank you very much, Mr. Chairman. And I want to thank you for coming to Chicago. And I want to thank Senator Rockefeller as well. I appreciate the interest of my colleagues in solving the problems we have in aviation in Chicago.

We really do have a crisis in the skies over the Chicago region. And in my judgment, the reason for that crisis are because we don't have enough capacity. We haven't built enough capacity.

It's kind of like the reason why they have a problem with energy in California. They have a crisis in California because they haven't built any new power plants in the last 10 years. And yet their demand for electricity has gone way up. Well, in the last 20 years in this country, demand for aviation travel has gone up by 400 percent. But nowhere in this country have we built any new airports except in Denver, Colorado, where we replaced Stapleton Airport with Denver International Airport.

In my judgment, all of us recognize the need or most of us probably in this room recognize the need for more capacity. And the question becomes, where is it most feasible, cost effective and where would it be quickest to add that aviation capacity for the Chicago region? This debate has been going on for 30 years. Back when O'Hare first reached capacity in 1969, Mayor Daley, the old Mayor Daley, attempted to build a third Chicago airport out in Lake Michigan. Some of us here are old enough to remember that.

And then it went on throughout the 1980's. We had a number of studies. A study in 1988, in which the city of Chicago and the FAA participated. Both concluded that it was not feasible to expand Midway or O'Hare and that the area needed a third airport by the year 2000. So, I look forward to hearing from the witnesses. I thank my colleagues for being here and together, perhaps, some good can come out of this Commerce Committee hearing.

Thank you, Senator McCain.

Senator MCCAIN. Thank you, Senator. You're welcome.

**STATEMENT OF HON. RICHARD J. DURBIN, U.S. SENATOR FROM ILLINOIS**

Senator DURBIN. Thank you very much. Chairman McCain and Chairman Rockefeller, this is an oddity to have two chairmen at the same hearing. It reflects, I think, two things. A Senate in transition as well as a bipartisan approach to a very important issue which really doesn't know a partisan boundary. And I'm glad that you are here today and I hope that your presence and the experience that you have will indicate how serious this issue is.

It's an issue, unfortunately, that we have been circling for a long time. It's time to bring it to a landing. It's time for us to come to a conclusion. We may say that O'Hare is Chicago's airport and it certainly is. But this hearing today makes it clear that O'Hare's problems are America's problems.

O'Hare means so much to us that I think our first priority must be to modernize O'Hare. To take what was adequate 40 years ago and to really build it for the 21st Century so that we have safe runways, so that we have efficient air operations at O'Hare. The jobs that are at stake, the economic opportunities that's at stake; we'll hear about it a lot during the course of this hearing.

This is our chance. Chicago can't be a world class city with a second class airport. And we have to dedicate ourselves to making certain that O'Hare is a world class airport for the 21st Century.

You're going to hear testimony from a number of people today. One, I invited. Mayor Mark Schwiebert, came up from Rock Island,

Illinois, to speak for the downstate communities. The six downstate Illinois airports that understand the importance of O'Hare. As Senator Rockefeller spoke for West Virginia, there are so many cities that are not in the city of Chicago but nearby that count on this airport for their own economic future.

We have a number of letters which I'll make part of the record from mayors downstate who wish they could be here today and testify about the importance of this hearing.

Let me say a word too about Peotone. I don't believe that this should be an either/or situation. I honestly believe that we should make our first dedicated priority to modernizing O'Hare but continue our efforts to explore the possibility of a third airport. I have signed on for the environmental analysis for Peotone. I know that there are people here from Rockford and Gary and other airports that want to be heard. But I believe that we should not preclude the third airport option.

As far as I can see it at this point, no greenfield development anywhere in the state of Illinois can replicate the infrastructure investment at O'Hare. No engineer can redesign the 7,000 acre airport at O'Hare beyond its capacity limits. I think those two things are very obvious to us.

I also think it's important to note that John Carr, President of the National Air Traffic Controllers Association, has written in support of modernizing O'Hare. The men and women who are responsible for landing us safely are begging us to do something to make O'Hare a safer airport. How can we, in good conscience, ignore their plea? I would ask that the letter from Mr. Carr be part of the record later in the course of the hearing.

Let me just conclude, too, Mr. Chairman, we will not discuss it today but most of the people who live around O'Hare, when asked about the major problem at O'Hare, don't identify airplanes. They identify traffic. The congestion around O'Hare has reached an intolerable level. Governor George Ryan should be commended for taking on the Hillside Strangler. Our next responsibility is the O'Hare Strangler.

We have to make certain that modernization of O'Hare includes modernization of the traffic around O'Hare so that people who have invested their life savings in a home don't find themselves hopelessly mired in traffic congestion. That should be part of this overall solution.

Mr. Chairman, thank you. Both Mr. Chairmen, thank you for joining us today.

[The information referred to follows:]

PREPARED STATEMENT FROM NATIONAL AIR TRAFFIC CONTROLLERS ASSOCIATION

The National Air Traffic Controllers Association appreciates the opportunity to submit the following statement on Chicago airport capacity to the Senate Commerce Committee.

NATCA is the exclusive representative of over 15,000 air traffic controllers serving the FAA, Department of Defense and private sector. In addition, NATCA represents approximately 1,200 FAA engineers, over 600 traffic management coordinators, automation specialists, regional personnel from FAA's logistics, budget, finance and computer specialist divisions, and agency occupational health specialists, nurses and medical program specialists.

NATCA supports additional runways at Chicago O'Hare International Airport to handle the current levels of traffic as well as anticipated future growth. Because of

its location, and the fact that two of the largest airlines operate hubs there in addition to 50 other airlines, Chicago O'Hare is extremely important to the National Airspace System. The ripple effect on the rest of the system is tremendous; congestion at Chicago O'Hare leads to delays at airports across the country.

There is no question that increased airport capacity will have a significant impact on reducing airline delays, and capacity can be increased through construction. Fifty miles of concrete poured at our nation's 25 busiest airports will solve most of our aviation delays. A new runway can allow 30 to 40 more operations per hour. NATCA commends the Committee for taking a proactive role in the debate over aviation delays and airport construction.

RUNWAY CONFIGURATION AT CHICAGO O'HARE INTERNATIONAL AIRPORT

An airport's capacity to handle air traffic is a function of its size, the layout of its runways, the air traffic patterns, both arriving and departing, and the timeframe in which a surge of traffic must be dealt with due to airline scheduling. Chicago O'Hare has seven runways. One of these runways, however, is short and restricted to general aviation aircraft leaving six main runways for commercial aircraft. These six runways consist of three sets of parallel runways, each set intersects with another set of parallel runways. The longest runway is 13,000 feet.

Normally, the six main runways can handle 40 operations (arrivals or departures) each, per hour. Most of the time all six runways are used simultaneously. Air traffic controllers at O'Hare try to use three of the runways strictly for arrivals, and the other three runways strictly for departures. Theoretically, this would give Chicago O'Hare an arrival rate of 120 per hour, along with a departure rate of 120 per hour. However, this is not the case.

The actual arrival/departure rate at Chicago O'Hare is 100 an hour, about 40 less than expected. The main reason is that all the runways at O'Hare intersect at some point. Separation rules for intersecting and converging runways are stricter than for parallel runways. Applying these rules slows down the operation and therefore reduces the arrival and departure rates. In addition, under certain wind conditions there are times when only five of the six major runways can be used.

The actual arrival/departure rate will decline to less than 80 an hour during inclement weather. At all times, Chicago O'Hare uses at least two runways for arrivals. During peak time periods (every hour and a half), three or occasionally four runways will be used for arrivals. When. controllers are using three runways for arrivals, a set of parallel runways is used along with either a converging or an intersecting runway as the third. However, certain weather conditions/minimums must exist to use converging or intersecting runways.

These minimums are referred to as Visual Flight Rule (VFR) conditions. VFR minimums are a 1000 feet above ground level cloud ceiling and visibility of at least three miles. When the weather conditions drop below VFR, converging and intersecting runways cannot be used. Therefore, the airport is restricted to two parallel arrival runways. The reason is that in poor weather aircraft can not see each other as well and enter the clouds quicker. An aircraft exercising a go around would be pointed at other aircraft, and aircraft pointed at each other while entering clouds at the same time is not safe. Limiting arrivals to parallel runways eliminates this concern.

Airlines that use Chicago O'Hare are aware that when weather conditions fall below VFR only two runways are available for arrivals, and that the arrival rate will be reduced to 80 or less per hour. This is when capacity management becomes even more critical. Responsible scheduling of flights within airport capacity limits will go a long way toward alleviating delays.

LAND AND HOLD SHORT OPERATIONS (LASHO)

NATCA supports the use of land and hold short operations to increase airport capacity and help alleviate delays. LAHSO is a procedure in which the air traffic controller clears an aircraft to land on one runway with additional instructions to hold short of an intersecting runway where simultaneous operations are taking place. This procedure allows controllers to use intersecting runways as if they do not intersect at all, thus allowing for the maximum arrival and departure rates.

LAHSO has been used safely and effectively at Chicago O'Hare and other airports for over 30 years to reduce airport delays and congestion. In fact, the runway configuration at O'Hare is conducive to the use of LAHSO. NATCA will continue to work with the FAA, the pilots, and other stakeholders to maximize the use of this capacity enhancing tool.

SOLUTIONS TO THE CAPACITY PROBLEM AT CHICAGO O'HARE

The key to increasing capacity at O'Hare is to reduce the number of converging and crossing runways and to increase the number of parallel runways. Adding one more parallel runway would increase the arrival and departure rates to 120 an hour during all weather conditions. This would basically eliminate all the delays we have today.

In addition, the remaining runways should be positioned so that they do not intersect with other runways or at least intersect: at preferred points. This would allow aircraft to takeoff without being affected by arrivals. Just look at Hartsfield International Airport in Atlanta. With only four runways (they are building a fifth), this airport is often cited as the busiest in the world. This is because the four runways are parallel and do not intersect or converge at any point. Parallel runways would eliminate the above-mentioned issues associated with weather and LAHSO.

CONTROLLER INVOLVEMENT WITH ADDING RUNWAYS OR RECONFIGURING CHICAGO O'HARE

A number of proposals have been submitted for new runways at Chicago O'Hare. It is the FAA and the air traffic controllers that establish and implement the traffic patterns. Therefore, NATCA respectfully requests to be actively involved in any decisions regarding the building and location of new runways or reconfiguration of current runways. The FAA and NATCA can provide significant input as to which runway configurations will provide the most benefit and capacity to the airport operation, while maintaining safety.

The location of runways, even parallel runways, can create situations that force air traffic controllers to route taxing aircraft across active runways. This situation is common at airports where runways are all parallel to each other. Any time an aircraft is forced to taxi across a runway, the chance of error exists. Runways can be configured to eliminate any such risks.

CONCLUSION

Without expanding domestic airspace and airport capacity, and addressing the issue of capacity management, delays will not only continue to increase but they will reach the point of gridlock in. the foreseeable future. NATCA looks forward to working with the Committee, the FAA, the pilots, airlines, airports, and other interested groups to develop and implement concrete solutions. We want to be part of the solution.

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NATIONAL AIR TRAFFIC CONTROLLERS ASSOCIATION,
*June 12, 2001.*

Hon. RICHARD DURBIN,
*U.S. Senate,*
*Dirksen Senate Office Building,*
*Washington, DC.*

DEAR SENATOR DURBIN: I am writing to express my strong support for additional runways at Chicago O'Hare International Airport to handle the current levels of traffic as well as anticipated future growth. I spent 10 years working as a controller at Chicago Terminal Radar Approach Control, so I am all too familiar with the challenges we face regarding capacity at O'Hare. The ripple effect on the rest of the system is tremendous, leading to delays at airports across the country.

Airline delays and cancellations, capacity and access constraints, and traffic congestion continue to plaque our National Airspace System. Passenger frustration is over the top and customers are unhappy. Part of the reason the country is faced with this capacity crisis is that airport construction—terminals, taxiways, runaways, gates—has not kept pace with passenger growth. Only nine new runways were opened at the country's 100 largest airports between 1995 and 1999. And, only three of these nine runways were built at the nation's 28 largest airports.

There is no question that increased airport capacity will have a significant impact on reducing airline delays. Capacity can be increased through construction, and AIR–21 provides the necessary financial resources. Fifty miles of concrete poured at our nation's 25 busiest airports will solve most of our aviation delays. A new runway can allow 30 to 40 more operations per hour.

Because of its location, the fact that two of the largest airlinea operate hubs there, and that 50 other airlines operate there, Chicago O'Hare is extremely important to the National Airspace System. New runways at O'Hare will also help efforts to improve air service to small and mid-sized communities.

Thank you for your consideration and we look forward to working with you on this important matter.

Sincerely,

JOHN S. CARR,
*President.*

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CAPITAL AIRPORT,
*June 11, 2001.*

Hon. RICHARD J. DURBIN,
*332 Dirksen Senate Office Building,*
*Washington, DC.*

DEAR SENATOR DURBIN: I am writing to express our support for expansion and the modernization of O'Hare International Airport in efforts to reduce airline congestion and delays.

Not only is O'Hare an extremely strong and important destination airport for Springfield and other downstate passengers, Illinois too benefits from the preeminent role Chicago's O'Hare plays as a passenger hub from a connectivity point of view to the world. There are only a very limited number of other airports throughout the world that are as vital to air transportation as O'Hare, and we in Illinois, are the fortunate beneficiaries of this dynamic economic force.

Recently, much discussion about O'Hare expansion versus reliever airports such as Rockford and Peotone has occurred at the local, regional, State and Federal levels, again indicating O'Hare's importance to air transportation. While we have no intention to take one posit on over another, it is clear that O'Hare is one of the most successful hub airports in the industry. It is because of this success that O'Hare operates, according to the FAA, at/or over capacity during parts of every day, causing flight delays and cancellations, which negatively impact Springfield and other downstate passengers.

It only makes sense to continue to expand and modernize O'Hare since it is a successfully proven airport facility that we know has served Springfield's passengers for decades. State and Federal officials should not overlook expansion and modernization opportunities at O'Hare, nor should they abandon consideration of other alternatives. I respectfully request that you support and help accelerate O'Hare expansion and modernization. The O'Hare airport operation is simply too important to Springfield and the whole of Illinois to let the delay in growth and modernization continue.

Sincerely,

ROBERT W. O'BRIEN, JR., A.A.E.,
*Executive Director of Aviation.*

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OFFICE OF THE MAYOR,
*City of Quincy, June 7, 2001.*

Hon. RICHARD J. DURBIN,
*332 Dirksen Senate Office Building,*
*Washington, DC.*

DEAR SENATOR DURBIN: I am writing to express my support for expansion of O'Hare International Airport.

As you know, O'Hare is the No. 1 destination for Downstate Illinois passenger air service. Thanks to O'Hare, many communities, like Quincy, enjoy one stop service to anywhere in the U.S. and the world.

O'Hare also provides economic development and tourism potential for this community that is unmatched by any other source.

A great deal has been written lately about O'Hare expansion versus Peotone construction. I'm not taking sides in that fight. I simply believe it is shortsighted not to do everything possible to modernize O'Hare. After all, the airport was designed in the 1950's, complete with intersecting runways. It needs to be brought into the 21st Century in order to accommodate larger aircraft, improve efficiency, and ensure maximum safety for the traveling public.

According to the FAA, O'Hare operates at or over capacity for portions of everyday. And the Federal forecasts call for increased delays and cancellations. All this negatively impacts smaller communities. We're the first to see reduced service or terminations. If Downstate Illinois is to grow passenger air service and expand economic development, we need an expanded, modern O'Hare.

State and Federal officials should not turn their backs on O'Hare and third airport supporters shouldn't attempt to tear down O'Hare in order to build Peotone. I respectfully ask you to help expedite O'Hare expansion. It is simply too important to Downstate Illinois to delay.

Very truly yours,

CHARLES W. SCHOLZ,
*Mayor.*

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CHAMBER OF COMMERCE,
*Decatur & Macon County, June 11, 2001.*

Hon. RICHARD DURBIN,
*332 Dirken Senate Office Building,*
*Washington, DC.*

DEAR SENATOR DURBIN: I am writing to express my strong support for improvements and expansion at O'Hare Company International Airport.

As you are well aware, downstate communities such as Decatur have been fighting a losing battle over air service. In the last 4 years we have twice lost service to Chicago O'Hare, and are currently without it. O'Hare International is the No. 1 destination for both business and leisure travelers from Central Illinois, as it offers air service to the rest of the world.

We had hoped that when slot restrictions were lifted our community would have a better chance at once again offering passenger air service to O'Hare. However, the FAA reports O'Hare operates at or over capacity every day. Crowded conditions there make the possibility of restoring our air service to O'Hare extremely unlikely.

Just because we are a smaller community in Downstate Illinois, we should not be forgotten! We are home to big business, and for the competitive, global business climate of this century our travelers need access to safe, efficient travel. This will not happen unless major changes are made to the Chicago O'Hare facility.

If we have any chance at all of attracting a commuter airline to serve our passengers through O'Hare, major improvements must be made. I am writing to express my support for expansion and modernization of O'Hare International.

The Chamber of Commerce for Decatur and Macon County is not at this time taking sides in the controversy over construction of a third airport in Peotone. However, modernizing O'Hare is imperative to the future economic development of our community and the State of Illinois.

Sincerely,

JULIE MOORE,
*President.*

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METROPOLITAN AIRPORT AUTHORITY,
*Rock Island County, Illinois, June 11, 2001.*

Hon. ERNEST F. HOLLINGS, *Chairman,*
*Committee on Commerce, Science and Transportation,*
*U.S. Senate,*
*Washington, DC.*

DEAR SENATOR HOLLINGS: I would request this document be entered into the record for the hearing that is going to take place on June 15, 2001, at the Dirksen US Courthouse in Chicago, Illinois, before the Senate Committee on Commerce, Science, and Transportation on Air Traffic Congestion and Capacity in the Chicago, Illinois Region and its Effect on the National Air Traffic System.

The Quad City International Airport is critical to the economy of Western Illinois and Eastern Iowa. It serves a 60-mile catchment area, including Rock Island, Moline, East Moline, Davenport and Bettendorf and includes approximately 1.2 million people. The airport will enplane over 400,000 passengers in 2001, which is a 56 percent increase over the past 6 years. The Quad City International Airport is expected to be the fifth fastest growing airport in the next 5 years. In order to accommodate this growth, the Airport Authority of the Quad Cities has constructed a new $18 million terminal concourse expansion that has 12 new gates, two new baggage carousels, a frequent flyer lounge, a new restaurant and snack bar, and a new gift shop. The airport serves six different hubs: St. Louis, Chicago O'Hare, Minneapolis, Detroit, Denver, Milwaukee, and Atlanta. For a region of our size, this is very good service.

Today, we don't have reliable and frequent air service to O'Hare. This is very devastating to the businesses in our region. Back on July 31, 1999, American Airlines

terminated service from the Quad Cities to O'Hare because of slot needs of American for service to another community. That left the airport with five daily flights by United Express to Chicago from the Quad Cities. This does not satisfy our demand for service to O'Hare and beyond and leaves no margin for error if a flight is delayed or canceled. Every day, people drive to Chicago to make their international connections. The reason for this is because of air traffic or weather delays.

Greater capacity at O'Hare is critical for our businesses as well as our other passengers that want to fly on United Airlines through Chicago. We in the Quad Cities would like to see additional runways at O'Hare to provide more capacity. Midwestern communities depend on service to O'Hare. The need for these new runways is now, not 10 to 15 years that it often takes to complete a runway project. We also need a more efficient environmental review process, so that these critical construction projects can be quickly completed to meet current and future demand. The proposed funding for the expansion at Chicago O'Hare can be through Passenger Facility Charges (PFC's) and will not be a burden on the taxpayers of Illinois.

I would urge your support for new runways at O'Hare. This will help many communities retain and gain access to one of the busiest airports in the world.

Sincerely,

BRUCE E. CARTER, A.A.E.,
*Director of Aviation.*

Senator MCCAIN. Thank you very much. Our first panel witness is the Honorable Jerry Weller, U.S. House of Representatives and the Honorable Donald Manzullo and the Honorable Henry Hyde and the Honorable Jesse Jackson, Jr., the Honorable Joseph Kernan, who is the Lieutenant Governor of Indiana and the Honorable Julie Hamos, the Illinois State Representative.

We usually begin by both age and seniority and Congressman Hyde fits both of those categories, so we'll begin with you Congressman, Chairman Hyde. Thank you and welcome.

## STATEMENT OF HON. HENRY J. HYDE, U.S. REPRESENTATIVE FROM ILLINOIS

Congressman HYDE. Thank you, Senator. I note that my hair is no whiter than yours.

In any event, because you've asked us to confine our remarks to 3 minutes, I will try to cut to the chase. My good friend, Senator Rockefeller, assumes that O'Hare is to be enlarged. And we hope that's an issue here. The quality of life for the thousands of people who live around O'Hare and who assert that 900,000 plus operations in and out is a saturation point. And there are questions of pollution, noise, safety that ought to be considered when the critical decision is made as to whether to enlarge O'Hare or build an airport or do both.

Constructing more runways at O'Hare, I assert, would be harmful to public health, the economy and the environment. I believe we must build a new regional airport now. The question is, where do we put the capacity? Do we build a third gateway to the world?

Let's take a look at the alternatives, which are straightforward. We can build new runways at a new airport, at O'Hare, at Midway, or a combination of all of the above. It's been suggested adding Gary or Rockford to the mix.

Given these options, the following facts are clear. The new runways can be built faster at a new airport as opposed to O'Hare or Midway. Simply from the standpoint of physical construction, as well as paper and regulatory planning, the new runways can be built faster at a greenfield site.

More new runway capacity can be built at a new site than at O'Hare or Midway. It's obvious that more new runways can be

built at a new, larger greenfield site. Additional space can be acquired at Midway or O'Hare by destroying densely populated surrounding residential communities, but only at tremendous economic and environmental cost.

The new runways can be built at far less cost at a new airport than at O'Hare or Midway. New runways can be built cheaper at a greenfield site. Given the enormous public taxpayer resources that must be used for any of the alternatives, the Bush Administration must compare the overall costs of building runway capacity at a new airport versus building the same capacity at O'Hare or Midway.

Construction of a new airport will have far less impact on the environment and public health than would expansion of either Midway or O'Hare. Midway, and later O'Hare, were sited and built at a time when concerns over environment and public health were far less than they are today. As a result, both existing airports have virtually no environmental buffer. In contrast, the site of the new South Suburban Airport has, by design, a large environmental buffer which will ameliorate most, if not all, of the environmental harm and public health risk from the site. We can create the same or similar environmental buffer around O'Hare, but at a cost of tens of billions of dollars, and enormous social and economic disruption.

Construction of the new capacity at a new airport offers the best opportunity for bringing major new competition into the region. When comparing costs and benefits of alternatives, the Senate must address the existing problem of monopoly or duopoly fares at "Fortress O'Hare" and the penalty such high fares are inflicting the air traveling public. Bringing in one or more significant competitors to the region would benefit all airline passengers through increased competition and reduced fares. The only alternative that has the room to bring in significant new competition is the new airport.

May I add one final perspective? Adding another runway at O'Hare and allowing a "point-to-point" small airport to be built in the South Suburban Site is an unacceptable alternative. Why? There's no room for real competition, and as I previously stated, this increase in traffic at O'Hare will have serious environmental and public health impacts on surrounding communities. I can't over-emphasize this point. Also, assuming the new airport is built as a compromise, this alternative guarantees the new airport will be a "white elephant", much as the Mid-America airport is near St. Louis today.

Concluding, I'm convinced we must build a new regional airport now. In this serious match of tug of war over airport capacities, the arguments presented in favor of a new airport, the Third Gateway to the World, are factual, compelling and I hope very persuasive to you.

Thank you, Mr. Senator.

[The prepared statement of Mr. Hyde follows:]

PREPARED STATEMENT OF HON. HENRY J. HYDE,
U.S. REPRESENTATIVE FROM ILLINOIS

Mr. Chairman, and Members of the Senate Committee on Commerce, Science, and Transportation. Thank you for the opportunity to present my views on the vital question of what to do about the Chicago region's aviation capacity problem. My con-

gressional district encompasses O'Hare Airport and many of the residential communities surrounding O'Hare.

As we all know, the decisions as to where to put new airport capacity will have a dramatic effect on our national aviation system as well as our environment, and the health, and quality of life of hundreds of thousands of O'Hare area residents. A tug of war has begun over where to create this new capacity. On the one side we have advocates of building a new facility that will be able to meet capacity problems now and accommodate future growth. On the other side, we have advocates of expanding O'Hare. It is no secret which team I am on.

Here are the key points I wish to bring to your attention:

For the reasons I discuss below, constructing more runways at O'Hare would be harmful to the public health, economy and environment. I am convinced that we must build a new regional airport *NOW*. The question is where do we place this new capacity. Do we build a Third Gateway to the World? YES.

However, for the pundits, let us take a look at the alternatives which are straightforward: we can build new runways at (1) a new airport, (2) at O'Hare, (3) at Midway, or (4) a combination of all of the above. It has also been suggested adding Gary or Rockford to the mix of alternatives. Given these options the following facts are clear:

**1. The new runways can be built faster at a new airport as opposed to O'Hare or Midway.** Simply from the standpoint of physical construction (as well as paper and regulatory planning) the new runways can be built faster at a "greenfield" site.

**2. More new runway capacity can be built at a new site than at O'Hare or Midway.** It is obvious that more new runways can be built at a new, larger greenfield site. Additional space *can* be acquired at Midway or O'Hare by destroying densely populated surrounding residential communities—but only at tremendous economic and environmental cost.

**3. The new runways can be built at far less cost at a new airport than O'Hare or Midway.** New runways can be built cheaper at a "greenfield" site. Given the enormous public taxpayer resources that must be used for any of the alternatives, the Bush Administration must compare the overall costs of building runway capacity at a new airport versus building the same capacity at O'Hare or Midway.

**4. Construction of a new airport will have far less impact on the environment and public health than would expansion of either Midway or O'Hare.** Midway, and later O'Hare, were sited and built at a time when concerns over environment and public health were far less than they are today. As a result, both existing airports have virtually no "environmental buffer." In contrast, the site of the new South Suburban Airport has, by design, a large environmental buffer which will ameliorate most, if not all, of the environmental harm and public health risk from the site. We *can* create the same or similar environmental buffer around O'Hare or Midway—but at a cost of tens of billions of dollars, and enormous social and economic disruption.

**5. Construction of the new capacity at a new airport offers the best opportunity for bringing major new competition into the region.** When comparing costs and benefits of alternatives, the Senate must address the existing problem of monopoly (or duopoly) fares at "Fortress O'Hare" and the penalty such high fares are inflicting the air traveling public. Bringing in one or more significant competitors to the region would benefit all airline passengers through increased competition and reduced fares. And the only alternative that has the room to bring in significant new competition is the new airport.

Let me add one final perspective—adding another runway at O'Hare *AND* allowing a "point-to-point" small airport to be built at the South Suburban Site is an unacceptable alternative. Why? There is no room for real competition, and as I previously stated, this increase in traffic at O'Hare will have serious environmental and public health impacts on surrounding communities. I cannot over emphasize this point! Also, assuming the new airport is built as a compromise, this alternative guarantees the new airport will be a "white elephant"—much as the Mid-America airport near St. Louis is today.

CONCLUSION

In conclusion, I am convinced that we must build a new regional airport *now*. In this serious match of tug of war over airport capacity, the arguments presented in favor of building a new airport—the Third Gateway to the World—are factual, compelling, and very strong. On behalf of my team members who share my side of the rope in this tug of war, I say to our opponents—We are NOT the weakest link. Thank you and good bye.

Senator MCCAIN. Thank you, Chairman Hyde.

Congressman Jackson, welcome.

**STATEMENT OF HON. JESSE L. JACKSON, JR., U.S. REPRESENTATIVE FROM ILLINOIS**

Congressman JACKSON. I want to commend and thank Members of the Senate Aviation Subcommittee for holding this hearing. And I share your concerns about Chicago's aviation crisis. In fact, I ran on this issue in 1995 and I've been working virtually non-stop to resolve it ever since.

I also want to welcome the straight talk expressed to the Chicago aviation crisis. We've been waiting for straight talk for a number of years. And while I'm a not a relative newcomer to this nearly 20-year struggle, I have heard all the arguments for and against all of the options that would be presented today. And I firmly believe that the best solution by far, short-term and long-term, is a new third airport in the south suburbs near Peotone, Illinois.

First, a little background. In 1984, the federal Aviation Administration determined that Chicago was running out of capacity. Indeed, it accurately predicted that Chicago would hit gridlock by 2000. As a result, the FAA directed Illinois, Indiana, and Wisconsin to conduct a feasibility study for a third regional airport.

The states responded. They conducted an extensive study of numerous potential sites, including Chicago's south side, Joliet, Kankakee, Milwaukee, and Gary, Indiana. The study concluded almost 10 years ago that gridlock could best be avoided by building a new south suburban airport.

So, this crisis is no surprise. Moreover, it was avoidable. During my 6 years in Congress, I have written countless letters and articles, and held numerous meetings with top officials to advocate my position. I've met and attempted to persuade President Clinton, President Bush, Vice President Gore; Transportation Secretaries, Slater and Mineta; FAA Administrator Garvey; fellow Members of Congress; Illinois Governors Edgar and Ryan; the bipartisan leaders and members of the Illinois General Assembly; Mayor Daley and members of the City Council; and the CEO's of the major airlines. And many have agreed with me.

Despite those efforts, I watched in amazement as this crisis deepened, and those in positions to fix it failed or refused to act. We're here today because of a lack of leadership and a good dose of obstruction. Sadly, the opposition is not based on substantive issues: capacity, safety, consumer protection or efficiency. Instead, it is rooted in patronage, greed and parochial politics.

Chicago City Hall opposes the Peotone Airport because it lies——

Senator MCCAIN. One second.

Congressman JACKSON. I'm sorry, Mr. Chairman.

Senator MCCAIN. I would ask again our spectators to restrain their remarks during this hearing. Again, I would appreciate the courtesy. Thank you.

Congressman JACKSON. And I would join you in that, Senator. We are trying to have a hearing here and I would appreciate it if supporters of our point of view would just allow the hearing to continue.

Chicago City Hall opposes the Peotone Airport because it lies outside the City's political jurisdiction. O'Hare is the City's greatest asset and economic engine. A new airport threatens the status quo.

Meanwhile, O'Hare's dominant carriers, United and American, have engaged in aggressive, sometimes misleading lobbying effort to block a new airport and new competition from entering their already constrained market.

And finally, the Clinton FAA stalled the Peotone proposal despite its own dire warnings of approaching gridlock to placate City Hall. Specifically, the FAA, one, mandated, which is not in federal law at all, regional consensus, which requires Chicago's approval for any new regional airport. It doesn't require any approval of any of the new, of the mayors and elected officials that you'll hear here today about what's taking place at O'Hare Airport. Only to build a new airport requires Chicago's stamp of approval.

The FAA removed Peotone from the NPIAS list in 1997, after Mayor Daley requested that it be removed after it emerged as the front runner. Peotone had been on NPIAS for 12 years. They held up Peotone's environmental review from 1997 to 2000 and allowed the city to use Passenger Facility Charges, which Congress created to finance construction of a third airport to gold plate O'Hare.

Ironically, those same parties who created this aviation mess are now saying, trust us to clean it up. But their hands are too dirty. Fortunately, there is a better alternative. There is a solution that puts public safety before patronage; consumer interest before corporate greed; transportation efficiency before politics. And that option is Peotone.

Some witnesses today will say expand O'Hare and build Peotone, knowing full well that expanding O'Hare will doom Peotone for years, perhaps forever. Others will say expand Gary or Rockford, knowing full well that preliminary studies concluded that major expansions at those locations are impractical and cost prohibitive.

Others will argue that Peotone will turn out to be like the downstate Mid-America Airport, unused. They will contend that no airline has committed to using Peotone. But that's a circular argument. First, I've never advocated building Peotone without such an airline commitment. And, more important, no airline will ever commit to using Peotone without a government commitment to building Peotone. Nevertheless, four airlines have expressed an interest in operating there. They are Virgin, Spirit, Air Trans and American, most recently in a Chicago newspaper article.

The Peotone proposal, Mr. Senator, is the best solution by far for many reasons. Compared to O'Hare expansion, building Peotone is, quite simply, quicker, cheaper, safer, cleaner and more permanent.

For those of us who support government efficiency, it is quicker. Peotone can be built in 3 to 5 years. Conversely, adding runways at existing airports commonly takes 15 to 20 years, not including the lawsuits associated with this controversy.

The new Atlanta runway will be 20 years from conception to completion. Detroit's new runway, which faced no opposition, took 13 years. In this case, quicker is better.

For those of us who are fiscal conservatives, cheaper. Peotone's inaugural airport would cost $600 million. A two-runway Peotone, $2.5 billion, a four-runway Peotone, $5 billion. By comparison,

retro-fitting O'Hare would cost $8 to $15 billion and offer less growth potential. By the time we build a new runway at O'Hare, Mr. Senator, it is already time to build another runway at O'Hare because it can't possibly keep up with growth.

Let me conclude on this note, Mr.——

Senator MCCAIN. You've used your 3 minutes twice, now.

Congressman JACKSON. Let me just conclude on this note, if I might. It's time for a bold new straight talk approach. We can do better. We must do better. We must build a third airport immediately for the sake of taxpayers, consumers, public safety and the environment.

Once again, thanks for your attention and interest. And I'm confident that you will do the right thing for Chicago and the nation. I'll be glad to answer any questions at the appropriate time.

[The prepared statement of Mr. Jackson follows:]

PREPARED STATEMENT OF HON. JESSE L. JACKSON, JR.,
U.S. REPRESENTATIVE FROM ILLINOIS

I want to commend and thank Members of the Senate Aviation Subcommittee for holding this hearing. I share your concerns about Chicago's aviation crisis. In fact, I ran on this issue in 1995. And I have been working virtually non-stop to resolve it ever since.

While I'm a relative newcomer to this nearly 20-year struggle, I have heard all the arguments for, and against, all of the options that will be presented today. And, I firmly believe that the best solution, by far—short-term and long-term—is a new Third Airport in the South Suburbs near Peotone, Illinois.

First, a little background. In 1984, the Federal Aviation Administration determined that Chicago was quickly running out of capacity. Indeed, it accurately predicted that Chicago would hit gridlock by 2000. As a result, the FAA directed Illinois, Indiana and Wisconsin to conduct a feasibility study for a Third Regional Airport.

The States responded. They conducted an extensive study of numerous potential sites—including Chicago's South Side, Joliet, Kankakee, Milwaukee (WS) and Gary (IN). That study concluded *almost 10 years ago* that gridlock could be best avoided by building a south suburban airport.

So, this crisis is no surprise. Moreover, it was avoidable. During my 6 years in Congress, I have written countless letters and articles, and held numerous meetings with top officials to advocate my position. I've met and attempted to persuade President Clinton and President Bush; Vice President Gore; Transportation Secretaries Slater and Mineta; FAA Administrator Garvey; fellow Members of Congress; Illinois Governors Edgar and Ryan; the bipartisan leaders and members of the Illinois General Assembly; Mayor Daley and members of the Chicago City Council; and the CEOs of the major airlines. And many agreed with me.

Despite those efforts, I watched in amazement as this crisis deepened, and those in positions to fix it, failed, or refused, to act. We're here today because of a lack of leadership and a good dose of obstruction. Sadly, the opposition is not *based* on substantive issues—capacity; safety; consumer protection; or efficiency. Instead, it is rooted in patronage, greed and parochial politics.

Chicago City Hall opposes the Peotone Airport because it lies outside the City's jurisdiction. O'Hare is the City's greatest asset and economic engine. A new airport threatens the status quo.

Meanwhile, O'Hare's dominant carriers—United and American—have engaged in an aggressive, sometimes misleading, lobbying effort to block a new airport—and new competition—from entering their already constrained market.

And finally, the Clinton FAA stalled the Peotone proposal—despite its own dire warnings of approaching gridlock—to placate City Hall.

Specifically, the FAA: (1) Mandated "regional consensus," which requires Chicago approval for any new regional airport; (2) Removed Peotone from the NPIAS list in 1997, after it emerged as the frontrunner. Peotone had been on the NPIAS for 12 years; (3) Held up the Peotone environmental review from 1997 to 2000; and, (4) Allowed the City to use Passenger Facility Charges (PFCs)—which Congress created to finance construction of a Third Airport—to goldplate O'Hare.

Ironically, those same parties who created this aviation mess are now saying "trust us to clean it up." But their hands are too dirty.

Fortunately, there is a better alternative. There is a solution that puts public safety before patronage; consumer interest before corporate greed; transportation efficiency before politics.

That option is Peotone.

Some witnesses today will say expand O'Hare *and* build Peotone, knowing full-well that expanding O'Hare will doom Peotone for years, perhaps forever. Others will say expand Gary or Rockford, knowing full-well that preliminary studies concluded that major expansions at those locations are impractical and cost-prohibitive.

Others will argue that Peotone will turn out like the Downstate Mid-America Airport—unused. They will contend that no airline has committed to using Peotone. But that's a circular argument. First, I have never advocated building Peotone without such an airline commitment. And, more important, no airline will ever commit to using Peotone without a government commitment to building Peotone. Nevertheless, four airlines have expressed an interest in operating there. They are Virgin Atlantic, Spirit Airlines, Air Trans and American Airlines.

The Peotone proposal is the best solution, by far, for many reasons. Compared to O'Hare expansion, building Peotone is, quite simply—quicker, cheaper, safer, cleaner and more permanent.

*Quicker.* Peotone can be built in 3 to 5 years. Conversely, adding runways at existing airports con unonly takes 15 to 20 years. The new Atlanta runway will be 20 years from conception to completion. Detroit's new runway, which faced no opposition, took 13 years. In this case, quicker is better.

*Cheaper.* Peotone's inaugural airport would cost $600 million. A two-runway Peotone, $2.5 billion. A four-runway Peotone, about $5 billion. By comparison, retrofitting O'Hare could cost $8 to $15 Billion, and offer less growth potential.

*Safer.* Peotone features long, parallel runways, compared to O'Hare's short, criss-crossing layout.

*Cleaner.* The most environmentally friendly airport ever designed, Peotone is surrounded by a mile-wide buffer zone to contain noise and pollution. That same-sized ring around O'Hare is home to 250,000 people.

*More Permanent.* Peotone provides plenty of room to build future runways—each cheaper, quicker, safer and cleaner than at O'Hare.

The bottom line is obvious. Cramming more planes into the nation's most overcrowded, over-priced and worst-performing airport defies logic. The City and the Airlines had 10 years to fix the problem. Instead, they ignored and, worse, compounded it.

If not for their opposition, Peotone would be under construction, or even operational today. And we wouldn't need to be here.

It's time for a bold new approach. We can do better. We must do better. We must build a Third Airport, immediately. For the sake of taxpayers, consumers, public safety and the environment.

Once again, thanks for your attention and interest. I am confident you will do the right thing, for Chicago and for the nation.

I would be glad to answer any questions.

Thank you.

Senator MCCAIN. Thank you, sir, and we're very impressed by your passion and commitment on this issue. Thank you.

Congressman Weller, welcome.

## STATEMENT OF HON. JERRY WELLER, U.S. REPRESENTATIVE FROM ILLINOIS

Congressman WELLER. Thank you, Mr. Chairman and Members of the Committee. And I'll commend my friends in the Senate for your interest in an issue which is so important not only in the Chicago region but to our nation.

Today I come before you as a supporter of O'Hare, a supporter of Midway as well as a supporter of building a third airport at Peotone. And I appreciate the opportunity to testify.

One thing all of us in this room know is that we have a capacity problem here in the Chicago region, a capacity problem that affects our nation's aviation infrastructure. Forecasts as early as 1980's

consistently showed that aviation growth in this region would outpace capacity to a critical level by the turn of the century. Forecasts have now come true and we've failed to lay one square foot of concrete to relieve this situation. Consequently, this region as well as our nation, are now facing aviation gridlock. And air travel is expected to double in the next 10 to 15 years.

We're here today to present solutions to this aviation capacity problem, not determine who gets tax revenue, not to determine who gets contracts and patronage, or whose airlines gain a better market share. The failure to address the capacity crisis is the direct result of political decisions to block the addition of aviation capacity in the Chicago region.

My testimony today conveys one message: it is time to stop playing politics and start building infrastructure. Build the south suburban airport at Peotone and add a runway to Chicago O'Hare now. We must do both now as the Chicago region and the nation can no longer afford to continue to allow politics to block the way of solving our capacity crisis in the Chicago region.

The best long term solution to address the capacity problem is to build the south suburban airport at Peotone. The Peotone Airport would be built faster and far less costly than a new runway at O'Hare. The airport could be operational in 4 to 5 years with the initial cost of $560 million. This airport will serve 2½ million people living within 45 minutes of the proposed site, many of whom are now 2 hours or more from the site of O'Hare. The airport as planned will also have room to grow to meet capacity needs for up to six total runways.

Chicago O'Hare will continue and always will be the leading airport in the Chicago region. We must continue to make sure that O'Hare has the capacity to accommodate continued growth in the Chicago region.

Now, we talked about building a runway but I think it's important to note that if we add a runway to O'Hare, it would decrease capacity at O'Hare during that runway's construction. New runways will likely require the movement of existing runways for safety in air traffic patterns, causing extensive closures and delays and increasing the need for an additional airport.

Further, new runways will add limited capacity but will not meet the projected doubling of aviation growth over the next 10 to 15 years. I'd also note that a new runway at O'Hare would cost one billion dollars. And if existing infrastructure must be moved, the cost will be much higher. And it's expected to take 8 to 15 years for the development of one runway at O'Hare.

Clearly, time is a concern. Capacity is a problem. We need to address it. Even with the development of a third airport, O'Hare and Midway will continue to prosper. But I would note that time and time again, politics have prevented the south suburban third airport at Peotone from moving forward.

A south suburban third airport at Peotone has been extensively planned and designed. And the Illinois Legislature has taken a bold step forward by appropriating funds requested by our Governor, Governor George Ryan for land acquisition. We're ready to move forward in building an airport to meet the needs of the 21st Century if political roadblocks are removed.

I would note, as you're aware, that Members of the Senate and Senators Grassley and Harkin have urged the Federal Government to step in and remove our Governor from the airport planning process. My colleague, Representative Lipinski, has also introduced legislation to remove our Governor from this planning process.

I would respectfully ask that the Committee deny these political and legislative tactics and preserve the role of Illinois' Governor in airport siting and planning. And further I would ask the Committee's support to urge the FAA to continue moving forward on completing the Environmental Impact Study which should be done at the end of this year and to replace and put back onto the NPIAS List the south suburban third airport at Peotone.

We should do both. We need to add a runway at O'Hare. We need to build a south suburban third airport at Peotone. Thank you.

The prepared statement of Mr. Weller follows:]

PREPARED STATEMENT OF HON. JERRY WELLER, U.S. REPRESENTATIVE FROM ILLINOIS

I want to express my gratitude to the Senate Committee on Commerce, Science and Transportation for traveling to Chicago to explore solutions to the Chicago aviation capacity crisis. I come to you today as a supporter of O'Hare, Midway and the proposed South Suburban Airport at Peotone and am pleased to testify in front of this Committee today.

Mr. Chairman, every one of us in this room knows we have a serious aviation capacity problem. Forecasts as early as the 1980s consistently showed that aviation growth in our region would outpace capacity to a critical level by the turn of the century. The forecasts came true, but we have failed to lay one square foot of concrete to relieve the situation. Consequently, the region and the nation are facing aviation gridlock. And air travel is expected to double in the next 10 to 15 years.

We are here today to solve the aviation capacity crisis, not who gains tax revenue, gets contracts and patronage, or whose airlines gain market share. The failure to address the capacity crisis is the direct result of political decisions to block the addition of aviation capacity in the region. My testimony today conveys one message: it is time to stop playing politics and start building infrastructure. Build the South Suburban Airport at Peotone and add a runway to Chicago O'Hare now. We must do both as the Chicago region and the nation cannot afford to continue to allow politics to block the way of progress.

The best long term solution to address the capacity is to build the South Suburban Airport at Peotone. The Peotone Airport could be build faster and far less expensively than a new runway at O'Hare. The airport could be operational in four to five years with an initial cost of only $560 million. This airport will serve 2.5 million people living within 45 minutes of its proposed site—many of whom are now two hours or more from O'Hare. The airport as planned will also have room to grow to meet capacity needs for up to 6 total runways.

Chicago O'Hare Airport is still and will always be an important component of the regional and national air system. We must continue to make sure that O'Hare grows while serving passenger and cargo needs effectively and safely. An important component of O'Hare's growth may be the addition of one or two new runways. However, it must be clearly noted that building additional runways at O'Hare may actually decrease capacity for the time that they are under construction.

New runways will likely require the movement of existing runways for safety and air traffic patterns, causing extensive closures and delays and increasing the need for an additional airport. Further, new runways will add limited capacity, but will not meet the projected aviation growth over the next 20 years. The new runways will also cost at least $1 billion each, and if existing infrastructure must be moved, the costs will be much higher. Building and constructing a new runway at O'Hare will also take 8 to 15 years, as there is still much of the initial planning and development still yet to do. Clearly, the time and capacity constraints of new runways at O'Hare reinforce the need to build the South Suburban Airport.

Even with the development of a third airport, projections show O'Hare can plan on a 40% increase in passengers and Midway can plan on a doubling of demand. Unfortunately, time and time again, politics has prevented the South Suburban Airport from moving forward. The South Suburban Airport has been extensively planned and designed and the Illinois Legislature has taken a bold step forward by

appropriating funds requested by Governor Ryan for land acquisition. We are ready to build an airport for the needs of 21st century if political roadblocks are removed.

As you are aware, Senators Grassley and Harkin have urged the Federal Government to step in and remove Governor Ryan from the airport planning process. Representative Lipinski has introduced legislation to this effect also. I would respectfully ask the Committee to deny these legislative tactics and to preserve the role of Illinois' Governor in airport siting and planning. Further, I would ask that the Committee urge the Federal Aviation Administration to place the proposed South Suburban Airport back on the National Plan for Integrated Airport Systems (NPIAS List) and to expedite the processing of the environmental impact statement. These two steps are vital to the development of the expedited solutions of Chicago and our Nation's Aviation Capacity Crisis.

Thank you again for the opportunity to testify today.

Senator MCCAIN. Thank you, Congressman Weller.

Congressman Manzullo.

**STATEMENT OF HON. DONALD A. MANZULLO, U.S. REPRESENTATIVE FROM ILLINOIS**

Congressman MANZULLO. Thank you very much. I appreciate the opportunity to be here. I've come here as a United States Congressman, as a lifelong resident of the Rockford area. Our Congressional district runs from within one county of Lake Michigan all the way to the Mississippi River, a frequent participant in air flights out of O'Hare. And I'm also a private pilot, though not current on my license.

I have the answer to all of your concerns. I have the answer to Senator McCain's concern that something must be done soon. To Senator Rockefeller's concern that delay is not an option. To Senator Fitzgerald's concern that we need the quickest and least expensive option. To Senator Durbin's concern that O'Hare traffic congestion. To Congressman Hyde's concern on the impact of quality of life. And that's in Rockford, Illinois.

We have an airport that has had over 150 million dollars of infrastructure improvements, that has a 10,000 foot runway, Category III Instrument Landing System, a Glycol Retention and Treatment facility, a taxiway system to accommodate wide-body aircraft. It is the midwest hub for UPS. It could handle up to a million enplanements in 1 year without any major cost.

It can handle up to 15 million enplanements a year. O'Hare handles 34 million. We can go to 15 million enplanements per year by adding one runway. And we can go to a million enplanements a year without spending one dime and we can do it tomorrow.

Now, Rockford Airport is 1 hour away from O'Hare Airport. Each year, 400,000 people from the Rockford area ride the bus to O'Hare Airport. Another 800,000 people drive to O'Hare from our area. More than 2.2 million people live and work within a 45-mile radius of Rockford, Illinois.

And we're not, you know, we're not landing airplanes in corn fields. And we're not talking about spending billions of dollars here and there. These are real live brand new Boeing aircraft, 757's that landed in Rockford a couple of weeks ago because of the fog and the inability to use the landing systems at O'Hare because of congestion.

Now, if you want something done soon, just start with these airplanes as a point of origin. It just does not make sense to talk about spending billions and billions and billions of dollars of tax-

payer's money waiting 3 years, 7 years, 10 years. This airport is built. It's bought and paid for.

It can handle 747's and we've spent over 140 million dollars worth of improvements. Now, this may be too easy for Congress. This is the Dirksen Building. And this is where Senator Dirksen said, "a million here, a million there. After awhile it begins to add up."

But this congressman has a solution that doesn't cost one dime and the solution could be implemented tomorrow. And I'm done with 8 seconds over.

[The prepared statement of Mr. Manzullo follows:]

PREPARED STATEMENT OF HON. DONALD A. MANZULLO, U.S. REPRESENTATIVE FROM ILLINOIS

Mr. Chairman, I want to thank you for the opportunity to testify before you today on the growing problem of airline delays at O'Hare International Airport in Chicago. O'Hare suffered the worst flight delays in the Nation last year. This is a chronic problem that impairs the entire air transportation system in the United States because our nation's two largest airlines have hub operations at O'Hare. The continuous delays slow U.S. commerce and shipping, as well as the traveling public.

While some proposed solutions to this problem could cost hundreds of millions of dollars and take up to 10 years to implement, I am here today to offer a suggestion that would immediately begin to alleviate O'Hare's problem without the need for any more Federal spending.

The congressional district I represent in northern Illinois includes our state's second largest city—Rockford. Rockford is home to the Greater Rockford Airport, which is about an hour's drive northwest of O'Hare Airport. Over the past 6 years, the Greater Rockford Airport has undergone more than $150 million of infrastructure improvements. These improvements include a new 10,000 foot runway that can land any jet aircraft flying today, a Category III Instrument Landing System, a Glycol Detention and Treatment facility, and upgrades to the taxiway system to accommodate wide-body aircraft. The airport's other runway is 8,200 feet long.

The Greater Rockford Airport is primarily a cargo airport and home to United. Parcel Service's second largest hub. The airport also houses a modern passenger terminal that can immediately handle up to 1 million enplaned passengers annually. There is sufficient room for expansion.

While the debate over how to deal with the growing capacity problem at O'Hare continues, and may go on for years, Rockford stands ready today to help relieve the tremendous congestion at O'Hare. The Greater Rockford Airport has unconstrained airspace and with modest investments can accommodate up to 3 million enplaned passengers annually.

Some have said that the Greater Rockford Airport is too far from Chicago to offer serious relief to O'Hare. However, more than 400,000 people ride the bus each year from Rockford to O'Hare. Another 800,000 people drive out of Rockford's market service area each year to fly from O'Hare and other airports. More than 2.2 million people live and work within a 45-mile radius of Rockford.

Many do not realize that more than half of the 34 million people who fly into O'Hare each year are connecting passengers. About 16 million passengers originate their flights out of the Chicago region. When you consider transferring 3 million of those originating passengers to an airport such as Rockford, you are talking about relieving up to 20 percent of the congestion at O'Hare. Again, that is an immediate 20 percent reduction in congestion at O'Hare.

This can be done without spending hordes of money or waiting for a study to be completed. The Greater Rockford Airport is ready today to take on additional air passenger service.

In fact, the Rockford Airport is already used as a back up for the Chicago airports during bad weather. Just last week, five large jets were diverted to Rockford when heavy fog blanketed Chicago. The 757s and DC–9s landed at Rockford and deplaned their 600 passengers into the Rockford terminal building for several hours before the fog lifted and they could head back to Chicago. As you can see from the front-page story in the Rockford Register Star, the Greater Rockford Airport handled the situation with ease and could do so and more every day.

I call on this committee, the Department of Transportation and the airlines to do the right thing for the traveling and shipping public and fully utilize existing air-

ports that are capable of immediately reducing congestion and delays at our nation's major airports. In the Chicago region, that airport is the Greater Rockford Airport.

Thank you once again for this opportunity to testify, and I look forward to working with you in the future on this matter.

Senator MCCAIN. Thank you, sir. I believe you said sooner or later you'd talk about real money. I think we're talking about real money. I thank you, Congressman Manzullo.

Congressman Gutierrez, welcome.

**STATEMENT OF HON. LUIS GUTIERREZ, U.S. REPRESENTATIVE FROM ILLINOIS**

Congressman GUTIERREZ. Thank you very much.

Senator MCCAIN. I think we need to get a microphone down to you.

Congressman GUTIERREZ. I want to thank you, Senator McCain and Members of the Committee, for taking the time to come to Chicago and hear our views. I also want to thank my colleague, Congressman Bill Lipinski. His leadership and determination on this issue is exemplary of the way Bill Lipinski conducts himself every day as a Member of Congress.

All of my colleagues here today agree we must find a way to meet the growing demand for air service and to provide better, more efficient service to consumers. We must act now to limit unacceptable delays and to assure passenger safety. And we must confront this challenge with a solution that is practical, cost effective and can be implemented quickly.

For these reasons, I strongly believe we should expand the capacity of O'Hare International Airport by building additional runways. We know that the status quo of long delays and inefficient service at O'Hare Airport and many of America's critical airports is simply unacceptable.

I believe that immediate, and let me emphasize that word, immediate action is needed. The facts are clear. In the year 2000, O'Hare was the third most delayed airport in America. Demand at O'Hare is expected to grow by 18 percent during the next decade alone. As we examine the challenges before us, I believe it is vital that we not lose sight of this fundamental fact.

The increase in demand for air travel is at O'Hare Airport. O'Hare International Airport is the domestic and international hub that serves more than 30 airlines. O'Hare is the hub that serves more cities than any other airport. O'Hare is where the airlines and most travelers want to fly. O'Hare is where our air travel is established and it is O'Hare where the demand is and will continue to be in the future.

I think it would be a mistake to make substantial risky unneeded investments in massive non-O'Hare solutions to what is fundamentally an O'Hare challenge. If more Cub fans were clamoring to watch a game at Wrigley Field, it wouldn't make much sense to send them to Milwaukee to catch a game at Miller Park or to build a new stadium miles away.

Nor does it make sense to devote our time, resources and efforts to untested solutions that don't respond specifically to consumer or airline demand. In 1991, the Chicago Delay Task Force recommended that new runways be added to O'Hare to reduce delay

and improve efficiency. It said, "new runways represent the greatest opportunity to reduce delays in Chicago, particularly during bad weather conditions".

Quite simply, additional capacity at O'Hare is by far the most workable, cost affective, and timely way to meet air travel demand of the next decade.

I want to emphasize the need for a quick solution to this problem. Each day delays mount and the need for action increases. Reconfiguring O'Hare Airport and adding a runway is the most direct route to averting an impending crisis.

But this crisis can only be averted if we move beyond politics to a practical solution. That's why I support H.R. 2107, the End Gridlock at our nation's Critical Airports Act of 2001. This legislation preempts state statutes that act as obstacles to the development of our nation's critical airports.

In Illinois, the Governor has virtual veto power over airport development. In only one other state, the state of Maryland, is the Governor's power so broad. H.R. 2107 would end the political stalemate that holds air travelers in Illinois and across America hostage by allowing local airport authority, in this case, the city of Chicago, Department of Aviation, to apply for and receive federal funds directly from the federal Aviation Commission.

I think this is a sensible solution. While this solution streamlines the process, it in no way prevents extensive local input. The concerns of the Governor and all interested parties will be heard. The city of Chicago, Department of Aviation will be required to hold public hearings, solicit public comment and work to build a consensus for a solution.

In addition, H.R. 2107 in no way, and I reiterate, in no way weakens or changes any environmental laws or regulations. A new runway at O'Hare will still have to meet all state and federal environmental standards. But H.R. 2107 doesn't weaken something; does weaken something. The grip of politics on a vital issue. It will weaken the frustration that all consumers increasingly feel about the future of air travel in Chicago and across our country.

While I have tremendous respect for the motives and the reasons of those who are promoting other alternatives, I simply do not believe that the facts and logic regarding air travel in our area and across America merit the vast investment, uncertainty and long wait for action that those proposals could entail.

What makes sense for every Chicagoan and every American who deserve safe, efficient, reliable air service is to take the necessary steps as soon as possible to make O'Hare Airport the safest, most reliable, most efficient airport in the world.

Expanding O'Hare is the way to achieve that goal. And I urge this Committee to give that sensible option their very serious and favorable consideration. And I thank the Members of the Committee for hearing my testimony.

Senator MCCAIN. Thank you very much, Congressman Gutierrez.

Lieutenant Governor Kernan, welcome.

**STATEMENT OF HON. JOSEPH E. KERNAN, LIEUTENANT GOVERNOR FROM THE STATE OF INDIANA**

Lt. Governor KERNAN. Thank you very much, Mr. Chairman and Members of the Committee. I'm the Lieutenant Governor from the state of Indiana. I appreciate the opportunity to be here. I, like Congressman Manzullo, am a pilot and have flown in these crowded skies. And this is a problem that gets worse every day. And I, like the Congressman, have an immediate solution as well. A solution to the delays, the diverted flights and disgusted passengers. And that solution is just minutes away at the Gary/Chicago Airport.

The Gary/Chicago Airport provides a logical congestion relief solution to Chicago's air traffic problems. Currently our airport has over 80 based aircraft and more than 60,000 annual aircraft operations. It has two runways, the longest being 7,000 feet, longer than any runway at Midway. And it also has a precision instrument landing system.

The Gary/Chicago Airport is closer to downtown Chicago than other airports. An estimated 2½ million Chicago area residents live within a closer drive to Gary/Chicago Airport than to O'Hare. And 1.1 million residents are closer to Gary/Chicago than to Midway. Gary/Chicago offers ease and convenience for Chicago area travelers.

Just this past week, Governor Frank O'Bannon, Senator Richard Lugar and Senator Evan Bayh, along with Congressman Peter Visclosky and Gary Mayor Scott King met with Transportation Secretary Norman Mineta in Washington. In Indiana, there is strong bipartisan support for the Gary Airport solution.

There are financial advantages to proceeding with the Gary Airport reliever plan as well. Estimates have shown that the total environmental and construction costs for a runway expansion at Gary/Chicago Airport would amount to only $65 million compared to many times that cost for other solutions.

With Gary/Chicago, air passengers, and most importantly taxpayers, get the best deal. The timing advantages of the Gary/Chicago are clear. We're working with the FAA to approve a master plan, an airport layout plan which will provide the foundation for continued airport development. That plan is scheduled to be completed in November of this year.

The Gary/Chicago Airport has planes taking off and landing today, and has the capacity for more. We in northwest Indiana and north central Indiana have long viewed O'Hare and Midway as a part of our transportation solution, irrespective of the fact that these airports are located in Illinois.

We believe that fairness dictates that Gary/Chicago Airport should be a part of this solution. It is logical. It is cost effective and can be implemented immediately.

Mr. Chairman, I would ask that my testimony as well as written testimony that I have from Senator Lugar, Senator Bayh and Congressman Visclosky also be made a part of the record.

[The prepared statement of Governor Kernan follows:]

PREPARED STATEMENT OF HON. JOSEPH E. KERNAN, LIEUTENANT GOVERNOR FROM THE STATE OF INDIANA

Senator McCain, Members of the Committee, I am Indiana Lt. Governor Joseph Kernan, and I am here to speak on the merit of the Gary/Chicago Airport as a reliever to the nation's and the Chicago area's air congestion problems. These problems arise from insufficient airport runway capacity. There is an immediate solution to the delays, diverted flights and disgusted passengers. . . . that solution is just minutes away at the Gary/Chicago Airport.

Let me begin by saying that I understand this troubling situation. I have been a pilot since 1969, and I have flown in these crowded skies. The problem is a serious one—the number of air travelers has more than doubled since 1980, and is expected to additionally increase by more than 50% in the next ten years. Corresponding with the increased number of passengers, the number of airline delays is increasing as well. According to the Federal Aviation Administration, delays are up by 20% just from 1999 to 2000. And, as we know, O'Hare ranks third in the nation's airports for congestion. The Chicago Airport system provides 84 million travelers access to more than 200 destinations around the world. This number will increase significantly in the coming years, placing strains on the two largest airports in Chicago's current system. Real, comprehensive solutions must be implemented, and now. The safety of our flying citizens is at stake.

Let me explain why the Gary/Chicago Airport provides a logical congestion relief solution to Chicago's air traffic problems. There are four main advantages to using Gary/Chicago Airport as a reliever: logistical advantages, community advantages, financial advantages, and timing advantages.

Let me begin with the logistical advantages. Currently, the Gary/Chicago Airport has over 80 based aircraft and more than 60,000 annual aircraft operations. It has two runways, the longest being 7000 feet—which is longer than any runway at Midway Airport. The Airport has a precision instrument landing system for use during inclement conditions. Gary/Chicago Airport is closer to downtown Chicago than other airports. Gary /Chicago has easy access to both highway and commuter rail transportation. An estimated 2.5 million Chicago area residents live within a closer drive to Gary/Chicago Airport than to O'Hare, and 1.1 million residents are closer to Gary/Chicago Airport than to Midway. Gary/Chicago offers ease and convenience for Chicago area travelers, without the nuisances of flying out of O'Hare.

Second, Gary/Chicago Airport provides significant community advantages. More than 9,000 Indiana and Illinois residents have signed petitions in favor of the Gary/Chicago Airport. Such tremendous community support is lacking for other potential options for congestion relief. Just this week, these petitions were presented to U.S. Department of Transportation Secretary Norman Mineta, in a meeting with Indiana Governor Frank O'Bannon, Senators Richard Lugar and Evan Bayh, Congressman Peterr Visclosky, and Gary Mayor Scott King. This bi-partisan group of elected leaders emphasized the importance of the Gary/Chicago Airport, and reiterated the *strong* local, state and federal support behind the use and expansion of the Gary/Chicago Airport. This support is critical as local opposition will continue to delay other potential airport proposals. Gary/Chicago has the broad based community support needed to solve this problem.

There are financial advantages to proceeding with the Gary/Chicago Airport reliever plan as well. Building new runways and airports are costly projects. Environmental review costs alone have totaled up to $250 million for individual new runway projects. However, estimates have shown that the total environmental and construction costs for a runway expansion at Gary/Chicago Airport would amount to only $65 million. Costs for a similarly constructed start-up airport would cost about $500–600 million. With Gary/Chicago, air passengers, and most importantly taxpayers, get the best bang for their buck.

The timing advantages of the Gary/Chicago Airport are clear. Gary/Chicago is working with the Federal Aviation Administration to receive approval of their Master Plan and Airport Layout Plan, which will provide the foundation for the airport development. This reasonable development plan will provide additional runway and terminal facilities so that the airport can handle significant amounts of increased air passengers. The expanded runways will accept much larger planes than even Midway can accommodate. The approved plan is expected in November of this year. Other options will take 15–20 years before a plane lands or takes off while Gary/Chicago Airport has planes taking off and landing today and has the capacity for more.

Fairness dictates that Gary/Chicago Airport receive due and appropriate consideration in solving these tremendous air traffic problems. This fair and equal treatment is not only the right thing to do, but is in the best interests of the air travelers

who so badly need a workable solution. To pre-empt Gary/Chicago's contributions to helping solve this problem ultimately works against those whom we serve. Gary/Chicago must, and I dare say will, stand on its merits as a viable, logical solution to the congestion concerns of the nation and the Chicago area.

Gary/Chicago Airport passenger traffic has increased over 400% since 1997. The Airport is meeting the demands of the Chicago metropolitan area, and still has more than enough room to accommodate additional traffic in the Chicago area. When looking for an immediate, cost effective solution to air congestion concerns, you must look no further than Gary/Chicago Airport. This Airport has the ability to meet the needs of today's air travelers today . . . not in 10 years . . . or 15 years . . . or 20 years . . . but right now . . . today.

I thank you for your time, and for the opportunity to speak.

[The prepared statements of Hon. Richard G. Lugar, Hon. Evan Bayh, and Hon. Peter J. Visclosky follow:]

PREPARED STATEMENT OF HON. RICHARD G. LUGAR, U.S. SENATOR FROM INDIANA

I appreciate the Committee holding today's hearing on this issue of great interest and importance to our nation's aviation system, the Chicagoland area, and to Indiana. I welcome this opportunity to share with the Commuttee my thoughts about the valuable role the city of Gary and Northwest Indiana will play in helping relieve air traffic congestion in the region.

The Chicago region needs additional airport capacity and some of this capacity can be accommodated at the Gary/Chicago Regional Airport. Throughout my service in the Senate, I have been a strong supporter of the Gary/Chicago Regional Airport as a viable part of the solution that will help meet the current pressing air traffic needs of the region.

Earlier this year, the Gary Airport submitted to the FAA a draft of its Phase II 20-year Master Plan/Airport Layout Plan. This effort proposes an expansion of existing airport facilities, including navigational improvements, runway extensions and construction of a parallel runway. I strongly support the Airport's plan for future growth and believe this Master Plan is an essential part of the solution to helping relieve air traffic congestion now and in the long term. It is especially important to keep in mind that the Gary/Chicago Regional Airport today is an active, fully operational aviation facility with a 7,000 foot main runway and a crosswind runway that can help provide immediate relief to the problem of aviation congestion in the Chicago region.

On June 12, I hosted a meeting in Washington with Transportation Secretary Mineta and was joined by my colleagues Senator Bayh and Congressman Visclosky, along with Indiana Governor O'Bannon and Gary Mayor King. During this productive and positive meeting, we emphasized to Transportation Secretary Mineta our strong and unified support for the Master Plan/ALP submitted by the Gary/Chicago Regional Airport that is currently being evaluated by the FAA. We specifically requested Secretary Mineta's assistance in ensuring that Gary's Master Plan/ALP receive full and fair consideration, and that the FAA work to expedite their consideration of Gary's plan. We hope Gary's Master Plan/ALP will be approved by the FAA this year.

The problem of air congestion in the Chicago region and the urgent need for relief should be national priorities. I believe that existing, operating, regional airport facilities such as the Gary/Chicago Airport should be included as part of both short-term and long-term solutions to this aviation safety and public transportation challenge.

I appreciate the Committee conducting this important hearing today, and I also appreciate this opportunity to share my thoughts about this issue of great importance to the Chicago region and to Northwest Indiana.

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PREPARED STATEMENT OF HON. EVAN BAYH, U.S. SENATOR FROM INDIANA

Mr. Chairman, Members of the Committee, thank you for allowing me to express my views on the challenges of addressing air traffic congestion and insufficient capacity in the Chicago area, and the effects these problems have on our nation's air transportation system. I also want to thank the Committee for addressing an issue which is of great importance to many of my constituents in Northwest Indiana, and throughout the State. (Today,) I am pleased to (again) offer my support for the Gary/Chicago Airport (GCA) as a regional partner in the effort to alleviate air traffic congestion and increase capacity in the Chicago area.

The problems of air traffic congestion and lack of capacity are especially acute in the Chicago metropolitan area where long delays are now routine at Midway and O'Hare International Airports. Without prudent investment in our existing infrastructure, there is no reason to believe that these problems will correct themselves. In fact, the Federal Aviation Administration estimates that the number of flights nationally will increase 33 percent in the next 10 years. Also, the number of people utilizing air travel is also expected to continue its rapid ascent.

Mr. Chairman, 30 minutes from downtown Chicago lies what I believe is a viable solution to this growing problem. The GCA views itself as a regional partner in this effort, and currently operates under a bi-state compact to provide reliever service to both Midway and O'Hare Airports. Not only is GCA strategically positioned to meet the needs of residents in Northwest Indiana, but it is also ideally situated for those air travelers wanting to access Chicago's central business district. Furthermore, GCA offers passenger service and is equipped to handle over 150,000 flights per year. Mr. Chairman, I am convinced now, and have been since my days as Governor, that GCA can serve to immediately relieve the region's air traffic congestion and increase capacity in the Chicago area.

GCA is functionally sound and poised for dramatic growth. In January of 2001, GCA submitted its Master Plan/Airport Layout Plan for review and consideration by the FAA. After meeting this past week with Secretary of Transportation Mineta on this very issue, he assured me that an expedited review of GCA's Master Plan/Airport Layout Plan would be completed by November of this year.

Mr. Chairman, GCA should be a pail of any regional solution to the air traffic congestion and undercapacity problems in the Chicago metropolitan area. GCA is an existing and functioning facility with a bright future that can immediately serve as a reliever to Chicago's O'Hare and Midway Airports. I ask that you and the Committee give the GCA full consideration when reviewing options and strategies aimed at addressing the problems facing our nation's air transportation system.

Thank you for your consideration of this matter.

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PREPARED STATEMENT OF HON. PETER J. VISCLOSKY,
U.S. REPRESENTATIVE FROM INDIANA

Thank you for allowing me the opportunity to submit testimony regarding the important issue of air traffic congestion in the Chicago Metropolitan Area, and to discuss the increasing role of the Gary/Chicago Airport (GCA) as a regional partner in resolving this capacity problem.

The growing demand that has been placed on Chicago's O'Hare International and Midway Airports has stretched the resources at those facilities to their limits. O'Hare has only been able to grow by 1 percent or less for the past 3 years, and Midway, absorbing the excess, is estimated to have an additional one million passengers per year for the next 2 years.

I am a supporter of increased airport capacity in the Chicago Metropolitan Area, and I commend the Federal Aviation Administration for seeking solutions that will increase our regions capacity. However, we must not think of this issue as a Chicago problem, or an Illinois problem. Air congestion is a regional problem, demanding a regional answer. As a resident of Northwest Indiana, and the Representative of Indiana's First Congressional District, I feel that my constituents and I have a vested interest in the air traffic congestion challenges facing the Chicago metropolitan region.

Many of my colleagues have suggested that the only solution to this problem is to build another airport. I believe that building another airport at this time would mean unnecessarily spending millions of taxpayer dollars and destroying irreplaceable acres of green space. Additionally, this crisis cannot wait the length of time that it necessitates to build another airport. It is irresponsible to believe that the region's current over capacity can wait 20 years for a solution.

GCA, located only thirty minutes from downtown Chicago, is well positioned to provide immediate relief to many of the congestion issues currently facing O'Hare and Midway Airports. In fact, it already operates under a bi-state compact to provide reliever service to both Chicago airports. GCA currently offers daily passenger service, and has the ability to triple its number of flights without additional capital expenditures. The airport is severely underutilized, and without further construction, or additional funding, GCA could accommodate as many as 150,000 flights per year.

On May 2, 2001, GCA submitted the second draft of a 20-year Master Plan to the Federal Aviation Administration. The Master Plan outlines the airport's existing facilities, ability to handle air traffic, growth and economic forecasts, and identifies

the short and long-term infrastructure needs that will facilitate continued growth and expansion. Additionally, GCA is designated as a foreign trade zone. It has over 13 acres available for developing air cargo operations, and 8,200 acres of an Airport Development Zone offering tax and investment benefits for businesses. As capacity has become maximized at the Chicago airports, GCA has played an increasingly valuable role in delivering passenger and cargo service to the area.

In a recent meeting with the Secretary of Transportation Norman Mineta, I expressed the importance of the role GCA already plays in reducing congestion in the Chicago Metropolitan Area, and requested that the Secretary expedite the review of the Master Plan, in recognition of that increasing role. As you continue your efforts to address Chicago's capacity issues, we urge you not to ignore GCA as a critical element in resolving many of these challenges.

I thank you for your time and your consideration in this very important matter. I look forward to continuing to work with you to find a practical solution to this very serious problem.

Senator MCCAIN. Thank you very much, Lieutenant Governor Kernan. And I do question your pilot skills, but I appreciate very much your input here today. Thank you very much.

Lt. Governor KERNAN. Thanks, Senator.

Senator MCCAIN. Representative Hamos. Have I pronounced it right?

Representative HAMOS. Yes, you have. Thank you.

Senator MCCAIN. Thank you and welcome.

## STATEMENT OF HON. JULIE HAMOS, CHAIR, HOUSE AVIATION COMMITTEE, STATE OF ILLINOIS

Representative HAMOS. Thank you. Thank you distinguished Senators and my distinguished panel at this table. I am the Chair of the Illinois House Aviation Committee, which was set up just this year to study the airports in Illinois.

Now, aviation policy is not really a matter of state concern so much so. But this year, the Governor made it a state issue when he put funding for a land acquisition for a new Peotone Airport square and center in his budget address. And so we were created, in fact, to respond to that. And we studied six hearings and many witnesses later. We learned that there was consensus only on one issue. And that is that the air transportation demand will increase continuously and steadily in this region. And that airport capacity must also increase substantially.

I would like to announce that after studying Peotone Airport and the funding for land acquisition in a regional context, we, the Illinois Legislature, did respond to the Governor's request and we did agree to authorize 75 million dollars of funding for land acquisition at Peotone Airport.

I would hope that the Congressmen and the other advocates for Peotone recognize that our legislative action is, indeed, their victory. Now, this was not a blank check. We also said that no airport construction should begin until there are airline attendants and an airport operator identified and until there is an airport financing plan in place that includes federal, local and airline funding, as with any other airport.

But by responding to the Governor's request, we believe that we did set the stage for a political deal, if that is what is now needed to move this important issue forward. And at the same time, the House Aviation Committee studied the capacity needs of the entire region; both short term and well into the future.

We rejected the either/or dichotomy that has dominated this airport debate. Peotone or O'Hare, Peotone or Gary. In fact, we consider the five existing airports and potentially a new one at Peotone with the potential to serve this region as air travel demand increases. All of these six airports must function at top efficiency.

And to that end, we urge the city of Chicago to immediately begin an engineering and environmental analysis, a thorough one, for the reconfiguration or construction of one or two new runways. We recommend developing new strategies for marketing the smaller existing airports at Rockford, Gary, and in Milwaukee, as reliever airports for O'Hare and Midway. And we made some recommendations on what these new strategies could be.

We recommended streamlining the regulatory approval process, much like you're doing at the federal level, but we can get the state level as well. And then finally, we did recommend funding for land acquisition for Peotone Airport.

In the report that was released by the Vice Chair, George Scully and myself, which I would like to place into the record, we articulate——

Senator MCCAIN. We have that.

Representative HAMOS. Thank you. We articulated this as a regional airport network. And it includes and incorporates all six airports in this region. This puts us in the same league as New York, Los Angeles, London and Boston, each of which of have five or six regional airports.

Let me conclude by pointing out that recently we were proud to learn that Boeing selected Chicago as the new home for its international headquarters. This was accomplished because the Governor, the Mayor, the civic and business community came together to work on this mutual goal. It is now the same level of regional cooperation that is needed among our political and business and civic leadership to move us forward on aviation policy for the benefit of the entire region.

Thank you.

[The prepared statement of Ms. Hamos follows:]

PREPARED STATEMENT OF HON. JULIE HAMOS, CHAIR, HOUSE AVIATION COMMITTEE, STATE OF ILLINOIS AND HON. GEORGE SCULLY, VICE-CHAIRPERSON, HOUSE AVIATION COMMITTEE, STATE OF ILLINOIS

BLUEPRINT FOR ACTION: CREATING A REGIONAL AIRPORT NETWORK
(EXECUTIVE SUMMARY)

GENERAL OBSERVATIONS

Air travel demand will increase continuously and steadily in the metropolitan Chicago region, although the specific impacts for each airport will be determined by market forces.

Airport capacity throughout the region must increase substantially to meet the projected travel demand.

Future projected demand can be accommodated only if all five existing airports in the Chicago metropolitan region and a new Peotone Airport have a role.

Strategies also are needed to relieve air traffic congestion in the short-term, coupled with long-term solutions looking fifty years ahead.

RECOMMENDATIONS

*Recommendation #1. Creating A Regional Airport Network*

The Chicago metropolitan region's airport network should include: O'Hare International Airport, Midway Airport, Gary/Chicago Airport (Gary, IN), Greater Rockford Airport (Rockford, IL), General Mitchell International Airport (Milwaukee, WI) and a new Peotone Airport.

The debate over "Chicago's 3rd Airport" is actually about the "Region's 6th Airport"—putting Chicago in the same league as New York, Los Angeles, Boston and London, all with five or six regional airports.

All political leaders must cooperate to promote this network on behalf of the entire region.

*Recommendation #2. Expanding Capacity at O'Hare International Airport*

The city of Chicago and the airlines should immediately begin an engineering and environmental analysis for the reconfiguration and/or construction of one or two rtulways.

The State of Illinois should provide $15 million to undertake an engineering plan for key roadway improvements at O'Hare.

*Recommendation #3. New Strategies for Smaller Existing Airports*

The State of Illinois and Federal Government should promote commercial service at the three regional airports with existing capacity: Greater Rockford Airport, General Mitchell International Airport (Milwaukee, WI), Gary/Chicago Airport (Gary, IN).

A bi-state Illinois-Indiana process should explore tax and economic benefits for Illinois residents from Gary/Chicago Airport as well as other transportation improvements for the south suburbs.

The RTA should review the commuter rail linkages between the smaller existing airports and major population and job centers.

*Recommendation #4. Land Acquisition for Peotone Airport*

The State should take a proactive approach to future airport capacity by acquiring land for Peotone Airport—within a $75 million limit and with full disclosure of all persons selling land to the State.

No airport construction should begin until there is a favorable environmental impact statement, until airport operator(s) and airline tenant(s) are identified, and until there is a financial plan with Federal, local and airline funding.

If no airport is built, the State should commit to use or sell the land only for farming or open space purposes.

*Recommendation #5. Expedited Regulatory Processes*

The State should organize a task force—including key State agencies, airport operators and municipal governments—to organize expedited regulatory review and approval for runway and other airport-related development.

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GENERAL OBSERVATIONS

1. There appears to be consensus that air travel demand will increase continuously and steadily in the metropolitan Chicago region, although the specific impacts for each airport will be determined by market forces: the combination of regional population, job patterns, personal income and airline business decisions.

2. There appears to be consensus that airport capacity throughout the region must increase substantially over time to meet the projected travel demand if this is to remain a vibrant metropolitan region capable of competing in a global economy.

3. Future projected demand for the next fifty years can be accommodated only if all airports in the Chicago metropolitan region have a role: O'Hare International Airport, Midway Airport, Greater Rockford Airport (Rockford, IL), Gary/Chicago Airport (Gary, IN), General Mitchell International Airport (Milwaukee, WI) and the new Peotone Airport (Peotone, IL). These airports have plans to expand capacity as well as to market their facilities to airlines to enhance service to their own airports.

4. Strategies also are needed to relieve air traffic congestion in the short-terra, coupled with longterm solutions to capture anticipated growth in air travel demand.

OVERVIEW OF REGIONAL AIRPORTS

*I. Passengers Projected to Be Served*

During the 2001 spring legislative session, the House Aviation Committee heard testimony regarding six regional airports currently serving or with plans to serve

the Chicago metropolitan region: O'Hare International Airport, Midway Airport, Greater Rockford Airport, Gary/Chicago Airport, General Mitchell International Airport and a proposed Peotone Airport. The following is a summary of factors reviewed by the Committee and summarized here:

| | |
|---|---|
| O'Hare International Airport | Currently 34 million enplanements.<br>Projected to increase to 45 million by 2012.<br>FAA projects 55.7 million enplanements by 2015; new study projects demand to grow by 18 percent over next 10 years. |
| Midway Airport | Currently 7.4 million enplanements.<br>Projected to increase to 8.5 million enplanements by 2012.<br>FAA projects 10.2 million enplanements by 2015. |
| Greater Rockford Airport | Only cargo operations currently.<br>400,000 persons take a bus and 800,000 drive from Rockford to O'Hare annually.<br>Can handle over 3 million enplanements per year with terminal changes;15 million enplanements with additional runway.<br>FAA projects 33,212 enplanements by 2015 without major increases in commercial service. |
| Gary/Chicago Airport | Currently 24,978 en planements per year (**note:** corrected on 6/5/01).<br>Can handle 15 million enplanements per year with 3-phase master plan.<br>FAA projects 67,082 enplanements by 2015 without major increases in commercial service. |
| General Mitchell International Airport | Currently 3 million enplanements per year.<br>Projected to increase to 4.5 million enplanements by 2010.<br>FAA projects 5.3 million enplanements by 2015. |
| Proposed Peotone Airport | Projected at 1 million enplanements upon construction; potentionally 30 million enplanements with all proposed runways. |

Note: An ''enplanement'' is one measure of airport activity; it equals one passenger boarding one plane.

*II. Airport Plans to Meet Projected Passenger Demand*

| | |
|---|---|
| O'Hare International Airport | World Gateway Project, being reviewed by FAA, to accommodate larger aircraft, new customs/immigration sites for international passengers, new terminal.<br>FAA, city of Chicago and airlines planning to reconvene Delay Reduction Task Force to update airspace, operations, airfield, terminal improvements and demand management, including reconfigured and/or new runways. |
| Midway Airport | Completing terminal development program and new concourses.<br>Completing surrounding roadway improvement and new parking structure. |
| Greater Rockford Airport | 27th most active cargo airport in the Nation currently.<br>Expanded passenger service to result in expansion of terminal building with 20 departure/arrival gates.<br>Plans to construct 3rd runway of 8,000 feet, if new commercial service.<br>Plans for another passenger terminal building, if necessary after 3rd runway is built.<br>Sufficient room to expand parking if needed. |

| | |
|---|---|
| Gary/Chicago Airport | Has runway that is longer than Midway's longest runway.<br>Has master plan in three phases, depending on level of commercial service; long-term goal to expand airport to 1,700 acres from 700 acres, build second major runway, new passenger terminal and parking garage. |
| General Mitchell International Airport | 3rd parallel air carrier runway by 2015; 6 new gates by mid-2003 to add to the existing 42 gates, all currently leased to airlines.<br>3,000-space addition to current 6,000-space parking structure in late 2002, with 2,000 additional planned after.<br>Renovations for terminal facilities, baggage claim and central concession mall. |
| Proposed Peotone Airport | Inaugural Phase: One runway; one terminal; 12 gates.<br>Phase II: Additional runways and additional terminal.<br>Phase III: Total of 6 parallel runways; additional terminal and gates. |

*III. Ability to Finance the Airport Development Plans; Need for Additional Resources From the State of Illinois.*

| | |
|---|---|
| O'Hare International Airport | World Gateway Program planned to be funded entirely with airline-supported debt, Passenger Facility Charges, Federal grants.<br>No IL general revenue funds are needed for operations or improvements. |
| Midway Airport | Terminal expansion funded entirely with airline-supported debt, Passenger Facility Charges, Federal grants.<br>No IL general revenue funds are needed for operations or improvements. |
| Greater Rockford Airport | Expanded terminal to be funded with revenue bonds leveraged by Passenger Facility Charges.<br>No IL general revenue funds are needed for operations or improvements. |
| Gary/Chicago Airport | Currently receive PFC proceeds under an agreement with O'Hare and Midway (to date: over $11 million).<br>No PFC charges currently imposed on Gary flights.<br>No IL general revenue funds are needed for operations or improvements. |
| General Mitchell International Airport | 15-year capital improvement plan uses Federal grants, user fees paid by passengers and airlines.<br>No IL fiends are needed for operations or improvements. |
| Proposed Peotone Airport | Only funding is from State Illinois FIRST bonds for land acquisition.<br>No Federal, local, private or airline funds have been identified yet for construction or operations. |

RECOMMENDATIONS

*Recommendation #1. Promoting the Regional Airport Network*

While it is impossible to predict the precise scope of future air travel demand, it is clear that an effective regional airport network is critical to the economic vitality of the northeastern Illinois region. Based on a consensus that regional airport capacity must increase over time to meet air travel demand, this network should incorporate: O'Hare International Airport, Midway Airport, Gary/Chicago Airport (Gary,

IN), Greater Rockford Airport (Rockford, IL), General Mitchell International Airport (Milwaukee, WI) *and* a new Peotone Airport (Peotone, IL).[1]

This current airport network already is fortunate to house major operations for United, American, Southwest, American Trans Air and Midwest Express airlines, with O'Hare poised to secure its position as the nation's premier international hub. Accordingly, the current debate over "Chicago's 3rd Airport" is actually about the "Region's 6th Airport"—putting the Chicago metropolitan area in the same league as New York with its 6 regional airports, Los Angeles with 5 regional airports, Boston with 6 regional airports, and London with 5 regional airports.

This *Blueprint for Action* is presented against a backdrop of a 20-year history of airport decisions in the Chicago metropolitan region that have been clouded by parochial interests and political motivations. This no longer can be an "either-or" proposition: O'Hare *or* Peotone; Gary *or* Peotone.

Today must start a new day for aviation policy in Illinois—requiring political leaders in Illinois to work cooperatively for the benefit of all airports throughout the region.

*Recommendation #2. Expanding Capacity at O'Hare International Airport*

In order to expand the future capacity of O'Hare International Airport, the city of Chicago and the airlines should immediately begin an engineering and environmental analysis for the reconfiguration and/or construction of one or two runways.

The concept plan to be provided by the city of Chicago by July 1 and the Delay Reduction Task Force to be reconvened by FAA are important first steps. However, the next step of a thorough engineering and environmental analysis will be necessary for the Governor to consider a certificate of approval, for the Federal Aviation Administration to consider approval of an environmental impact statement, and for O'Hare neighbors to have an opportunity to review and comment on the airport's plans.

Under current law (Illinois Aeronautics Act, Section 48), the following analysis is required before a Governor can grant a certificate of approval: (1) the proposed location, size and layout of a new or reconfigured runway; (2) its relationship to the national airport plan, the Federal airways system, the State airport plan and the State airways system; (3) whether there are safe areas available for expansion purposes; (4) whether the adjoining area is free from obstructions; (5) the nature of the terrain; (6) the nature of the uses to which the runway will be put; and (7) the possibilities for future development. Illinois policymakers as well as O'Hare critics are requesting Section 48 information and more: Where would runways be built? How would runways function? Would any displacement of homes or businesses be necessary? Would there be noise and/or air quality impacts?

The current debate in Congress to preempt states with respect to gubernatorial review of runway development underscores the critical role of O'Hare International Airport within the national air transportation system. It would be preferable to identify and address our own transportation priorities. Whether or not gubernatorial action ultimately will be necessary, the city of Chicago and the State of Illinois must have plans in place for expansion of O'Hare and regional airport capacity.

In addition, planning should proceed on key roadway improvements that would make O'Hare function more efficiently. The State of Illinois should provide $15 million to undertake an engineering plan for the expansion of Interstate 190 and the construction of a Lee Street Interchange at I–90.

*Recommendation #3. New Strategies for Smaller Existing Airports*

The State of Illinois and Federal Government should encourage commercial service at the region's smaller existing airports (Greater Rockford, Gary/Chicago, General Mitchell) that have existing capacity to ease congestion in the short-term, long before additional runways are built at any other airport. With Midway Airport as the model—standing empty just 25 years ago—it is hoped that future market demands will require service expansions at these airports.

Of the three airports, Gary/Chicago Airport has the potential to serve both downtown Chicago and the underserved south suburban and collar county communities. The role of Gary/Chicago Airport as part of the regional airport network should be analyzed through a bi-state process that examines potential tax and economic advantages for Illinois south suburban communities. The planning process might also consider the creation of an efficient bi-state transportation district with key im-

[1] The general aviation airports and smaller "reliever" airports (designated to reduce the general aviation traffic at O'Hare and Midway) are valuable assets of the region. The role of airports such as Meigs, Palwaukee, Lansing, Schaumburg, Aurora and Waukegan will be the subject of further study by the House Aviation Committee.

provements in airport, port, rail freight, high speed passenger rail, roadway and intermodal facilities located throughout that region.

To encourage access to airports by transit, the Regional Transportation Authority (RTA) should review the commuter rail linkages between the smaller existing airports and major population and job centers, possibly across State lines. The Midwest process that initiated high speed rail is an example of this type of innovative multistate transportation planning.

*Recommendation #4. Land Acquisition for Peotone Airport*

With regional air travel demand exceeding airport capacity well into the future, the State should take a proactive approach by acquiring land for the future Peotone airport. As with any other economic development project, the State of Illinois should promote Peotone Airport while protecting the State's own economic investment within reasonable guidelines, as follows:

- A limit of $75 million of Illinois FIRST bonding should be placed on land acquisition costs;
- Full disclosure of all individuals and entities, including beneficiaries of land trusts, should be required in any agreement for the use or acquisition of land;
- No airport construction should be commenced until there is a favorable FAA approval of the pending environmental impact statement;
- No airport construction should be commenced unless airport operator(s) and airline tenant(s) are identified, capable of assuming significant responsibility for airport operations;
- Any financing plan for airport construction should include Federal, airline and local finding, and should not use revenues from any other existing airport; and
- If no airport is built, the State should commit to use or sell the land only for farming or open space purposes.

*Recommendation #5. Expedited Regulatory Processes*

Based on future demand for air travel, airports throughout Illinois may plan runway or other airport development within the next 5–10 years. In order to expedite the regulatory process for airport-related construction, a task force should be created now—including the Illinois Departments of Transportation, Environmental Protection and Natural Resources, key airport operators and municipal governments—to review all regulatory approvals and to plan for a coordinated process of agency reviews. To accelerate any airport development, the task force should place high priority on completing agency approvals and other project coordination activities in an expedited manner.

This task force would complement similar efforts being proposed at the Federal level, expediting Federal agency regulatory approvals.

Senator MCCAIN. Thank you. I just have one brief question. What has been the reception to your committee's recommendation?

Representative HAMOS. Well, we did release it right at the end of the session. And, of course, it became part of the process for the appropriation which followed immediately right after it.

Senator MCCAIN. And then generally, the reception to——

Representative HAMOS. I'm not sure yet. Seemingly positive. But I don't know yet.

Senator MCCAIN. Do we have a question? If not, I want to thank all of you for taking the time from your busy schedules and joining us here this morning, which is indicative of your involvement and commitment to this issue. And we look forward to working with you because we all have to work together——

Representative MANZULLO. Senator McCain, I'd like to have my statement made part of the record.

Senator MCCAIN. Without objection, all statements shall be made part of the record. Thank you, thank you very much.

The next panel will be the Honorable Jane Garvey, who's the administrator of the Federal Aviation Administration, Mr. Tom Walker, Aviation Committee for the city of Chicago and Linda Wheeler, who's the Director of the Illinois Department of Transportation. I'd like to welcome you.

I'd like to get order from everyone, please. Would you constrain conversation on my left, please? Thank you. Thank you very much. Thank you. Welcome. We'll begin with you, Ms. Garvey. Welcome back before the Committee. And we thank you for taking the time to be here with us today. And we are very appreciative. We know you've had other commitments that you had to cancel. And we thank you for being here.

**STATEMENT OF HON. JANE F. GARVEY, ADMINISTRATOR, FEDERAL AVIATION ADMINISTRATION**

Ms. GARVEY. Thank you very much, Senator, Chairman McCain and Chairman Rockefeller and Members of the Committee. It's really my pleasure to be here today to discuss airport capacity issues of the Chicago region. I am also particularly pleased to represent Secretary Mineta. He has made finding solutions to some of our capacity limitations in all modes of transportation one of his top priorities.

However, from the vantage point of the Federal Government, and for those of us at the FAA, our challenge really is to address these issues from a systems perspective. What we see at a number of our top airports is an imbalance between capacity and demand growth. And that brings into sharp focus the need for communities to make informed decisions today in order to accommodate future demand.

Our recent airport capacity benchmark report, which was just issued last month, documents that there are a handful of airports, including Chicago O'Hare, where demand exceeds capacity and where, particularly in adverse weather conditions, the resulting delays have impacts throughout the National Air-Space system.

Last year, as you all know, O'Hare was ranked the second busiest and the third most delayed airport in the country. It's one of the eight airports with which we worked to develop specific action plans to address delays. In the case of O'Hare, one of the recommendations included in the action plan calls for the City, the airlines and the FAA to return to an approach that was successfully used in 1991 to reduce delays.

And we certainly want to applaud the City for stepping up to the plate once again in forming a second O'Hare delay task force to look at a number of delay reduction alternatives, both for the short and the long term. We expect that work to be completed in about 6 to 9 months. And we're looking forward to working with the participants on that delay task force.

Certainly, addressing the delays at O'Hare is a critical element in meeting the aviation needs of this region. But O'Hare, as many of the previous panelists have pointed out, is only part of Chicago's regional airport system. There are five major commercial service airports that serve this part of the country.

They include not only the two air carrier airports operated by the City, but also the Greater Rockford, Milwaukee and Gary, Indiana airports. In our view, discussions about increased use and improvements to any or all of those facilities is welcome and necessary. And I want to reiterate what Senator Durbin said earlier this year in Chicago, and elsewhere. It doesn't have to be an either/or proposition.

I want to also mention that over the last several years, the FAA has worked actively with the Illinois Department of Transportation to reach an agreement on how best to proceed relative to IDOT's proposal for a south suburban airport. We reached agreement last year to focus on a tiered approach for the Environmental Impact statement, the EIS. The tiered approach recognizes that the state is approaching a new airport site in stages, site approval and land banking first and infrastructure considerations later as market demand develops.

Work on the tiered EIS is well underway. We certainly would hope to have it completed by next March. In fact, we're looking at moving that up even sooner. A number of you have focused, and I think rightly so, on the appropriate role that the Federal Government plays. In a deregulated domestic aviation industry, the Federal Government no longer controls where, how or when airlines provide their services. Nor are we the driving force in airport capacity development.

What drives those considerations today is the market, the local and regional decisionmaking and partnership with the aviation industry in response to that market demand. But I want to underscore, and I really want to say this as clearly as I can, that we at the federal level, particularly at the FAA will provide any support, and any technical assistance that we can. And we will continue to do our part in modernizing the air traffic control system and implementing the operational efficiencies wherever possible.

We are very, very pleased to be here today and really applaud the leadership that this Committee has taken not only here in Chicago but nationally for our aviation system. And I look forward to and welcome any questions that you may have. Thank you.

[The prepared statement of Ms. Garvey follows:]

PREPARED STATEMENT OF JANE F. GARVEY, ADMINISTRATOR, FEDERAL AVIATION ADMINISTRATION

Senator McCain and Members of the Committee: It is a pleasure to appear before you today to discuss increased airport capacity in the Chicago region, particularly the efforts to reduce delays at O'Hare and to landbank a site for a possible South Suburban airport. I am particularly pleased to be here in Chicago because it is recognized as such an important part of the National Airspace System (NAS).

Today's hearing is very timely because it focuses our attention on congestion not only in this region but also in our aviation system as a whole. Secretary Mineta has made the effort to deal with the capacity limitations in our aviation sector—one of the underlying causes of airline delays—one of his top priorities. As we enter the summer travel season, we will have daily reminders of the need to employ both short and long-term measures to meet the challenge of delays—a challenge that will grow increasingly difficult as forecasted growth continues.

I think it is important to understand our many ongoing efforts to address the challenges posed by congestion. The *Airport Capacity Benchmark Report 2001*, which the Secretary released last month, documents that we are faced with very challenging capacity issues. Our hope is that this report will provide valuable data that will be used to assist the Federal Aviation Administration (FAA), airports, airlines, and other system users in making informed decisions and investments that can ultimately help better manage the ever increasing demand for capacity, while at the same time reducing the causes of delays. Much of the information in the report documents what you, as frequent users of the system, probably know intuitively. But this information now provides all of us, Congress, the FAA, the airports, the airlines, and local communities, with a common set of metrics to measure the capacity of an airport.

Our report documents that there are a handful of airports—including Chicago's O'Hare International airport—at which demand exceeds capacity and where, in adverse conditions, the resulting delays have impacts throughout the National Air-

space System (NAS). In 2000, O'Hare was ranked the second busiest and the third most delayed airport in the country. Overall, slightly more than 6% of all flights were delayed significantly (*i.e.* more than 15 minutes). On good weather days, scheduled traffic is at or above the capacity benchmark (200–202 flights per hour) for 3½ hours of the day and about 2% of the flights are delayed significantly. In adverse weather, which may include poor visibility, unfavorable winds, or heavy precipitation, capacity is lower (157–160 or fewer flights per hour) and scheduled traffic exceeds capacity for 8 hours of the day. The number of significantly delayed flights jumps to 12%.

Planned airport construction at O'Hare, known as the World Gateway Program, includes terminal construction, taxiway extension, and modifications that will reduce gate congestion delays and delays on the airport surface, but will not materially add to airside capacity. Improved avionics and air traffic procedures are expected to increase O'Hare's capacity in good weather (by 6%) and in bad weather (by 12%) over the next 10 years compared to today. However, demand at O'Hare is projected to grow by 18% over the next decade. This imbalance between capacity and demand growth can be expected to significantly increase delays at O'Hare.

Of course, O'Hare is not alone. Other airports across the country are experiencing similar delays. From our vantage point at the Federal level, we try to address transportation from a systems perspective. We believe that is key to moving people and goods safely, reliably and efficiently. The FAA has developed action plans for eight of our most congested airports, including O'Hare. These eight airports represent the biggest challenges in the NAS. When they suffer delays, there's a domino effect on the entire system. Each of the eight airports is unique, and new runways are not an option for all of them. It is our hope that, working with our partners in the aviation community, implementing these action plans will maximize the growth of capacity and increase efficiencies in the system. I know you are also aware of our most recent initiative to address aviation capacity challenges—a Federal Register notice seeking the broadest possible input on steps to take at LaGuardia Airport to address congestion and delays.

In the case of O'Hare, the action plan calls for the city of Chicago, the airlines and the FAA to revisit the 1991 Chicago Delay Task Force Study. That successful collaboration resulted in a report that included specific recommendations for reducing delays at O'Hare. The majority of the recommendations were implemented—relating for the most part to air traffic procedures and physical development—and the City of Chicago estimates that they resulted in a 40% reduction in delays at the airport. The 1991 study also recommended additional runways and related infrastructure improvements, but as you know, those were not adopted.

I applaud the City for now stepping up to the plate once again. The City has formed a second O'Hare Delay Task Force to identify both short and long-term solutions to the delay situation at the airport. It is being chaired by both City and FAA officials with broad representation from the stakeholders, including: the Illinois Department of Transportation (IDOT); the Indiana Department of Transportation; airlines; and aviation interest groups. The FAA will provide technical assistance through our headquarters, regional, and field staff. The task force will examine a broad band of alternatives to increase capacity and reduce delays. Those alternatives will include airfield and technology improvements, air traffic procedures, and collaborative decision making. The first meeting of the O'Hare Delay Task Force was held on June 5. While we expect the work to take approximately nine months (the first Task Force took 2 years), we are hopeful that action will be taken on delay reducing initiatives as they are identified and not deferred for a formal report at the end of the study. As before, while the Task Force will make recommendations, it will be up to the airlines, the FAA and/or the City to accept and implement the recommendations.

But O'Hare airport is only part of Chicago's regional airport system. There are five major commercial service airports that serve this part of the country. They include not only the two air carrier airports operated by the City of Chicago—O'Hare and Midway—but also the Greater Rockford, General Mitchell International (Milwaukee), and Gary/Chicago airports. In our view, discussion about increased use and/or improvements to any or all of these facilities, including increasing the capacity of these airports through runway construction, is welcome and necessary. Whatever the upshot of these activities may be, it is also the case that they can proceed along with the ongoing consideration of a possible new supplemental airport for the region. Meaningful discussion must include both short and long-term plans for improvements to the system. Here in Chicago as elsewhere, it doesn't have to be an "either/or" proposition.

At the same time, we recognize that there is a great deal of controversy about aviation needs in the Chicago area. I don't have to reiterate to those gathered here

today a detailed history of the challenges the region has faced over the past 15 years or so. Suffice it to say that efforts have been underway for some years to locate a site for a supplemental commercial service airport in the Chicago region. These efforts have been attended by a lack of consensus on a suitable site for the airport, the size of airport infrastructure, the role of existing airports, and the degree to which air carriers may institute service at a new site.

Over the past several years the FAA has worked actively with IDOT to reach an agreement on how best to proceed relative to IDOT's proposal for a south suburban airport near Peotone, Illinois, which is approximately 35 miles south of Chicago. Initially we disagreed with IDOT over the scope and timing of the proposal. The disagreement between the agencies was entirely technical and based on the fact that we believed that the State, in its earlier proposals, had overestimated the potential demand at a new airport and that the scale of the proposed new airport exceeded that demand.

Early last year, however, we reached agreement on going forward using a tiered Environmental Impact Statement (EIS) approach. We agreed to complete a Tier 1 EIS for the first part of the State's proposal. The Tier 1 EIS considers site approval of a location for a possible future airport and landbanking, at State expense, for such a site to protect it from encroaching development. IDOT's proposal is to develop airport infrastructure at the site as aviation demand develops. At this stage, IDOT and FAA are not considering any future airport development; rather that will be done at a later time. This tiered approach recognizes that the State is approaching a new airport site in stages—site approval and landbanking first, and infrastructure considerations later.

Work on the tiered EIS is well underway. The FAA has devoted significant resources to the EIS to complete it as fast as possible. It is one of four airport proposals nationwide where FAA has established a dedicated EIS team to guide and expedite the work. The first step in the process, known as "scoping"—where the scope of the issues to be addressed are identified—has been completed. The scoping process included public meetings where Federal, State and local agencies, and the interested public provided input to the project. The FAA and its consultants are now nearing the end of the second step, completion of technical analyses and issuance of a Draft EIS by late summer. The Draft EIS will then be available for public and agency review, whereupon the EIS team will assess whether its March 2002 schedule for completing the EIS can be accelerated any further.

It is important to note the Federal Government's role in this endeavor. In a deregulated domestic aviation industry, the Federal Government no longer controls where, how and when airlines provide their services. Nor are we the driving force in airport capacity development. What drives those considerations now is the market, and local and regional decision making, in partnership with the aviation industry, in response to that market demand. Certainly, we at the Federal level will provide any support and assistance that we can, and will do our part in continuing to modernize the air traffic control system and implementing ATC efficiencies wherever possible. However, the Federal Government cannot and should not solve State and local planning challenges. In Chicago, past efforts to deal with airport capacity limitations in the region failed because of lack of consensus. That appears to be changing. It is a very positive development that the City and State appear to be coming together to reach consensus for both short and long-term measures to deal with the predicted growth in operations at the region's airports. We stand ready to assist in any way that we can.

Mr. Chairman, I know that this Committee is as committed as Secretary Mineta and I are to finding the solutions to the capacity challenges we are facing. I also know that our counterparts in local and state government as well as in the aviation industry share our commitment. It is my hope that as we continue to work together on these challenges, and that the effort here in Chicago will be a model for the rest of the country in how best to achieve solutions—even with a past history of controversy—that will benefit not only the local community, but the Nation as a whole.

This concludes my prepared statement. I will be happy to answer any questions at this time.

Senator MCCAIN. Thank you very much, Ms. Garvey.

Mr. Walker, welcome.

## STATEMENT OF THOMAS R. WALKER, COMMISSIONER OF AVIATION, CHICAGO, ILLINOIS

Mr. WALKER. Thank you, Chairman McCain and Chairman Rockefeller, Senator Durbin and Senator Fitzgerald. I'm truly

pleased to appear before you here today and to welcome you to the great city of Chicago.

Senator MCCAIN. Mr. Walker, your complete statement will be made part of the record as well as the other witnesses.

Mr. WALKER. Thank you very much. I'm privileged to be the head of the Chicago Airport System and it's difficult to overestimate the national and international importance of Chicago's two major airports. In the year 2000, more than 87 million passengers passed through the doors of Chicago airports; 72.1 million at O'Hare and a record breaking 15.6 million at Midway.

Between O'Hare and Midway, we have approximately 3,300 commercial passenger flights per day to 255 separate markets, including 191 nonstop destinations provided by 60 different passenger airlines.

O'Hare itself serves 138 non-stop domestic destinations, with an average of 2,500 commercial flights per day. In many ways, O'Hare is the hub of the national aviation system. When O'Hare sneezes, the country gets the flu. It is a hub for the two largest airlines in the world. It is at the crossroads of our great nation.

Twenty-four essential air service airports are being served from O'Hare, vital service that I know is important to Members of this Committee. That includes 16 daily flights to Phoenix as well as three to Tucson. O'Hare delays have a crippling effect on the national system and must be addressed to ensure that communities across the country have access to O'Hare today and into the future.

O'Hare supports more than 500,000 jobs and generates over $35 billion in annual economic impact. O'Hare truly is a magnet for business, as evidenced most recently by Boeing's decision to relocate their headquarters here to Chicago.

All of this service by so many different airlines translates into an extraordinarily competitive environment for Chicago area travelers. The most recent DOT airfare surveys indicate that the average fare in Chicago, which is the third largest city in the country, is $183, which places Chicago fares lower than 19 other major cities.

This is a tribute to our carriers and to our stewardship, but we cannot and will not rest there. We know that Chicago status as the preeminent transportation hub is not just geographic happenstance, but the result of careful planning, strategic vision, and capital investment.

It is also the result of sensitivity to those adversely affected by noise. The Chicago Airport System has the most aggressive noise mitigation program in the country. It is also the result, it will have spent $394 million in communities around O'Hare and Midway by the end of 2001 to provide sound insulation for over 4,500 homes and 99 schools.

So that there can be no doubt, we fully understand and appreciate congressional frustration with the impasse over O'Hare delay. We understand the frustration of passengers, including the many Members of Congress who connect through O'Hare for their flights from their districts when they cannot get to where they're going on time. Congress is right to be interested in solving this problem and we appreciate your being here today.

For its part, the City has tried hard to do everything possible to maximize the efficiency of O'Hare. Our written statement contains

many of these efforts. With our carriers active support and at no expense to local taxpayers, we have invested billions of dollars in capacity development at our airports.

As a result of these efforts, the City saw a 40 percent reduction in delays from 1988 to 1998. Unfortunately, the delays were up in 1999. And then, as everyone here knows, the year of 2000 brought a summer of horrendous delays across the country, including here at O'Hare.

We know that delays cost money. Delays mean misconnections, late meetings, missed events, less family time and more headaches, which none of us need. Obviously the City does not run the FAA's air traffic control system. It cannot control thunderstorms or tell the airlines when to fly and what aircraft to use.

Nor can we, given the current political climate, unilaterally construct runways to reduce the delays at O'Hare without time consuming, costly challenges. Yet, we've heard loud and clear the clarion call for delay reduction at O'Hare from the FAA, from our two hub carriers, from the Chicago region's business community, from travelers everywhere, and most certainly from Members of this Committee and other congressional leaders. Without question, we need to be sure that O'Hare operates efficiently in good and bad weather.

Mayor Daley has asked us to take a hard look at all available options for increasing the efficiency of O'Hare and meeting our long-term capacity needs. We supported the FAA's call to form a new Chicago Delay Task Force. And this Delay Task Force in 1991 was a productive, professional effort to focus the best technical minds at root causes and corrective fixes.

It contributed greatly to the 40 percent reduction in delay. Unfortunately, the 1991 Task Force recommendations for two new runways went unheeded. And runway development has not enjoyed the support of Illinois' last three Governors.

While we are encouraged that the current Governor, Governor Ryan, for the first time asked to at least see an O'Hare runway plan, he continues to say he does not support runways at O'Hare. The Mayor has asked us by July 1 to forward conceptual runway plans to Governor Ryan to help meet the region's aviation needs and we will do so.

Here's the bottom line. O'Hare's delay problems can only be addressed at O'Hare. 70 percent of O'Hare passengers are connecting or international passengers. And their needs cannot and will not be met at any other airport. And certainly not by one 45 miles from the Loop.

Let's invest in existing airports. Support existing relief of airports and expedite critical delay reduction projects. The fastest, most economical way to improve efficiency in our nation's aviation system is to improve what we already have. And any plan must protect local taxpayers.

So, what can Congress do? From our perspective, it ought not to take 10 years, as estimated by the FAA, to plan and build a runway. A number of proposals, such as the EASE proposal to streamline environmental processing, hold great promise. And we've talked about these suggestions in our written statement.

We appreciate, respect and welcome congressional attention to O'Hare's problems. We recognize that some projects are so essential to our nation's infrastructure that they deserve your attention.

It is not just national need that dictates solutions to our capacity efficiency problems at O'Hare. Failure to address delays in Chicago now has the potential to cripple the entire economic engine that O'Hare is and leave passengers stranded throughout the country. And that is not an option.

Now, that concludes my remarks. And I'll take any questions at the appropriate time.

[The prepared statement of Mr. Walker follows:]

PREPARED STATEMENT OF THOMAS R. WALKER, COMMISSIONER OF AVIATION, CHICAGO, ILLINOIS

Senator McCain, Senator Rockefeller, Senator Durbin, and Senator Fitzgerald, I am Thomas R. Walker, the city of Chicago's Commissioner of Aviation. I am pleased to appear today and to welcome you to the great city of Chicago on behalf of our Mayor, Richard M. Daley. He regrets that he cannot be here in person, as he is out of the country.

I am privileged to run the Chicago Airport System. Without question, we truly are fortunate here in Chicago with the wide variety of airlines, fares, and destinations offered by our two commercial service airports—O'Hare International and Midway. It is difficult to overestimate the national and international importance of Chicago's two major airports. In 2000, more than 87 million passengers passed through the doors of Chicago's airports: 72.1 million at O'Hare and a record-breaking 15.6 million at Midway. Between O'Hare and Midway, we have approximately 3,300 commercial passenger flights per day to 255 separate markets, including 191 nonstop destinations—provided by 60 different passenger airlines, as well as an equally impressive number of cargo flights operated by 23 different cargo airlines.

O'Hare itself currently serves 138 non-stop domestic destinations, with an average of 2,500 commercial flights each day. In many ways, O'Hare is the hub of the national aviation system. When O'Hare sneezes, the country gets the flu. It is a hub for the two largest airlines in the world. It is at the crossroads of our great nation. In addition, twenty-four essential air service airports are being served from O'Hare—vital service that I know is important to many Members of the Committee. O'Hare delays have a crippling effect on the national system and must be addressed to ensure communities across the country have better access to O'Hare today and into the future. We all have a stake in ensuring O'Hare's health and vibrancy.

O'Hare supports more than 500,000 jobs and generates over $35 billion in annual economic impact. O'Hare is truly a magnet for business, as evidenced most recently by Boeing's decision to relocate its headquarters to Chicago.

Not only do we enjoy the only true dual hub in the country at O'Hare, but we also have the nation's preeminent point-to-point airport, Midway, which is served by many of our nation's leading low-fare carriers, including Southwest and American Trans Air.

All of this service by so many different airlines translates into an extraordinarily competitive environment for Chicago area travelers. The most recent DOT airfare surveys from the 4th Quarter 2000 indicate that the average airfare in Chicago, which is the third largest city in the country, is $183, which places Chicago fares lower than 19 other major cities. That is a tribute to our carriers and to our stewardship, but we cannot and will not rest there.

For over a century, the City has been proud of its historical status as the preeminent transportation hub in the country. We know that this status is not just geographic happenstance, but the result of careful planning, strategic vision, and capital investment. It is also the result of sensitivity to those adversely affected by noise. The Chicago Airport System has the most aggressive noise mitigation program in the country. It will have spent $394 million in communities around O'Hare and Midway by the end of 2001 to provide sound insulation for 4,500 homes and 99 schools. However, because of past and current objections by Illinois Governors; the City has not been able to make certain investments in its aviation infrastructure to deal with our current challenges.

So that there can be no doubt, we fully understand and appreciate congressional frustration with the impasse over airport delay: relief at O'Hare. We understand the frustration of passengers, including the many Members of Congress who connect

through O'Hare for their flights to and from their districts, when they cannot get to where they are going on time. Congress is right to be interested in solving this problem, and we appreciate your being here today.

For its part, the City has tried hard to do everything possible to maximize the efficiency of O'Hare. Unlike many other airports, Chicago has a unique seven-runway, intersecting configuration. Back in 1991, the City and the FAA partnered to form a Delay Task Force, which was a productive, professional effort to focus the best technical minds at root causes and corrective fixes. It led to 11 specific O'Hare recommendations and 28 total recommendations, which when implemented contributed greatly to a 40 percent reduction in delays over the ensuing decade. Unfortunately, the 1991 Task Force recommendations for two new runways went unheeded.

Additionally, we have worked with the FAA to improve central flow procedures, relieve choke points, and re-design terminal airspace. We have reconfigured taxiways to improve efficiencies: We built new hold-pads. We built anew international terminal with 21 new gates. We supported the orderly phaseout of the archaic High Density Rule. We have worked with the FAA and carriers to implement Collaborative Decision Making. We have embarked on the ambitious World Gateway Program, which will add two new terminals and up to 30 new gates. With our carriers' active support, and at no expense to local or State taxpayers, we have invested billions of dollars in capacity development at our airports.

As a result of these efforts, the City saw a 40 percent reduction in delays from 1988–1998. In 1988, O'Hare had 793,355 operations and 43,943 delays, or 55.4 delays per 1,000 operations. In 1998, O'Hare operations had increased by approximately 2 percent per year to 896,104, yet delays decreased dramatically, to 26,563 annually, or 29.6 per 1,000 operations. Unfortunately, delays went up in 1999 to 49,202 or 54.9 per 1,000 operations; while O'Hare operations stayed constant at 896,262. Then, as everyone here knows, the year 2000 brought a summer of horrendous delays across the country, including O'Hare. Bad thunderstorms, loss of land-and-hold-short (LAHSO) procedures, (which alone resulted in a reduction of 36–40 arrivals and departures per hour in one of the most commonly used runway configurations), increased demand, and labor problems at one of our hub carriers contributed to an awful season of delays. The result was an inordinate and unacceptable increase in delays. Again, operations were up only 1.4 percent, to 908,989, yet delays were 57,545, or 63.3 delays per 1,000 operations. Clearly, not enough was done in the early 1990's to address O'Hare's long-term delay problem. Despite the City doing everything it could, recommended runways were not added to O'Hare at the time.

To cope with this rise in delays, we have tried to make our airport as comfortable and appealing as possible for those travelers forced to wait at O'Hare, but we know that is a poor substitute for being on time. We know that delays cost money—$166 million in airline operations and billions to travelers each year. Delays mean missed connections, late meetings, missed events, less family time, and more headaches, which none of us need. Obviously, the City does not run the FAA's air traffic control system, control thunderstorms, or tell the airlines when to fly or what aircraft to use. Nor can we, given the current political climate, unilaterally construct runways to reduce delays at O'Hare without time-consuming costly challenges.

Yet, we have heard loud and clear the clarion call for delay reduction at O'Hare from the FAA, from our two hub carriers, from the Chicago region's business community, from travelers everywhere, and most certainly from Members of this Committee and other congressional leaders. Without question, we need to be sure that O'Hare operates efficiently in good and bad weather.

Mayor Daley has asked us to take: a hard look at all available options for increasing the efficiency of O'Hare and meeting our long-term capacity needs. We supported the FAA's call to re-constitute the Chicago Delay Task Force.

We are hopeful that the new Task Force will examine the full range of delay-reducing ideas, including runways, and arrive at a consensus on new recommendations, hopefully in the next 6 to 9 months. In the meantime, the Mayor has asked us by July 1st to forward conceptual runway plans to Governor Ryan to help to meet the region's aviation needs, and we will do so. While we are encouraged that the current Governor, for the first time, asked to at least see an O'Hare runway plan, he continues to say he does not support new runways at O'Hare. This is not new, since runway development has not enjoyed any of the last three Govenors' support.

We certainly are not pleased that O'Hare became the third most delayed airport per flight in the country. According to the FAA's Capacity Benchmarks, O'Hare's current scheduled traffic meets or exceeds its good weather capacity for 3½ hours of the day and exceeds adverse-weather capacity for 8 hours of the day. On adverse weather days 12 percent of O'Hare's flights are delayed. The FAA believes that demand at O'Hare is expected to grow by 18 percent over the next decade, and that

"[t]his imbalance between capacity and demand growth is expected to significantly increase delays at O'Hare."

Obviously, we share the Committee's view that something must be done to alleviate congestion at O'Hare. Equally obvious, we respectfully submit, is the plain fact that O'Hare's delay problem can only be addressed at O'Hare. Seventy percent of O'Hare's passengers are connecting or international—their needs cannot and will not be met by any other airport, and certainly not by one 45 miles from the Loop. Let's invest in existing airports, support existing reliever airports, and expedite critical delay-reducing projects. The fastest, most economical way to improve efficiency in our nation's aviation system is to improve what we already have. And, any plan must protect local taxpayers.

So, what can Congress do to help? From our perspective, it ought not to take ten years, as estimated by the FAA, to plan and build a runway.

A number of proposals, such as the EASE proposal developed by the Airports Council International-North America and the American Association of Airport Executives, to streamline environmental processing, hold great promise. Additionally, a number of other legislative proposals designed to plan and build critical capacity projects have merit and are deserving of your consideration, including (a) designating critical national airport capacity projects; (b) mandating priority, concurrent processing at all Federal agencies; (c) allowing airports to fund runway-specific FAA staff/consultants; (d) encouraging FAA to broaden its use of categorical exclusions; (e) allowing airports to use airport revenue for off-airport noise mitigation; (f) eliminating both the off airport alternatives and "no build" analysis for national priority projects; (g) restricting judicial review for such projects; and (h) eliminating 49 U.C.S. § 47106(c)(1)(B) governor's certificates.

Regarding the latter element, the FAA and most agree that the Federal requirement for governor's certificates for clean air and water requirements is redundant and unnecessary. More broadly, however, a number of major airport operators, including the City, confront the additional impediment of having to "channel" airport fund requests or receipts through an additional layer of State approval.

With respect to such State and local "approvals," we are aware of bipartisan support in both the Senate and the House to consider preemption of State and local impediments to runway construction at certain airports, including O'Hare. Given the enormous interstate commerce implications of delays at O'Hare, we fully understand congressional interest in playing a useful role in resolving the current runway impasse.

As one of the busiest airports in the world, O'Hare is a vital link to moving people and goods everywhere. We are mindful of its unique status, and the need to make real improvements in real time to reduce delays now and in the future. We do not have the luxury of time in developing answers to this problem. We appreciate, respect, and welcome congressional attention to O'Hare's problems. We recognize that some projects are so essential to our nation's infrastructure that they are deserving of your attention. Developing infrastructure at O'Hare and several other national priority capacity projects is essential to keeping our nation's economy running smoothly.

Failure to address delays in Chicago now has he potential to cripple the economic engine that is O'Hare, and leave passengers stranded throughout the country. That is not an option.

The City applauds the Committee's efforts to examine this issue.

CONCLUSION

This concludes my prepared remarks. I will be happy to answer any questions that you or other Members of the Committee may have.

Senator MCCAIN. Thank you, sir.

Miss Wheeler, welcome.

## STATEMENT OF LINDA M. WHEELER, DIRECTOR, OFFICE OF PLANNING AND PROGRAMMING, ILLINOIS DEPARTMENT OF TRANSPORTATION

Ms. WHEELER. Thank you. The problems at O'Hare are reaching a crisis stage. U.S. DOT in March reported that O'Hare had the worst delays in the nation last year with nearly 10,000 flights more than an hour late. The primary cause for this dismal record is the lack of capacity at O'Hare.

For the past 2 years, as delays were soaring by 60 percent, the number of domestic passengers at O'Hare actually declined by nearly 2 percent in 2000. While domestic passengers nationwide grew by more than 4 percent per year.

Besides delays, this lack of capacity has allowed the development of a fortress hub where airlines that want to compete cannot enter the market. Where additional communities that want service to O'Hare, cannot get in. And smaller communities that have service have been pushed out. And where? According to U.S. DOT data, in 1999 O'Hare's fares were 34 percent higher on a per mile basis than the average fares of the 68 hub airports.

We've been working to address that capacity shortfall since 1984 when the FAA, as part of its approval for O'Hare's last airport layout plan, recommended that the state study the development of another air carrier airport to serve the Chicago metropolitan area.

Extensive studies have identified the optimal site on which to construct a new airport to supplement the 40-year-old O'Hare. Located in the south suburbs, abutting the Chicago urban area boundary, this site will be nearly three times the size of O'Hare with abundant room to grow to meet future demand while still containing onsite all objectionable noise.

We have submitted our data to FAA, which is preparing the Environmental Impact Study. The federal record of decision is expected by next March or sooner. We've begun land acquisition on the site. The state Legislature has authorized 75 million dollars to purchase the 4100 acres needed for the opening day airport and to undertake protective acquisition on the remainder of the 24,000 acres.

The inaugural stage of this airport could be operational in less than 5 years at a cost of under 600 million dollars. While we believe the long term answer is the south suburban airport, we're pleased that the city of Chicago and the FAA have convened a Delay Task Force to examine a range of strategies for treating O'Hare delays. We're a member of that task force. And we intend to work diligently with the City and the FAA on this endeavor.

We also believe it's necessary to consider the role of underutilized existing airports. But that decision ultimately rests with the airlines. We believe the airlines need to look beyond the bottom line and consider how such airports might provide short term relief.

To that end, Governor Ryan has written to both American and United Airlines urging them to consider using the Greater Rockford Airport for relieving congestion at O'Hare.

Finally, let's talk about runways at O'Hare. While Governor Ryan has not been a proponent of additional runways, he's never rejected a plan because no plan has ever been forwarded by the City. Therefore, the rush to consider new runways leaves a multitude of unanswered questions. Would they solve the delay problems at O'Hare? And if yes, for how long? What are the costs? Not only in dollars, but also in terms of additional persons affected by noise and businesses and homes displaced.

What are the environmental consequences and how would they be remediated? Since no environmental work has been initiated, how long would they take to construct? Seven? Eight? Even ten years?

And finally, how do new runways at O'Hare compare in terms of costs, benefits, and environmental and social impacts to the state's plans for the south suburban airport? No one knows these answers. That's why the Governor has asked, and the City has agreed, to submit a plan for O'Hare by the beginning of July.

We understand that O'Hare is a critical asset not just for our region but for the whole nation. We're working on many fronts to seek solutions, but the real critical need is to add capacity to secure our aviation future.

[The prepared statement of Ms. Wheeler follows:]

PREPARED STATEMENT OF LINDA M. WHEELER, DIRECTOR, OFFICE OF PLANNING AND PROGRAMMING, ILLINOIS DEPARTMENT OF TRANSPORTATION

Mr. Chairman and Members of the Committee, we appreciate the opportunity to submit testimony concerning Air Traffic Congestion and Capacity in the Chicago, Illinois Region and its effect on the National Air Traffic System. We thank Chairman Hollings and the members of the Committee for their willingness to focus on proposals to expand airport capacity in and around Chicago.

There is no question that O'Hare Airport has powered the economy of the Chicago area and much of the midwest region. It has created hundreds of thousands of jobs and contributed billions of dollars to the economy. The city of Chicago has done an outstanding job of attracting new international air service, while engineering Midway Airport's rebirth as one of the premier, low-fare, new entrant airports in the country.

But, for the last several years, there has been less to boast about when it comes to aviation in our region. Strong demand for air travel has outstripped the available airport capacity at O'Hare and has forced the airlines to maintain schedules that leave no margin for error in poor weather. A single rainstorm can throw the entire schedule of flights into chaos causing delays and cancellations to ripple across the country.

It has been clear for some time, that there is an aviation capacity crisis in the Chicago area. Addressing delays requires addressing capacity—the two issues are interrelated. Competition, fares and service in the midwest, however, should also be considered in any action to solve the delay and capacity problems. Those specific concerns will be discussed in the latter part of our testimony.

Almost twenty years ago, the Federal Aviation Administration (FAA) recognized the pressing need for additional airport capacity. In its 1984 Record of Decision approving the last layout plan for O'Hare Airport, the FAA recommended that the Illinois Department of Transportation study the ". . . development of another air carrier airport to serve the Chicago Metropolitan Area . . ."

Between 1984 and 1993, the state of Illinois, in cooperation with the states of Indiana and Wisconsin, the city of Chicago and the FAA, has conducted five airport studies that have evaluated a total of seventeen different sites. The airlines, business leaders and suburban communities were active participants in those studies. Over time, the studies have narrowed the number of viable sites down from fifteen to five to one. The best and most viable site for Chicago's third major airport is the proposed South Suburban Airport north of Peotone in eastern Will County.

Once the best site was identified, the state of Illinois proceeded with the necessary engineering studies. As a result of the state's efforts (listed below), the South Suburban Airport is ready to move forward.

- In 1994, the state of Illinois initiated Phase I Engineering to prepare a master plan, an Environmental Assessment and a financial feasibility analysis for the development of the South Suburban Airport.
- In 1998, the state of Illinois completed the Environmental Assessment, which was submitted to FAA for review and approval.
- On March 3, 1999, the state of Illinois submitted a revised plan for an "Inaugural Airport" at the Peotone site to the FAA. This submittal included additional data on the initial operations for a one-runway airport.
- On January 27, 2000, the state of Illinois submitted to the FAA a proposal to begin a 'tiered' Environmental Impact Statement (EIS) for the purpose of beginning land acquisition.
- On May 23, 2000, the FAA agreed to begin the preparation of a 'Tiered' EIS document.
- On February 21, 2001, Governor George H. Ryan announced the Illinois Department of Transportation would begin land acquisition at the Will County airport site.

• On March 7, 2001, the Illinois Department of Transportation began advertising for consultants to handle land acquisition from willing sellers.

• On April 4, 2001, the Illinois Department of Transportation opened the Matteson project office and began the land acquisition process by accepting applications from willing sellers and hardship cases.

The South Suburban Airport will supplement O'Hare and Midway and will be capable of growing to meet future demand. The Inaugural stage of the airport could be operational in less than five years at a cost of under $600 million. The entire 23,000-acre footprint will allow the construction of six parallel runways, with all objectionable noise, air pollution and water runoff retained on site. Such an airport will meet air carrier demand for 20 years, and beyond.

Expanding the aviation capacity of the Chicago Region is and has been a paramount objective of the state of Illinois. The South Suburban Airport has been the vehicle for this expansion.

Providing improved service with competitive air fares will also be impacted by the approach taken to increasing capacity in the Chicago region. Through a series of studies undertaken by the Illinois Department of Transportation since 1996, it became evident that increased capacity was, and remains, necessary to:

• **Ensure reasonable competition:** O'Hare is a fortress hub of two powerful airlines, American and United who, with affiliates, control 88 percent of domestic passenger operations. These two airlines have prevented other airlines from establishing a competitive presence at O'Hare. Many airlines are unable to expand in the Chicago market.

• **Restore competitive airfares:** The lack of competition has caused airfares, post 1995 at O'Hare, to skyrocket. According to US DOT data, O'Hare's fares per mile were 21 percent above the average of the 68 large and medium hub airports in 1995; by 1999, O'Hare's fares were 34 percent higher. Lack of competition and higher fares affect, not only Chicago residents and businesses, but also the economies of other midwestern communities that rely on Chicago Area Airports and their gateways to national and global economies.

• **Prevent loss of non-stop service from O'Hare:** In 1996, Illinois Department of Transportation research predicted that, without expanding the region's aviation capacity, at least 44 cities (mostly midwestern) would, by 2020, lose service to O'Hare and, through O'Hare, to the national aviation system. Those losses would occur in stages. First, fares to these markets would increase, reducing demand. This would lead to fewer flights and, eventually, to abandonment of service. That forecast proved to be accurate. The feared service loss and abandonments are on target. To date, the hardest hit communities have been mid-size cities in Illinois and Iowa.

The South Suburban Airport will create competition, by providing a new airport for airlines wanting to enter the Chicago market. It will also provide airport access to the 2.5 million underserved people who live on the south side of Chicago, its south suburbs and northwest Indiana.

For now, however, we need to look at the existing air systems. While delays at O'Hare continue to grow, underutilized airports in the region may provide opportunities for short-term relief. On March 21, 2001, the department wrote letters to United and American Airlines, urging them to make maximum use of the Greater Rockford Airport to relieve congestion at O'Hare.

In addition, at the urging of the FAA, the city has convened the second Chicago Delay Task Force in a decade. The task force has initiated its evaluation of the problems at O'Hare and will make recommendations in six to nine months. The state of Illinois is an active participant and looks forward to working with the city and the FAA to examine all methods to reduce delays.

With all of this new awareness of delays, there is much talk, in many circles, about runways. Some critics have said that Governor Ryan is standing in the way of O'Hare runway expansion. While he has not been a proponent of runways at O'Hare, he has never rejected a plan to alter or add runways there because no plan has ever been forwarded by the city of Chicago.

Because the city has not forwarded a plan, the rush to consider new runways leaves a myriad of unanswered questions. If runways are added to O'Hare, will that solve the delay problems at O'Hare . . . and if yes, for how long? What are the costs of this plan . . . not only in dollars but also the costs to people in terms of noise and displacements? What are the environmental consequences of these runways? How would these consequences be remediated? Will they meet current federal and state laws and regulations? Since no environmental work has been initiated, how long will it take to construct the runways . . . is an estimate of 7, 8 or even 10 years unreasonable? And finally, how do new runways at O'Hare compare, in terms of costs, benefits, and environmental and social impacts to the state's plan for the South Suburban Airport?

No one knows the answers to these questions because an expansion plan for O'Hare does not currently exist. For that reason, Governor Ryan has asked the city to submit a plan for O'Hare. The city has agreed to submit at least a conceptual plan by the beginning of July.

Within the last few months, in part because of the call to action from civic organizations, members of Congress and state and local officials, the heated debate about airport capacity has become a more rational dialogue. The state of Illinois believes that the South Suburban Airport is critical to the development of a long-term solution to delay problems in Chicago and throughout the nation.

Finally, we will work diligently with the Delay Task Force to identify solutions for O'Hare, and we will discuss and review any proposal brought forward by the city.

Senator MCCAIN. Thank you very much, Ms. Wheeler.

Ms. Garvey, there's been no consensus on the best way to combat delays at O'Hare in the short term. This is in part because the different parties can't agree on how quickly Peotone might be built versus expansion at O'Hare. In your opinion, which could be built more quickly, a new airport or new runways at O'Hare?

Ms. GARVEY. That's a difficult question in a sense to answer because just listening actually to Ms. Wheeler's comments, I think the questions she posed at the end of her testimony are exactly the kinds of questions to ask whether you're thinking about a new airport or a new runway.

We're putting together a great deal of information that we'd like to submit to the Committee about which——

Senator MCCAIN. How soon could we get that?

Ms. GARVEY. We could probably get that to you by next week. We've got some of the airports already pulled together. But I think, in fact, what you have to really look at are what are the environmental considerations? What are the potential plans, what's the airport use or the airline use, and so forth.

So we can give you a sense of what's occurred at different parts of the country and that may be helpful.

[Information referred to follows:]

PROJECTED COSTS IN RESPONSE TO SENATE COMMERCE COMMITTEE HEARING

PROJECTED COST FOR A NEW RUNWAY AT CHICAGO O'HARE

On July 1 Mayor Daley presented a concept paper (copy attached) on proposed future development of Chicago O'Hare. The concept paper is currently under review by Governor Ryan and others.

PROJECTED COST FOR A NEW AIRPORT IN PEOTONE (SOUTH SUBURBAN AIRPORT)

An initial airport development proposal, referred to as the "Inaugural Airport", was described to the FAA by the Illinois Department of Transportation,(IDOT) in 1999. The inaugural airport would be built on 4,100 acres with a 12,140′ x 200′ runway, parallel taxiway, an approximately 10 to 15 gate terminal, cargo and general aviation facilities, access to Interstate 57 and Highway 1, an air traffic control tower and airport surveillance radar. A cost estimate has not been provided to the FAA. The FAA has begun a tiered environmental impact statement (EIS) process on land only. This first tier EIS will evaluate the IDOT's proposed landbanking of the South Suburban Airport site and IDOT's request for FAA acceptance of the site for potential future development. The EIS will include broad brush assessment of potential infrastructure impacts sufficient to determine the environmental viability of the site for future commercial airport development, but not at the necessary level of detail to approve infrastructure. Subsequent EISs—i.e., additional tiers—would be required for proposed infrastructure development and any FAA approvals related to infrastructure. A detailed cost estimate would be included in the development of subsequent EISs, if undertaken. We anticipate the first tier EIS will be approved by the spring of 2002. The State of Illinois will fund the landbanking.

PROPOSED AIRPORT IMPROVEMENTS FOR GARY/CHICAGO AIRPORT

The airport currently has two runways (7,000 x 150 and 3,603 x 100) and a terminal with one jet boarding bridge and the ability to add an additional boarding bridge. A master plan study is underway and will be completed in early November. The draft master plan includes the following future development:

- 1,900′ runway extension and two high speed taxiways. Estimated cost: $55 million,
- expand the terminal to 5 gates. Estimated cost: $13 million,
- de-icing pad. Estimated cost: $3.5. million.

While the runway extension is justified it is a brown field site (environmentally questionable). It will also require relocating a railroad, assuming the railroad will go along with the relocation, as well as relocating a high-tension power line. The environmental impact statement process is just beginning for the runway extension. Current activity does not warrant the terminal expansion. Gary/Chicago Airport did not have scheduled air carrier service until 1999 when Pan Am Airways began serving Gary with two flights a day.

PROPOSED AIRPORT IMPROVEMENT FOR GREATER ROCKFORD AIRPORT

The airport currently has two runways (8,199 x 150 and 10,000 x 150), 1 jet boarding bridge with the potential to add 2 more, and 2 ground boarding positions. Rehabilitation of the 8,199′ runway will begin this fiscal year and will be completed in fiscal year 02 at a total cost of $8 million. The airport master plan includes a new 8,000′ parallel runway to meet future demand at an estimated cost of approximately $21 million. At this time justification for the proposed runway has not been demonstrated. The current airfield configuration is adequate to meet current needs. Greater Rockford Airport has had sporadic scheduled air carrier service. In 2001, they lost scheduled service. Approximately 600,000 people board a bus or drive each year from Rockford to Chicago O'Hare. Four cargo carriers serve the airport with UPS using Rockford as a cargo hub.

## Major New Airports

| Locid | City, State | Airport | Planning Began | Environmental Decision Issued | Construction Began | Opening Date | Construction Cost[1] (Millions) | Federal Amount (Millions) | Number of Runways: Length | Number of Gates | Acres |
|---|---|---|---|---|---|---|---|---|---|---|---|
| DFW | Dallas-Ft. Worth, TX | Dallas-Ft. Worth Int'l | 1964 | May 1974 | Dec. 1968 | Jan. 1974 | $700 | $60 | 3: 2 @11,388 x 200; 1 @ 9,000 x 200. | 66 | 18,076 |
| RSW | Ft. Myers, FL | Southwest Florida Regional. | 1973–1974 | Sept. 1977 | April 1980 | May 1983 | $93 | $27 | 1: 10,000 x 150 | 12 to 14 | 3,431 |
| DEN | Denver, CO | Denver Int'l | 1977–1980 | Sept. 1989 | Sept. 1989 | Feb. 1995 | $3,000 | $508 | 5: 12,000 x 150 | 94 | 33,422 |
| XNA | Fayettville, AR | Northwest Arkansas Regional. | 1990 | Aug. 1994 | Aug. 1995 | Nov. 1998 | $110 | $69 | 1: 8,800 x 150 | 6 | 2,184 |

Note: Former military airfield converted to civil use are not included (Alexandria, LA; Austin, TX; Portsmouth, NH; Marquette, MI; Belleville, IL)
DFW: Airport opened during early days of NEPA. Environmental review was actually completed after the airport opened.
RSW: First airport subject to environmental review under NEPA.
DEN: Construction costs were $3B plus $915M in interest, $261 M in planning and land for total cost to Denver of $4.2B.

## Sample of Schedules and Costs for New Runways

| Locid | City, State | Airport | Planning Began | Environmental Decision Issued | Construction Began | Opening Date | Total Cost [1] (Millions) | Federal Amount (Millions) | Runway Length | Major Work Involved (other than pavement) |
|---|---|---|---|---|---|---|---|---|---|---|
| DFW | Dallas-Ft. Worth, TX | Dallas-Ft. Worth Int'l | 1987 | 1992 | 1992 | 1996 | $300 | $190 | 8,500 | Land Acquisition for noise mitigtion |
| MEM | Memphis, TN | Memphis Int'l | 1984 | 1993 | 1993 | 1997 | $121 | $74 | 9,000 | Relocation of businesses & residences |
| PHL | Philadelphia, PA | Philadelphia Int'l | 1990 | 1994 | 1996 | 1999 | $220 | $88 | 5,000 | Small amount of land fill |
| PHX | Phoenix, AZ | Phoenix Sky Harbor Int'l | 1989 | 1994 | 1994 | 2000 | $185 | $79 | 7,800 | Land Acquisition |
| MIA | Miami, FL | Miami Int'l [2] | 1991 | 1998 | 2001 | 2003 | $206 | $101 | 8,600 | Minor site prep |
| STL | St. Louis, MO | Lambert-St. Louis [3] | 1987 | 1998 | 2001 | 2006 | $1,100 | $141 | 9,000 | Significant relocation of businesses and residences |
| CLE | Cleveland, Ohio | Cleveland-Hopkins Int'l [4] | 1991 | 2000 | 2001 | 2004 | $500 | $148 | 9,000 | Significant land fill; minor relocation |
| CVG | Cincinnati, KY | Cincinnati/No. Kentucky [5] | 1996 | [5] | [5] | 2005 | $233 | TBD | 8,000 | Moderate relocation of houses and churches |
| SEA | Seattle, WA | Seattle-Tacoma Int'l [6] | 1989 | 1997 | [6] | 2006 | $773 | $216 | 8,500 | Significant land fill; minor relocation |
| ATL | Atlanta, GA | Atlanta Hartsfield [7] | 1987 | 1994 [7] | 2001 | 2005 | $1,100 | $175 | 9,000 | Significant relocation; minor site prep |

DFW: Construction Cost includes approximately $125 million for land acquisition/mitigation. Cost does not include NAVAIDs or changes to DFW airspace as part of the Metroplex Plan Upgrade to accommodate 2 new runways.

[1] Not adjusted for inflation.

[2] Runway is currently under construction.

[3] STL: Construction to begin on temporary road system in July 01.

[4] CLE: 7,000′ of runway will open in 2002 with full 9,000′ runway opening in 2004.

[5] CVG: Land acquisition to begin in 2002, assuming favorable environmental findings. Estimate ROD will be issued October 2001. Construction to begin in 2002.

[6] SEA: Rwy construction suspended due to endangered species isue that has held up 401/404 permits. Initial site preparation underway.

[7] ATL: Land acquisition and site preparation underway for 6,000′ runway (FONSI issued 1994). Draft EIS for 9,000′ runway issued December 2000.

Senator MCCAIN. Ms. Wheeler states in her testimony that a new airport in Peotone can be up and running in less than 5 years. Do you agree that a new airport can be planned and built and operational in 5 years?

Ms. GARVEY. That would be a record, if that were the case. And I think a lot will depend on what we see at the end of the first tier. But certainly, we're willing to work with the Department on those issues.

Senator MCCAIN. Thank you. Mr. Walker, a case has been made that O'Hare is falling behind other major cities that are building new runways. For years, the City has denied that O'Hare needed expansion. Why hasn't the City proposed new runways until now?

Mr. WALKER. Senator, as I stated in my testimony, the Delay Task Force in 1991 recommended reconfiguration and the addition——

Senator MCCAIN. The task force did but the City didn't.

Mr. WALKER. It did, in fact. The City was aware of the position of the former Governor and the present Governor on additional runways at O'Hare. It would have been counterproductive for us to expend time and effort in preparing something that the Governor was on record as being opposed to.

Senator MCCAIN. Would it have been counterproductive to propose an expansion of runways at O'Hare because the Governor was opposed? I don't know many mayors that are reluctant to propose things that they believe are necessary because the Governor might object. Perhaps this mayor is much more shy and retiring than I had anticipated. I don't quite understand that.

Mr. WALKER. Not quite. And of course, I was not Aviation Commissioner at the time, but that, in fact, has been the case. The three Governors had made it very clear their position on expansion at O'Hare and therefore no proposal has ever been put together actually proposing new runways.

Senator MCCAIN. Has the City made any calculations as to how much it would cost to expand capacity at O'Hare? That's going to be a very major aspect of this issue.

Mr. WALKER. That's part of our ongoing analysis and by July 1 we expect to have some estimates based on the concepts that we plan to present to Governor Ryan.

Senator MCCAIN. How soon can we expect cost estimates of one new runway and then again two new runways at O'Hare? I think that's going to be a critical factor in the decisionmaking.

Mr. WALKER. I expect that we will have some rough estimates along with the concepts that we provide to the Governor on July 1.

Senator MCCAIN. By the first of July. Thank you, thank you very much.

Ms. Wheeler, there are currently several airports in the area that are underutilized and have excess capacity. It's been argued that Gary, Indiana; Rockford Airport; Milwaukee's General Mitchell Airport can handle the excess capacity. Has the state looked at how to utilize this excess capacity instead of building a new airport?

Ms. WHEELER. When we talk about existing airports and their excess capacity, it's not on the same level as the type of capacity needs we're going to have into the future, into the 21st Century.

It's true that we believe it's important that the airlines look to use what's out there today and see if that can't be part of the solution.

But when we look toward the region's aviation capacity needs into the future, 20 years out, during the study period that we had done with forecasting all during the 1990's, it showed a need of 30 million enplanements that was unmet by the region's existing airports even allowing for them to grow substantially during that time.

So, while we welcome the existing airports' part of the solution, they can't solve our future needs.

Senator MCCAIN. Why is it the state convinced that the expansion of O'Hare is not the answer or part of the solution?

Ms. WHEELER. Even when we did our existing studies that forecast into the future, even when you—we have seen no actual numbers that show us what runways might produce and at what cost additional runways at O'Hare but——

Senator MCCAIN. But common sense tells us that new runways do increase capacity.

Ms. WHEELER. Right. Nonetheless, it still doesn't reach to the type of dimensions of what we're saying. We need to be able to serve this region into the future. O'Hare is already a 40-year-old airport. It's on less than 8,000 acres. It has substantial noise difficulties. When we did our studies, we even considered that O'Hare would have significant passenger expansion, enplanement expansion.

But it doesn't come to the equivalency of 30 million additional passengers. We're looking at adding a new airport with the capacity to grow for the aviation's future demand up to six runways, 30 million enplanements.

Senator MCCAIN. When you say consensus that there's no one solution to this problem, part of the solution could be the expansion of O'Hare. Part of the solution could be a new runway. Part of the solution could be additional utilization of existing airports in the area.

I don't quite get the logic of just excluding a new runway at O'Hare unless there are compelling factors, such as cost which may dictate otherwise. And I hope—my time is expired and I hope you will enter that into your calculations. And we would also appreciate not only the cost that you stated of 600 million dollars for one runway and 12 gates. But the cost and time involved to have a fully operational mature airport as well. That cost estimate, I think, is an important one as well.

And my time is expired.

Senator Rockefeller.

Senator ROCKEFELLER. Thank you, Mr. Chairman. Ms. Garvey, this whole thing reminds me very much a number of years ago of when Dulles Airport, National Airport and Baltimore-Washington were all at war with each other. And there was a lot of politics and geography and constituency in the state, state stuff involved.

And the theory at the time was oh, you could do one, you could do the other. But you surely can't, you can't be nice to everybody. And of course, as it worked out, we did all of them, in that case creating a regional airport, authority which could issue AAA rated

bonds. And all are booming. And, you know, the capacity is just overwhelming.

Now, you look at O'Hare. I start with the premise that you have to do O'Hare. I don't, nevertheless, end with that premise because if O'Hare is reconfigured, let's say Plan A of the Plan A, Plan B; either way, with parallels sets of runways, reconfigure. It's expensive but it has to, I believe it has to be done because it's a huge part of capacity.

On the other hand, if you look at technology and delays and what that extended or reconfiguration of runways, it doesn't mean there are a great many more numbers of runways. It just means they're laid out in a way which is more convenient for delays and take offs and landings.

Nevertheless, the increase in capacity at O'Hare doesn't grow that much. In other words, you're talking maybe 12, 16, whatever it is percent. I'm looking at the next 10 years, 15 years, that's what you do all the time, doubling the air traffic, air people flying. UPS, FedEx. FedEx is what now? The third largest airline in the world, so to speak.

So, I mean, all of these things are going to be required. And doesn't it therefore follow almost mathematically that, yes, you got to do O'Hare. You got to do that. But it is not going to be sufficient to handle all the capacity needed for the next 10, 15, 25 years.

Ms. GARVEY. I would agree, Senator. Again, I think there's still a lot of unanswered questions. But I would agree with both your comments and Senator McCain's.

Senator ROCKEFELLER. But you do agree it would not be sufficient. It has to happen.

Ms. GARVEY. It is not going to be sufficient.

Senator ROCKEFELLER. It has to happen, right?

Ms. GARVEY. That's exactly right.

Senator ROCKEFELLER. But it wouldn't be sufficient.

Ms. GARVEY. That's exactly right.

Senator ROCKEFELLER. Therefore the question is, what would be the other place or other places to go?

Ms. GARVEY. Exactly. The question becomes how then do you provide the additional capacity.

Senator ROCKEFELLER. Yeah.

Ms. GARVEY. Whether it's a combination of a number of the options that have been mentioned earlier, and timing I think is important as well.

Senator ROCKEFELLER. And speaking of timing, I want to make it clear that Chairman McCain and myself, Senator Hutchinson and others are on this sort of—everybody says it takes 15 years, 13 years to build. Well, we hope that by the end of the summer it's not going to because we're going to pass a bill which will encapsulate the whole study and environmental process into a 5-year period. So that everything will go from, say, the 13 years and 15 years in Seattle to 5 years everywhere.

That will be the federal law so that things will be able to happen more quickly. Mr. Walker, and I'm not just saying that to you. I'm saying that generally for the record.

Mr. Walker, wouldn't you also agree with what I just stated? I mean, I agree with you that O'Hare has to be done. That's where

you've got to—it's here. It's got to be reconfigured. Sure, there's going to be some inconvenience. But, you know, airports are pretty skillful at taking care of construction and still handling.

But for the longer term, O'Hare isn't going to be able to handle the traffic. I mean, you had five million people coming in and out of here in 1960. You've got 72 million today. It's going to be 150 million in 15 years.

Mr. WALKER. And we certainly have the capability to serve that need far into the future. And the question——

Senator ROCKEFELLER. Well, tell me, why do you say that you have that. I suggested that your capacity for landing and all may only increase 12, 16, 18 percent, which is a big increase but not nearly according to the needs of the future.

Mr. WALKER. Certainly, with only reconfiguration that would be true. But if we were to add additional runways and if they were to be configured properly, the increase in capacity could be far larger than what you estimated. It certainly won't fulfill all the needs into the infinite future. And we will eventually need additional——

Senator ROCKEFELLER. So you don't preclude the need for another option. You just say we've got to do O'Hare but you don't preclude the need for another.

Mr. WALKER. No. Except that we emphasize that we ought to be investing where we already have infrastructure. And as I stated earlier, we probably have 400,000 excess operational capacity in the region right now at these airports that testified earlier today.

And so the need for a specific airport, for instance, a brand new airport, is dubious in the near to mid- or the long-term future.

Senator ROCKEFELLER. My time is up and Ms. Wheeler, I'll have a question for you at the second round. Thank you, Mr. Chairman.

Senator MCCAIN. Thank you.

Senator Fitzgerald.

Senator FITZGERALD. Well, thank you, Mr. Chairman. And Mr. Walker, I noted from the newspaper article that the City had signed a contract with Southwest Airways pertaining to Southwest's agreement to share part of the cost in building new terminals at Midway. And I have a copy of that contract and it appears to say that if a third airport is built within 50 miles of Midway, then Southwest will be able to get out of its contract to pay for the cost of that terminal at Midway. Is that correct? Is that your understanding?

Mr. WALKER. I'm aware of that agreement, yes.

Senator FITZGERALD. Does that agreement mean that the City, in fact, the agreement goes on to seem to require the City to oppose a third airport until the year 2012. My question would be, will the City, because of that agreement with Southwest, have to oppose a third airport, other than at Gary, Illinois, no matter what is given the City at O'Hare?

Mr. WALKER. I would have to confer with our corporation counsel to get their interpretation of that agreement.

Senator FITZGERALD. I have spoken to Southwest and that's their interpretation and they are threatening to move if you ever do anything that would advance the ball even a little bit to a third airport.

And for Ms. Garvey, I wondered as Ms. Wheeler stated that back in 1984 when FAA approved the city of Chicago's last airport, the NASAR Plan was it? That they told the City or the region that they had to start planning a third airport. And in 1988, August 1988, this study came out, the Chicago Airport Capacity Study, and the FAA and the city of Chicago participated in it.

The conclusion was that it wasn't feasible to expand either Midway or O'Hare. And the reason for that was because they're both in dense urban areas. As you see O'Hare Airport, which is filled up with seven runways, it's bounded by interstate expressways on two sides and major roadways on the other sides and railroad beds. And the FAA, for that reason, engaged in a study of where a third airport should be and they concluded that it should be in the southwest, south suburb.

A couple of years later, when President Clinton took office, Mayor Daley requested that the third airport be removed from the NPIAS list. Why did the FAA remove the third airport from the NPIAS list after they had just done a study saying we need—that study says we need a third airport by the year 2000. And here we are in 2001.

Ms. GARVEY. Senator, at that point there was, I think, great disagreement between the FAA and Illinois, at least in 1997, over the forecast and size and scope of the project. I'm pleased to say that's behind us and, as I mentioned, we're working on the tiered approach environmentally. And that work is underway. So, we are on the right course and the right track now.

Senator FITZGERALD. Do you think any politics came into play in that decision?

Ms. GARVEY. You know, in Chicago it's always interesting in politics, I think.

Senator FITZGERALD. Mr. Walker, what percentage of the flights at O'Hare are for corporate jets and for charters right now? Do you know?

Mr. WALKER. I don't have that number. It's relatively small at O'Hare.

Senator FITZGERALD. Do you think when all the passenger large planes at 300 plus people are confronted with delays, do you think it makes sense to continue to allow corporate jets and charter flights to operate out of the City? Couldn't that kind of capacity be put out to Rockford Airport, even Gary or DuPage or some of the many other facilities?

Mr. WALKER. Well, the operators of those aircraft are pretty sophisticated in their understanding of the facilities in the region. And they generally are able to make pretty good decisions about the likelihood of them getting in and out of O'Hare within the timeframe that's convenient to them based on the destination of their passengers.

So, I think they're able to make pretty good decisions on their own without getting dictated to about where to go. And they have decided, in some cases, to move their operations to Midway or other regional airports.

Senator FITZGERALD. And am I——

Senator MCCAIN. Yeah, we'll have a second round.

Senator FITZGERALD. OK, we'll have a second round. Thank you very much.

Senator MCCAIN. Senator Durbin.

Senator DURBIN. Thank you very much, Mr. Chairman. On this Southwest lease, it is interesting because it says according to the lease signed between the city of Chicago and Southwest Airlines, if a new airport opens they have a right to terminate the lease early. A new airport within 50 miles of the Midway Airport. They can terminate their lease at Midway 4 years early at their own option effective December 31, 2008.

If the city of Chicago enters into a contract with any new airport restricting operations at Midway, then they can terminate it within 60 days, as I read this. Which raises some interesting questions, which Senator Fitzgerald has posed about the impact of any new airport on Southwest lease with Midway. But I do think we have to take into consideration that even a construction of an airport at Peotone would raise question as to whether or not Southwest could leave its lease at Midway. As I read it they have an option to leave early if that happens. And I think they even discussed this with the Department of Transportation, one of their concerns.

So, it is not as simple as it first appears. But I want to get down to some basic questions. Ms. Garvey, I read an article in Times and Newsweek a few months ago about airport congestion. And there was one unnamed official from the FAA who was quoted, who said, "If I had one wish, if there was one thing I could do to improve airport, airline efficiency and reduce delay and congestion in America it would be to do something about O'Hare".

I was kind of stunned by that because it was a long article about a lot of different things, air traffic control and the like. Is that your conclusion as well that O'Hare is really the major, one of the, at least one of the major problems facing us in terms of national airline congestion?

Ms. GARVEY. Well, I think certainly, Senator, it's one of the major ones. If you look at the benchmarks, for example, we've identified eight airports that we consider to be the pacing airports. Those are the airports where when you have a problem it really affects the system.

Certainly O'Hare is one of them. LaGuardia is another one where it really has an affect on the whole system. And actually if you look at the worst part of the country in terms of congestion, where we really feel the congestion, it is the triangle from Chicago to my home town of Boston down to Washington and then back up to Chicago.

So, much of our effort in the last year has been to release some of the choke points in the area. But clearly Chicago is one of those critical airports.

Senator DURBIN. You can help us. I think the Chairman has asked for that help in trying to come up with some honest estimates as to cost and time lines to do things, to build runways and airports. Some of the estimates that we're dealing with at this hearing are so wildly different. There's just a lack of credibility.

Some people think that if you're going to estimate the cost of a runway at O'Hare, you add in all of the attendant cost to moving highways, traffic congestion and terminals and put it all together

and say, well, every runway is going to cost us 10 to 12 billion dollars, way beyond any of the numbers that we've seen for runway construction itself.

And yet when they estimate the opening of an airport such as Peotone, they estimate it can open in 5 years and there's no mention about the infrastructure supportive of such an airport. So I hope that the FAA can help us in trying to put some honest figures on the table for the course of this hearing.

Ms. GARVEY. Well, we'll certainly do that, Senator. And we'll be very mindful as we're breaking it down to state just what those costs include. And we'll give you some good examples, I think, of what it's been in other places.

Senator DURBIN. Ms. Wheeler, let me try to get the bottom line on the state's position here. I think what we've heard from Ms. Garvey and Mr. Walker is at least the belief that O'Hare should be first priority and other things might be considered, depending on your timeframe, how you look at things.

Does the state of Illinois and the Governor, at this point, take the position that you can't modernize O'Hare or add or expand service to existing airports like Rockford or Gary, except at the expense of Peotone?

Ms. WHEELER. No, absolutely not. We're participating in the Delay Task Force. And we're pleased that the City and FAA have convened it. We have called upon the airlines to look at the underutilized capacity at existing airports. As I said earlier, while we've never been supporters of the runways at O'Hare, we have asked the City to get us information on that because we have never seen information.

There's been a lot of concern about what sort of impact any sort of runways at O'Hare might have on those communities that you saw on the map that are so close to the airport. And we're very anxious to see answers to those sorts of questions.

Senator DURBIN. Well, Ms. Wheeler, if you could clarify that. And I want to make sure it's clear on the record. I think you just said that we have never supported new runways at O'Hare but we've never seen a proposal.

Ms. WHEELER. That's true.

Senator DURBIN. So you start with the assumption that you're opposed to new runways at O'Hare before you see the proposal?

Ms. WHEELER. There's been great concern because of the impact on those who live so close to O'Hare—the noise impact. The City has indicated they've spent, what? $400 million in trying to soundproof homes in the vicinity of the airport.

Senator DURBIN. Has this been successful in reducing noise problems?

Ms. WHEELER. I think there's still a number of homes and schools and facilities out there that are talking to the Commissioner about seeking additional help.

Senator DURBIN. Mr. Walker.

Mr. WALKER. And there's an ongoing commitment on the part of the City and the airlines to fund further noise mitigation. We have an ongoing program. In addition, the improvements that have been made in aircraft technology, the quieter airplanes, will reduce the

noise footprint in the area around the airport and take out of the 70 decibel level of contour, something like 22,000 homes.

So, we're making progress in terms of reducing the impact to the communities around the airport.

Senator DURBIN. Thank you very much. Mr. Chairman.

Senator MCCAIN. Thank you. I want to say to all the witnesses, we need cost and time estimates. Not the Congress, but the people of Illinois and the taxpayers of America deserve better than what they've been getting. And I'm a bit surprised and a little unhappy that we don't have better estimates.

This is not a new issue. And we need to have much better estimates of the cost and time involved with these options. Otherwise, rational decisions cannot be made. And Ms. Garvey, in your estimates, I think you also ought to include the projected time and cost associated with an expansion of Gary or Rockford or other airports, which are other options which are being discussed today.

I just have one additional question. I know my colleagues have a number of additional questions. Ms. Garvey, in her written statement Ms. Wheeler points out that O'Hare is a fortress hub of two powerful airlines, American and United. Then she goes on to say according to the U.S. Department of Transportation data, O'Hare's fares per mile is 21 percent above the average of the 68 large and—airports in 1995. By 1999, O'Hare's fares were 34 percent higher.

We all know, it's been established with Congressional hearings, we have one of two airlines dominate. The GAO has done several studies to show where they dominate and airfares are dramatically higher. It's one of the fundamental laws of economics.

So, let's go through a scenario here. Peotone is built. None of the major airlines, these two major airlines will go there. What does that mean? Does that mean that we've got a white elephant or is it in your view that airlines like Virgin and others would locate there and provide their service? What's your view of that?

Ms. GARVEY. You know, it's interesting because we were talking about this yesterday. In fact, we were talking about the Dulles situation. I remember those early discussions about Dulles and it was really a case of people saying, "Oh, if you build it they're not going to come." But, in fact, it turned out——

Senator DURBIN. They did come.

Ms. GARVEY [CONTINUING]. They did come. And I don't know the answer to that here, quite frankly. It does feel like a chicken and egg situation. But it certainly seems to me that as it's worth looking at some of the market. I'm not an airline analyst, and I don't know all the answers to that, but it would certainly seem to me it would be worth sitting down, talking with the airlines and saying, let's take a look at this market. And as Ms. Wheeler has suggested, asking is there underused capacity? Is there a way to use it? And is there really a market for Peotone?

My guess is they're looking at those decisions. They've done some analysis of that as well. It would be interesting to get some help from the bond market to see what, from their perspective, the market would say. When you have to fund these projects, the bond markets pay very close attention to what the market will bear.

Senator MCCAIN. Do you have a feel on that, Ms. Wheeler?

Ms. WHEELER. Yes. First of all, the state of Illinois has pledged that we won't begin construction on this airport until we have airline tenants who are interested in using it. We haven't really been in a position to forcefully seek airline tenants because of the problems with not having the record of decision.

And now that that's proceeding forward and the land is now being acquired, we feel that we'll be in a better position in another year to 2 years to be talking turkey, if you will, with airlines.

Senator MCCAIN. Now, if history is true, there will be airlines who will want to be there. Denver went through this whole situation and it was viewed that nobody would locate 40 miles out. And now they're operating at near capacity. Do you believe the projections for the air passenger travel that somebody's going to be there to fill the vacuum. So, I wouldn't be too concerned about it but I think that it's an issue.

Finally, Mr. Walker, I appreciate the outstanding job you do for the city of Chicago and your public service. But quite often actions speak louder than words. And I'm sure you're not responsible for it. But the deal made with Southwest is an action that indicates that the city of Chicago is not only not interested in the additional airport but it's taken actions which would penalize the city of Chicago if a new airport were built within 50 miles of the city of Chicago.

And I don't think that was a proper action on the part of the city of Chicago. And I really don't think the citizens of the state were well-served by that kind of agreement because you're going to have great difficulty if Peotone is or another airport is deemed necessary, which many of us think there's a certain inevitability about that scenario. And I'll be glad to hear your response to that.

Mr. WALKER. Well, as you said, Senator, I was not involved in that. We have to deal with the situation as it is now. And the requirements are what they are. And it is certainly true that it presents a difficulty should a third airport move forward.

Senator MCCAIN. I thank you, sir. Senator Rockefeller.

Senator ROCKEFELLER. Thank you, Mr. Chairman. Mr. Walker, let me just ask you a technical question. With gates, it becomes very important, it seems to me, as that evolves. What percentage of the gates will be controlled by airlines and what percentage will be controlled by the airport?

Mr. WALKER. Approximately two thirds of the new gates will be controlled, what we call a preferential allocation to airlines. And a third to the airport itself so that we can make those available to any airlines. So we'll have approximately eight gates that the City will control and can make those available to new entrants or other expansion of existing carriers.

Senator ROCKEFELLER. The reason I say that is because every state in America has rural parts. And, you know, United is now on junk bond basis. The settlements that are being made are going to virtually price airlines, potentially price airlines out of business. So we're almost, we're not exactly facing a casual situation here.

So, that means that competition really does have to work. If there's a delay in Chicago, as indeed I was delayed about an hour getting in last night which was fine. I was happy to land and happy to go to a local hotel and get a good sleep, or at least a sleep.

But on the other hand, at some point, you have to move, right? You have to—Jane Garvey mentioned the chicken and egg thing.

I'm not sure there's a chicken and egg thing involved here. Again, it's the numbers. Now, Jane, you said you don't administrate—you don't have the final numbers. But I don't think you would disagree with what I stipulated earlier and that is that, as I believe, that you should, we should do O'Hare. I mean, I start with that assumption because why would you not? That's a question I would have for you, Ms. Wheeler, so you be thinking about that. Why would you not do that?

Now, if you look at the paddage, 5 million to 72 million, 60 to 2000. And then you go 20 years out, 25 years out. I mean, it's almost impossible to conceive of a situation wherein there does not have to be other options. So, the so-called chicken and egg thing—I remember Dulles. I mean, I remember being in Washington in the 1960's and Dulles was all out there by itself and nobody was going. And actually I was at that point pushing for a regional airport in West Virginia. I'm now holding back on our current situation, as you know, because I've got to worry about, you know, just getting in and out of this service that we have today.

But, I mean, people were just wrong about Dulles. They were flat out wrong. And it's now expanding and it has to keep expanding and then it has to keep on expanding. And that's because people want to travel. And, you know, we may have a couple of down years in our recession and people will travel less. But Americans are going to travel, they're going to travel more than anybody in the history of civilization. They're going to keep on.

So, don't you agree that there has to be, along with the growth and the reconfiguration of O'Hare, another option and, like Chairman McCain, to me it's a question of where that best one is, where it's the most convenient. You know, all that kind of thing. Don't you agree with that?

Mr. WALKER. Senator, there are a couple of concerns that we have about the premise that you laid out. One is that we're in an era of deregulation at this point where airlines choose to go where they believe that there's a market for their services.

And in the case of building a new airport, frequently in the past, the existing airport or the old airport has been closed or restrictions have been placed on the operation of existing airports in order to try and force traffic to that new airport. We would be concerned about those kinds of constraints on activity at our existing airports.

Senator ROCKEFELLER. Let me probe that. Why, if there are so many people out there in the future who want to travel and have to stop in Illinois and Chicago in order to get where they're next going to go, why are there the constraints about where the airplanes are going to have to—I mean, they're not going to have any choice but to go to, you know, whatever's available.

Mr. WALKER. We don't believe there should be any but I'm saying that some of the cases that you've cited, the existing airport closed down when the new facility was opened up. And we would be concerned that there be any attempt to limit the operations at our existing airports in order to force traffic to a new airport.

Senator ROCKEFELLER. Would you believe me if I told you that Teeterborough Airport has more landings and takeoffs than LaGuardia Airport?

Mr. WALKER. I would believe you. We've got a new airline, Indigo, at Midway that is providing service.

Senator ROCKEFELLER. OK. But see, that makes my point. I mean, there's so much traffic that Teeterborough, which many people in the country never heard of, has a lot more traffic than LaGuardia, so at least substantially more than LaGuardia.

Ms. Wheeler, along with Senator McCain's question, why is it not in the interest of the Governor to make sure that Illinois can service all of the people who are going to be coming into this great state where I and Sonny got married, so I care about it, and want to have a solution that accommodates all of those people? So why would there be an instinct not to do O'Hare as well as look at other things, other possibilities when you know that the capacity demand is going to be there for O'Hare plus another option? And maybe in the future another two options.

Ms. WHEELER. I think, Senator, that the key question here is that with respect to additional aviation capacity at a new airport, we've done 17 years of studies. We've done extensive environmental and other studies to get to the point where we are today with a record of decision likely to come in less than a year.

With respect to what may be the impacts, the benefits, et cetera, associated with the runway at O'Hare, there has been none of that work done. There has been no plan offered. The Governor has been very, very concerned about the impacts, even today, of O'Hare on the communities around it. The communities have been very vocal in their concerns about the impacts of O'Hare on their day to day life.

We need to see information. And we've asked for that information and the City has pledged to get us that information by the beginning of July.

Senator ROCKEFELLER. With the indulgence of the Chairman, I just have to say that the Chairman has asked for information and we're going to get information hopefully next week, but I don't need information. If I'm looking at 5 million in 1960 and 72 million in 2000. What, I mean, common sense tells you that people want to travel. They're going to have the money to travel. Americans travel. We're wanderers, all right? And you're the beneficiary of that. Why would you deny yourself any single part of that benefit?

Ms. WHEELER. I think that's why we've been working for 17 years to try to get that additional capacity in the region.

Senator ROCKEFELLER. OK.

Senator MCCAIN. Senator Fitzgerald.

Senator FITZGERALD. Well, I'm just struck after listening to all the different witnesses on this panel and the one before. It is pretty obvious what, in part, what is going on here is there are political battles to retain control of aviation capacity within political jurisdictions.

Obviously, the business community and the city of Chicago, the political leaders, the Mayor of the city of Chicago would like to keep all the traffic in the City. Rockford community leaders are

here. They'd like traffic up in Rockford. South suburban leaders are here. They want economic development in the south suburbs.

What has been happening up till now is that raw political clout has been determining where all the traffic and capacity is going to be. But sometimes that system has been at the expense of the traveling public and at the expense of creating new aviation capacity that can be rationally used.

And I wonder if Ms. Garvey, doesn't this case study in Chicago here kind of suggest that in an area like Chicago, wouldn't we all be better off if we weren't fighting amongst ourselves like a bunch of different Balkanized regions. Or instead all fully together and trying to create a regional board of some sort that would make sure that we didn't have the waste we're seeing with two wonderful runways up in Rockford. One 10,000 feet, the other 8,500 feet the only time used because United and American are running free shuttle buses from the Rockford Airport down to Chicago's O'Hare Airport.

Don't you think there's a case to be made for some kind of regional oversight in a situation like this?

Ms. GARVEY. Well, I think certainly, Senator, any time you have an issue like this and you look at it regionally, it's an advantage, absolutely. And they're doing that in other places.

Senator FITZGERALD. What other places have done that?

Ms. GARVEY. I think as Los Angeles, for example, is looking at their expansion of their airport, they're also looking at how it can fit with all of the regional airports. It's a little bit easier there. They do control all of them. But in the New England region, a number of the Governors in the New England area have gotten together to look at aviation from a regional perspective. So, I think you make a good point looking at things regionally is always——

Senator FITZGERALD. Isn't there some way that Congress could be helpful here by getting one regional body together. And finally, just for Mr. Walker, I don't know why but somehow the Committee gave me a copy of your testimony. I guess it was a draft of your testimony. And it had some additions and deletions.

And I noticed that one of the deletions or an editor's notes on this draft that was sent to my office said that we needed to rework this ending here because it makes the argument why Chicago should be asking for runways, not why Congress should. And I do have a question here. Why has Chicago never put forward a request for runways and why are they having Congress make the request for runways?

Mr. WALKER. We certainly are not urging Congress to do that.

Senator FITZGERALD. Do you support Congress getting involved here? Does the city of Chicago want Congress to get involved here?

Mr. WALKER. We wish it were not necessary and we hope that it won't be. We hope that we can get resolution within the region——

Senator FITZGERALD. So you oppose Congress getting involved.

Mr. WALKER. We don't oppose. We hope that we can avoid it by coming to a recommendation on how to move forward and taking action so that Congress doesn't have to act.

Senator FITZGERALD. Do you want Congress to make proposals in other areas or just as to expanding O'Hare? Do you want them to

look at other issues as well in Chicago aviation? Like Meigs Field, for example.

Mr. WALKER. We certainly have no desire to reopen the discussion about Meigs Field. That's an issue that we thought was settled.

Senator FITZGERALD. All right. You're very good. Thank you very much.

Senator MCCAIN. Senator Durbin, you have additional——

Senator DURBIN. Thank you very much. Let me just say on the suggestion by Senator Fitzgerald on the regional approach. I think there's value to it and I want salute Representative Hamos because I think that's what her study came up with was trying to integrate all of the airport resources that we have into something that makes sense.

But of course, we can't do that just at the governmental level. You need players. And the players are the airlines. And they have to be enticed to come to these airports and to use them for a variety of different purposes. And as a person who hails from downstate and spends a good part of my time with our six airports, we spend most of that time trying to lure airlines to our airports.

We have great airports and they just sit there because we need to get more people to use them. And we work on that and we should continue to. But I don't think the idea of regionalism is a bad one. I think it's a very good one. I want to salute Representative Hamos for her leadership with George Scully on that issue.

I'd like to ask you this, Ms. Wheeler, one of the things that we talked around and should get right to the point on is who pays for these things? When we're talking about airports and runways, who pays for them? I'll tell you what is my understanding and please tell me what is yours and I invite the panel.

It's my understanding that whether we're talking about runways or airports the three major sources are passenger facility charges, which means that O'Hare, the money that's being collected from every passenger going through there is building into a fund that can be used for that airport and its expansion.

Second, the airlines. When it came to Denver, as Senator McCain has said, initially the only airline interested in Denver was bankrupt, Continental. And eventually United said, "well, we'll come out there too", when the choice was clear that Stapleton was not going to be open any longer. And United went and now has a big presence there. But they made a big investment.

Let me say parenthetically, that's one of the reasons for the Southwest lease. They're making a huge investment in Midway. They are very conscious of the fact that another airport might be built nearby that can either compete with their massive investment at Midway or might be an option for them to move to. So why would they include the issue of another airport in their lease on Midway? For obvious commercial reasons. This is their bottom line.

And the third source beyond PMC's and airlines, would be the AIP funds, the Airport Improvement Program funds coming out of Washington.

Now, as you look at this—am I missing any element here, there might be some others, but out of those three major elements how will Peotone be built? If there's no airline that wants to come for-

ward now and put the money up for Peotone, if they don't have passenger facility charges in Peotone and I'm sure they don't, do you believe that the state is going to fund the construction of Peotone or that the Federal Government will pay for it?

Ms. WHEELER. We have worked through a number of financial models, worked with the financial industry on this. And there are two ways that we've considered. One is the conventional way that would be a combination of funds. Once you know you have airline tenants, you're able to use the——

Senator DURBIN. It takes an airline.

Ms. WHEELER [continuing]. General aviation revenue bonds or the GARB Bonds, and some federal funding to go with that, a letter of intent over 10 years.

Senator DURBIN. A pretty substantial federal investment?

Ms. WHEELER. We were talking about a 600 million dollar airport. We had done financial planning that said in the area of 150 to 200 million dollars in federal funds spread out over a 10-year period. And you could make that financially work.

We also said that another thing we might consider, and we have had private sector firms come to us and ask us about this, is taking on a private partner who would put equity in this and do design, build, operate. That model hasn't really been done in this country but it has been done in other places in the world. And as I say, there've been a few large firms that have come to us and talked about this idea with us.

Senator DURBIN. Let me ask my last question of Ms. Wheeler. The Mayor has said that by July 1st he is going to present some general concept. I don't know how far that will go. We'll wait and see. I think it is clear from this hearing that there is a feeling of impatience and frustration on a national level about the Chicagoland airline aviation situation.

What kind of assurance can you give me, in terms of response from the Governor and the Illinois Department of Transportation to the Mayor's proposal? How quickly will you respond and be willing to sit down and see if we can say to people in the Congress, we can solve our problems right here in Illinois. We don't need the solution imposed on us by Congress.

Ms. WHEELER. We certainly are going to give that our absolute top priority and give it a fair and hard and quick look. We understand that now is not the time to delay.

Senator DURBIN. Is September 1st an unreasonable deadline for the state of Illinois to respond to the Mayor's proposal?

Ms. WHEELER. I think part of that will depend on to what extent the Mayor's proposal is able to be detailed, how many questions it leaves unanswered and so on. But we'll have to do that first review and see where it leads us.

Senator DURBIN. I understand that and that's a fair answer. But I really urge you in speaking to the Governor that he understand that this September 1st response and evidence of progress is really important to a lot of people who are watching this closely in Washington. Thank you.

Senator MCCAIN. Any further questions or comments? I want to thank the witnesses—oh, sure.

Senator ROCKEFELLER. Just actually, from a different words would like to ask the same question to both of you. And that is, I mean, this is an awkward thing to say but, yes, O'Hare and aviation belongs to political jurisdictions.

But it doesn't, you know, I mean, like the interstate goes through West Virginia. We pay our 10 percent, the feds pay their 90 percent. It is national. It is national. I mean, that's where the people say I cannot have any noise. Well, we have a house 3 miles off the end of an airport. And we get noise. We like the place. We stop talking every 3 minutes for 10 seconds and then go on.

You know, aviation is taking over the world. The interstate highway system no longer does it. People don't, just in time. Everything is going toward crowded skies.

Therefore, would you both agree to me that it is important that the Mayor and the Governor, by September 1st, either a reacting to the Mayor's plan or the Mayor reacting to the Governor's plan, that Congress has a right to start getting really annoyed about the national requirements and the national suffering because the Mayor and the Governor and whatever political jurisdictions and other airports and other options refuse to reach an agreement? Do you agree that there's a possibility that you can get an agreement by September 1st so we don't have to do what we will do?

Mr. WALKER. I believe that, Senator.

Senator ROCKEFELLER. Do you, Ms. Wheeler?

Ms. WHEELER. I believe that. And we certainly understand that you're annoyed today. And——

Senator ROCKEFELLER. I'm not annoyed today. I'm annoyed all the time about delays, wherever they are, wherever they occur in this country for reasons which are insufficient and which can be solved. Thank you, Mr. Chair.

Ms. WHEELER. It's a national——

Senator MCCAIN. People of goodwill and work together and solve the issues that oftentimes seem intractable. I believe that that's the message I think is loud and clear in this hearing.

So, I thank you all for coming. Thank you Mr. Walker, Ms. Wheeler, Ms. Garvey. I especially thank you for forgoing some other previous obligations to be here. Thank you.

Our next panel is Mr. Joe Karaganis, who's the general counsel of the Suburban O'Hare Commission; Mr. Lester Crown, who's the Chairman of Material Services Corporation; Mr. Ed Paesel, who is the Executive Director of South Suburban Mayors and Managers Association; and the Honorable Mark Schwiebert, who is the Mayor of the city of Rock Island. If you would come forward.

We'll continue the hearing. And Mr. Karaganis, is that the proper pronunciation?

Mr. KARAGANIS. It is, Senator, thank you.

Senator MCCAIN. And Mayor Schwiebert, I apologize for mispronouncing your name.

Mr. Karaganis, please proceed.

## STATEMENT OF JOE KARAGANIS, GENERAL COUNSEL, SUBURBAN O'HARE COMMISSION

Mr. KARAGANIS. Thank you. Mr. Chairman, and Members of the Senate Committee on Commerce, Science, and Transportation,

thank you for the opportunity to present the views of the Suburban O'Hare Commission on the vital question of what to do about the Chicago region's aviation capacity problem.

I've prepared a rather detailed presentation of testimony, which I'm not going to go over in my oral remarks today.

Senator MCCAIN. All of the written testimony will be made part of the record.

Mr. KARAGANIS. Thank you. And I've also, Senator McCain, submitted a memorandum to Mr. Chamberlain, your counsel, with regard to some questions that he's raised in addition that I would ask to be made part of the record.

Senator MCCAIN. Without objection.

Mr. KARAGANIS. I think again, despite all of the talk about dissention, several key facts are being agreed upon. They're being agreed upon because people are being forced to address them.

One fact is there's a widespread regional consensus now, except, I might add, by the city of Chicago, but maybe they're coming around too, that we need major new capacity in the region. Senator Fitzgerald has talked about this. Congressman Hyde's talked about it, Congressman Jackson, the Suburban O'Hare Commission. We're major advocates of it.

One of the facts that I'd like this Committee to address is the fact that O'Hare is out of capacity now by any standard used by the FAA, by any standard used by the city of Chicago, by any standard used by the state of Illinois. It's out of capacity now and it has been for several years.

I'd also like you to recognize that Midway will soon be out of capacity. Everybody talks about O'Hare in isolation. But the fact is is that Midway currently has seven million boarding passengers. Everybody's estimate, including the city of Chicago, says that Midways' capacity is nine million boarding passengers. And that will be wiped out in about 2 to 3 years according to the state of Illinois and according to the figures.

The question you have to ask yourself as part of this regional solution, where is ATA going to go and where is Southwest going to go after Midway is out of capacity? Are they going to go to O'Hare? Are you going to add runways to Midway? Or are you going to talk about a south suburban airport?

One of the things we've been asking for is a regional master plan of what we're going to do for aviation in the region. The state of Illinois has been willing to accept that concept. Thus far, the city of Chicago has not.

Let's talk about that major new capacity. Ms. Wheeler referred to it and I think it's very important. Everybody seems to agree now that the capacity we need, and I would allude to Senator Rockefeller's comments, is big capacity. Not just a trickle, not just a few. But we need, Senator Rockefeller talked about another 35 or 40 million boarding passengers that have to be accommodated within the next few years.

Those figures, his comments are consistent with what the state, what the City's internal numbers and what the Civic Committee has talked about. Let me just give you some of these numbers. 35 million boarding passengers is what the city of Chicago's internal documents say the region's going to need. New capacity for 35 mil-

lion boarding passengers. The state says 30 million. The Civic Committee, which is here before you today, says 27 million.

Bottom line, we're talking about new capacity roughly the size of O'Hare in terms of accommodations. Now, we can all do the arithmetic, how many passengers per, how many enplanements per aircraft, et cetera, and look at the impact of wider gauge aircraft and regional jets and the smaller aircraft fleet that they embody.

The fact is, we need a lot of capacity for several hundred thousand new flights. The central question again is where do you put it? New south suburban airport? O'Hare? Midway? And again, I want you to please keep in mind that Midway will be out of capacity in 3 years. Or even Gary or Rockford.

When you talk about Gary, don't talk about Gary or Rockford as a million enplanement airport. I heard the term here 15 million enplanement. We've got to find a place to put 30 million or 40 million new enplanements and probably have the reserve to go beyond that.

Decision making process must be open and fair and not a done deal. Now what's going on here, and we appreciate the importance of this issue and we're thankful the Senate Committee has called this meeting today. But what's going on here is an exercise in hype, massive hype.

There are a number of central questions which Ms. Wheeler referred to, which we've asked, which Senator Fitzgerald asked, cost? Where are you going to put it? What's involved? And nobody wants to put these questions on the table for public debate and examination.

Now, I'll give you an example. The so-called Delay Task Force that's been reinstituted is internally known in the FAA as a Capacity Enhancement Task Force. That's the terminology. Because as my testimony shows, using FAA graphs, delay reduction and capacity enhancement are two sides of the same coin.

We sought to simply observe this meeting of this Delay Task Force, which is made up of the airlines, the FAA and the state. We're told this is a closed door meeting. The public cannot attend. The press cannot attend. We cannot even observe. If we're going to have a fair process that has credibility, it's got to be a public and open process.

And it's got to be a process that when people ask hard questions, the kinds of questions that this Committee's been asking, they're not accused of political pandering. They're not accused of trying to be, to exercise some form of power.

Now the points have been made and I'm not going to go over these points that you can do a new airport far faster than expanding O'Hare, far less cost, far less environmental impact. I want to come back to some of the things that the Committee Members have mentioned this morning.

I do work primarily in other areas of environmental law, not as it happens with airports, but I do work with airports around the country. And the fact is Senator Rockefeller was absolutely right and I've talked to the authorities in Washington, in Washington, D.C. Dulles was a white elephant until the decision was made that national was not going to grow. If you put runways in at national, you'd be talking about Dulles still being a white elephant.

Senator MCCAIN. You couldn't build anymore runways.

Senator DURBIN. You couldn't build anymore runways.

Mr. KARAGANIS. Let me suggest that engineers, given the opportunity, can build them anywhere, Senator, but——

Senator MCCAIN. You haven't wandered around National Airport. There's a river on one side and——

Mr. KARAGANIS. And if I might add, the question of delays, now the Committee's focusing on delays. We need to address delays in a 0 to 5 year window. We're the first to candidly say to you that a new airport at Peotone nor the runways at O'Hare are not going to address the delay problems that are going to be suffered this summer and the next five summers.

And we've got to stop dancing around this issue in Chicago. The FAA is candidly addressing this with the New York/New Jersey airport authority for LaGuardia and Newark. And they've got to. And you've to got to be talking about demand management, in some form or another, that matches the demand at the airport with the capacity of the airport.

If you do that, you'll solve the delay problems in the short term. You'll make them acceptable. Now, will that solve the long term capacity needs of any other regions? No. Let me address something that you folks have talked about. And I happen to be a staunch states' righter when it comes to the prerogatives of local control and local decision.

You've made the point, and I would be the first to concede, that the Federal Government can come in and build airports. We can have a federal system of airports but we don't have it today. And if you're talking about stripping power out of Governors and legislatures, it's not two states, it's not seven states, it's not nine states. It's 50 state legislatures.

And I know the law that governs. I've worked with the court authority in the state of New York and New Jersey. I know what governs Newark. I know what governs LaGuardia. You're talking about stripping New Jersey authority from the ability to protect their citizens with respect to Newark. Or stripping New York authorities with the ability to protect their citizens with respect to LaGuardia.

I respectfully suggest to you that as a policy matter, that's true of San Francisco, Boston, Logan, Seattle, Tacoma. As a policy matter, that's a bad policy choice. Respectfully, as a legal matter, the bodies that operate these airports are political subdivisions of states. And I think there's a strong constitutional problem with Congress dictating how the state law, and it is state power that builds these airports, not federal power; how that delegation of power is allocated amongst political subdivision. To intrude upon that state power, I believe that's an unconstitutional action.

Finally, let me suggest, and again, one of the things we need to do is keep the rhetoric down, keep the heated rhetoric down. But at the same time we cannot have our concern for courtesy and courteous discourse overlook some very serious problems.

Now, I've heard a lot of talk about fare policies. Senator McCain referred to the situation of fortress hubs. We had a study that we did just for this hearing of spoke city fares versus Chicago-based fares out of O'Hare Airport.

Three to four to five hundred percent higher for the Chicago-based traveler than for the Madison, Wisconsin traveler or the Dubuque, Iowa traveler or the Grand Rapids, Michigan traveler. Why? Because they have competing hubs that they can switch to. They can go into Detroit. They can go into Cleveland. They can go into Minneapolis.

We here in Chicago don't have that choice. And quite frankly, ATA, and one of the arguments you're going to hear is that the Civic Committee says you can't have two hubbing airports in one City. ATA is hubbing out of Midway now, but it's not big enough. It's not big enough to provide significant competition.

Finally, the last thing. We had a situation in Chicago that has——

Senator MCCAIN. It's your second finally.

Mr. KARAGANIS. I'm sorry, Senator. It is a question which the Tribune has referred to as the stench at O'Hare. And we have a long history from our judicial scandal in Gray Lord to a number of major political and financial scandals in this state. And one of them is how O'Hare operates. And it operates with this kind of political corruption in part because there's a huge funnel of federal money.

Now, we're asking, if I may, by way of closing recommendation, asking this Committee to consider the following. Avoid any temptation to destroy state power over the state's political subdivisions. Adjust federal financing funding, and I'm asking the Committee to reexamine the premises behind PFC's and reexamine the whole premises behind Airline General Revenue Fund of financing of airports because it tends to lock up the competition. It locks out the competition in terms of gates.

Demand that the FAA take the brick off the south suburban airport. Senator, you asked how fast it can be done, to build an airport. My first deposition on airports was a gentleman who was given the responsibility of rebuilding two air force bases for the Israelis after the 1973 Sinai War. They built them in 3 years.

Demand that the state of Illinois put the details of all their proposals on the table for public examination and debate. Do not tolerate, and the public will not tolerate, back room deals behind closed doors. And develop federal policies that will break up the airline fortress hub system. Deregulation has been positive in some areas but it's a disgrace in many others.

Thank you.

[The prepared statement of Mr. Karaganis follows:]

PREPARED STATEMENT OF JOE KARAGANIS, GENERAL COUNSEL, SUBURBAN O'HARE COMMISSION

Mr. Chairman, and members of the Senate Committee on Commerce, Science, and Transportation. Thank you for the opportunity to present the views of the Suburban O'Hare Commission on the vital question of what to do about the Chicago region's aviation capacity problem. The Suburban O'Hare Commission (SOC) is a consortium of 14 local governments adjacent to O'Hare Airport, representing several hundred thousand citizens. I serve as their counsel[1].

My testimony today makes the following points:

1. There is wide regional consensus that the Chicago region needs construction of major new airport capacity.

[1] A statement of my professional background is attached as Exhibit 1.

2. O'Hare is now out of capacity and Midway will be out of capacity in about three years.

3. The major new airport capacity needs to handle a passenger load equal to another O'Hare.

4. The central question facing the region is where to put the major new capacity—at a New South Suburban Airport, O'Hare, Midway, or even Gary or Rockford.

5. The decision-making process must be open and fair and not a "done deal" behind closed doors.

6. When debated and decided openly and fairly in public, the inevitable choice for building the major new airport capacity for the region is the South Suburban Airport.

- The new airport can be built *faster* than expanding O'Hare.
- The new airport can be built at *far less* cost than expanding O'Hare.
- The new airport can be operated with *far less adverse environmental impact on surrounding residential communities* than will be the case of expanding O'Hare.
- The new airport provides *much more new regional capacity* than O'Hare expansion—the new airport will provide more *than four times the capacity* of O'Hare expansion *at less than ½ the cost.*
- Based on the limited capacity provided by quad runways at O'Hare, even an expanded O'Hare (*i.e.,* with quad runways) is likely to quickly run out of capacity. Result: A huge capital investment with insufficient capacity to meet regional needs and a quick return to the congestion and delay conditions of today—only at increased traffic levels.
- The new airport creates far more opportunity for bringing in *new competition* and *breaking the monopoly control* of United and American over *high business fares* in the region.

7. The so-called "compromise" being sponsored by the "Civic Committee" and by United and American Airlines—new runways at O'Hare and a new "airport"—is a bad choice for the region, the O'Hare area communities, and the South suburbs.

8. The Tribune, Chicago, the airlines and the FAA are trying to stampede and steam roll a decision to build runways at O'Hare without allowing rigorous public examination of the issues and the alternatives such as a new regional airport. Anyone who asks hard questions is ridiculed—witness the Chicago Tribune calling Senator Fitzgerald a "political panderer" for asking questions neither the Tribune, the airlines, nor Chicago want to answer.

9. Delays at O'Hare are a red herring. Neither a new regional airport nor new O'Hare runways will be available in the next five years. The real issue on delays is what to do with delays now and in the next five years. O'Hare needs to be given the same rigorous analysis that is currently underway at LaGuardia to match demand with the existing capacity at that airport. By matching demand and existing capacity, the current delays at O'Hare (and other similarly congested airports like LaGuardia) can be dramatically reduced. Once current delays are addressed by matching demand with existing capacity, we can engage in a rational debate and discussion about which alternatives (*e.g.,* new airport or O'Hare expansion) should be implemented. The alternative selected should provide opportunities for long-term growth without repeating the growth/congestion/delay cycle now afflicting O'Hare and which will be repeated with any quad runway proposal for O'Hare.

10. Proposals to strip and gut the Governors and Legislatures of 50 states of their ability to enforce state clean air, clean water, and public health laws as applied to proposed expansion of existing airports should be dead on arrival. Congressman Lipinski's proposal (and similar proposals being attributed to Senators Harkin and Grassley) would prevent Massachusetts from protecting the citizens of Boston (new runway proposed at Logan Airport), prevent the state of New York from protecting citizens around LaGuardia from new runway proposals, prevent the State of California from protecting the natural resources of San Francisco Bay (new runway at SFO), prevent the State of Washington from enforcing Washington state environmental laws at Sea-Tac, and prevent the State of New Jersey from protecting the citizens around Newark. Indeed, Congressman Lipinski should know that this same legislation, if passed, would strip the power of the State of Illinois to protecting the citizens around Midway from runway expansion at Midway. The proposal to gut state environmental and public health laws from airport development is both bad policy and bad law. It is likely unconstitutional.

11. Your Senate Committee has stepped into a Hornet's nest of political corruption. Chicago wants to expand O'Hare and defeat a major new South Suburban Airport because Chicago wants to control the massive patronage dollars and opportunities for graft afforded by billions of federal dollars. The entire operation of O'Hare airport is permeated with the stench of corruption and kickbacks—what the Tribune calls "The Stench at O'Hare".

The airlines and the downtown business community stand idly by and let this corruption continue because they either profit from it or are afraid. The airlines like it because they use their relationship with a corrupt city government to rip off hundreds of millions of dollars from the business travelers based in Chicago.

**1. We Now Have Regional Consensus That The Chicago Region Needs Construction Of Major New Airport Capacity.**

Congressmen Hyde and Jackson have said this for years. The Suburban O'Hare Commission and the DuPage County Board has said this for years. Governor Ryan and the State of Illinois have been saying this for years. Now the downtown "Civic Committee" and the airlines are saying that the region needs major new capacity[2]. The only person who persists in publicly claiming that the region does not need new airport capacity is Mayor Daley in Chicago.

**2. O'Hare Is Now Out Of Capacity And Midway Will Be Out Of Capacity In About Three Years.**

By the FAA's and Chicago's own standards, O'Hare is currently out of capacity[3]. Attempts to force more traffic into the existing O'Hare airfield will lead to even more massive congestion and delay than we currently experience.

It is a little known fact that at current rates of growth, Midway will rapidly exhaust its capacity—likely in about three years[4]. Where will ATA and Southwest go when Midway runs out of capacity? Will we be back here in three years saying that Midway needs new runways? At what cost in dollars and disruption of Midway communities? Will Congressman Lipinski's bill to gut state laws affecting airport expansion strip protection from his own constituents at Midway? Will ATA and Southwest go to O'Hare? Where?

**3. The Major New Capacity Needs to Handle a Passenger Load Equal to Another O'Hare.**

We now have regional consensus that we need to build major new regional airport capacity to handle a passenger load roughly equivalent to another O'Hare airport. O'Hare currently handles about 34 million boarding passengers (called "enplanements") annually at 900,000 operations.

The State of Illinois says the new airport capacity needs to handle 30 million new boarding passengers and proposes a new South Suburban Airport with six new runways and a large environmental buffer to handle that massive new load.

Recently released Court documents show that Chicago has a secret study that shows that the new airport facilities will have to handle 35 million boarding passengers and that even a massive conversion at O'Hare into a "quad runway" system at a cost in excess of $10 billion dollars will not accommodate the forecast additional traffic.

The "Civic Committee" relies on a study funded by United Airlines and performed by United's own consultant which states that the new increased passenger load will be 27 million boarding passengers—roughly the same as the State of Illinois' projected demand. Under the Civic Committee proposal, virtually all of the new traffic growth would be funneled into a massively expanded O'Hare where the new traffic would be directed to an airport complex dominated by American and United. Bottom line: O'Hare area communities get hundreds of thousands of additional flights—United and American get the lion's share of the traffic growth and are able to squeeze out competition.

**4. The Central Question Facing the Region Is Where To Put the Major New Capacity—at a New South Suburban Airport, O'Hare, Midway, or even Gary or Rockford.**

Senator McCain has stated the right perspective: We all agree that the region needs new capacity. The question is where to put it. The suggested places are self-

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[2] The State of Illinois says the new airport capacity needed in the region is 30 million enplanements. The Civic Committee/Chicagoland Chamber Booz Allen Report (paid for by United Airlines) says the region needs capacity for 27 million new enplanements. The City of Chicago's secret internal forecast recently released by court order shows that the City forecasts the need for new capacity for 35 million boarding passengers. See discussion *infra*.

[3] For many years FAA has considered the practical capacity of an airport to be reached when the AAAW (average annual all weather delay) reached 4 minutes per operation, based on an assumption that peak delays would be roughly 5 times the average and about the limit that a transfer airport could tolerate. In recent years Chicago and the FAA have used ten minutes AAAW as the upper bound of acceptable capacity after which the airport transfer system begins to collapse. See Exhibits 2, 3, 4 attached hereto. SIMMOD capacity studies conducted by Chicago and the FAA have shown that O'Hare operations have exceeded the outer limit of this 10 minute AAAW delay since as early as 1993.

[4] This estimate of three years of remaining capacity is based upon what appears to be an agreement that Midway's practical capacity is about 9 million annual enplanements and that Midway is currently at 7 million annual enplanements. The three year estimate is based on current growth rates that have been experienced at Midway in recent years.

evident. At a defined cost and with defined economic and environmental impacts, the new capacity can be built: (1) at the new South Suburban site, (2) at O'Hare, or (3) at Midway. Other alternatives that have been suggested include Gary and Rockford.

**5. The Decision-Making Process Must Be Open and Fair and Not a "Done Deal" Behind Closed Doors.**

The Tribune and the airline sponsored "Civic Committee" have proposed that Governor Ryan break his campaign promise of no more runways and make a back room deal with Mayor Daley to trade new runways at O'Hare in return for some acceptance of some kind of airport at Peotone. This suggested "compromise" is bad for the region on both process and substance:

• **First, it is bad process.** The entire region has a major stake in this decision. It is simply improper for the City of Chicago to cut a back room deal with the Governor. All proposals—the South Suburban Airport, Expanded O'Hare, Gary, Rockford, or any other proposals—should be examined openly and fairly in public on the basis of their respective costs, benefits, and environmental and economic impacts.

• **Second, it is bad substance.** Trading an O'Hare runway for a token airport at Peotone (what we call a Quonset hut and a windsock) dooms Peotone and guarantees the massive expansion at O'Hare. The airlines, Chicago's former aviation commissioner, and SOC all agree that if you expand O'Hare you cannot make an economic justification for Peotone. Even if built, Peotone will become a "white elephant on the prairie" just as the St. Louis area's Mid-America Airport is sitting empty while Lambert Airport is getting a new runway. At the same time the greatly expanded O'Hare envisioned by the Tribune and the Civic Committee will funnel hundreds of thousands of new flights over our communities while expanding the monopoly lock that United and American have on high priced fares charged to Chicago area business travelers.

The Governor deserves praise for holding his ground on the airline/Chicago/Tribune/Civic Committee pressure to break the Governor's solemn promise to our communities to ban new runways at O'Hare. And he should reject their suggestions to make a deal behind closed doors. We agree with his request to all parties to put their plans to address the region's capacity needs on the table in public and allow them to be publicly debated.

We are respectfully asking—indeed demanding as our right as citizens in a democracy—that the details of the costs and impacts of the O'Hare expansion proposal be fully and publicly disclosed and compared to other alternatives such as the South Suburban Airport and publicly debated—*before any decision is made on which alternative to pursue.* We will not tolerate closed door, back room deals that shut the public and our communities out of the decisionmaking process.

Apparently Senator Durbin and Congressman Lipinski have been shown the details of the airlines and City of Chicago O'Hare expansion plans. But they have not shared this information with the public. Nor have they been willing to answer the hard questions raised by Senator Fitzgerald, Congressman Hyde, Congressman Jackson, and residents of our communities and south suburban communities[5].

Recent documents released by the Illinois Appellate Court disclose that Chicago and the O'Hare airlines have repeatedly and consistently lied to the Congress, the Illinois Legislature, the press and the public about the issues of air transportation demand and capacity in the Chicago region. These documents reveal what Chicago's lead aviation consultant (Landrum & Brown)—the company that the FAA is currently using to advise the current O'Hare "Delay Task Force"—called a twenty year "guerilla war" which Chicago and the O'Hare airlines waged to "kill" the South Suburban Airport and expand O'Hare[6].

The history of deceit and secrecy continues. Chicago and the FAA have now recreated the "Delay Task Force" (which was internally known as a "capacity enhancement team) to address "delays" at O'Hare. Yet Chicago's own internal documents show what we all know—that reducing delays automatically increases capacity for more flights[7]. Invited to participate in this capacity enhancement team were representatives of the Fortress O'Hare airlines. When suburban communities who will be impacted asked to attend meetings of this group, we were told that the group would meet in secret behind closed doors and that the public and the press were excluded. When the President of the Illinois Senate—in whose district O'Hare is lo-

[5] An illustrative list of the questions that the Tribune, the airlines, Senator Durbin, and Congressman Lipinski don't want asked and won't answer is enclosed as Exhibit 5.

[6] The entire Evidentiary Appendix released by the Appellate Court has been provided to the Committee in electronic format as an Adobe Acrobat file. Summaries of individual items of evidence are attached as Exhibits 6, 7, 8, 9, 12, and 14.

[7] See Exhibits 8, 10, and 11 attached hereto.

cated—asked to have a representative observe the meeting, he was turned away and told the meeting was secret. The Congress should not tolerate continued deception.

**6. When Debated and Decided Openly and Fairly in Public, the Inevitable Choice For Building the Major New Airport Capacity For the Region is the South Suburban Airport.**

When the open public debate occurs, it is clear that the overwhelming and inevitable choice for building the major new capacity is the South Suburban Airport.

• **The new airport can be built faster than expanding O'Hare.** The reason for the faster construction is based on the difference between "greenfield" construction and trying to rebuild in and over existing construction. In the case of the new airport vs. rebuilding O'Hare, this difference is vastly magnified by trying to build billions of new construction while servicing 900,000 flights each year.

• **The new airport can be built at far less cost.** Cost estimates released by the State of Illinois say that a six runway new airport at Peotone would cost in the vicinity of 5 billion dollars. Cost estimates for new runways at O'Hare are between 1–2 billion per runway. Since Chicago already has admitted that the announced terminal expansion plans will cost 6 billion dollars, the cost of O'Hare expansion will be between 10–15 billion dollars[8]. That 10–15 billion dollar estimate does not include the cost of western access (which Chicago knows is needed to bring the passenger load into the airport to service the new runways and terminals), a western terminal and parking facility (needed to service western access), the cost of destroying a large chunk of Bensenville and Elk Grove Village, and the cost of additional mitigation by soundproofing due to increased flights.

• **The new airport can be operated with far less environmental impact.** It is clear that the new South Suburban Airport can be built with far less environmental impact. The new airport has a massive non-residential environmental land buffer to mitigate the noise and air pollution created by the facility. In contrast, the environmental "buffer" for O'Hare currently consists of Bensenville, Wood Dale and a host of other DuPage County communities—a residential "buffer" which will receive even more adverse impact when several hundred thousand additional flights are added to O'Hare.

O'Hare is *currently*—by Chicago's own admission—the largest emission source of toxic and hazardous air pollutants in the State of Illinois[9]. In addition, noise monitoring data shows that *current* O'Hare noise extends over a far greater area than admitted by Chicago. Adding several hundred thousand additional flights will only make it worse.

• **The new airport provides much more new regional capacity.** The State of Illinois estimates the capacity of the new airport at 1.6 million operations annually. That's 1.6 million operations above and beyond O'Hare's current 900,000. In contrast, the "quad runway" proposal for O'Hare will only provide new capacity for an additional 300,000 to 400,000 flights.

Based on forecast growth, the new O'Hare runways would be out of capacity in 5–10 years—necessitating the addition of a fifth and a sixth (and so on) parallel runway into O'Hare communities after the quad runway system was exhausted. In sum, the new airport provides far more capacity at far less cost than expanding O'Hare.

• **The new airport creates far more opportunity for bringing in new competition and breaking the monopoly control of United and American over high business fares in the region.** The real heart of this controversy can be found by asking where the money is. American and United are currently able to overcharge Chicago area business travelers several hundred million dollars per year because of their dominance of the regional market—primarily for business travel[10]. Chicago has designed the proposed O'Hare expansion to funnel virtually all of the

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[8] The cost estimates for the South Suburban Airport include all integrated Airside, Terminal and Landside facilities. Chicago internal documents released by the Appellate Court repeatedly acknowledge the need to build road and terminal facilities with terminal and access capacity to match the runways and repeatedly acknowledge the need for such a balanced "integrated" analysis of airport facility requirements. See *e.g.* Exhibit 12 and Exhibit 17.

[9] See Exhibit 13.

[10] United and American are able to charge very high premiums for business travel to major business destinations such as New York LaGuardia, Washington Reagan, Boston, Los Angeles, and San Francisco to the Chicago based "hub" traveler. In contrast, these same airlines compete with other hubs (e.g. Minneapolis, Detroit, Cleveland) for travelers from "spoke cities" such as Madison, WI and Grand Rapids, Michigan. Result: Chicagobased travelers getting on a United or American flight to a major business destination often pay a huge fare penalty as compared to a passenger from a "spoke" city connecting through O'Hare to the same destination. The State of Illinois estimates that the lack of competition for the Chicago-based traveler results in a several hundred million dollar monopoly fare penalty to Chicago-based travelers annually.

massive new traffic growth into a specially designed airport complex to perpetuate the dominance of American and United. Do the arithmetic. How is the expanded O'Hare design going to allow a major new hub competitor into the market? In contrast, the new South Suburban Airport will have plenty of capacity to allow major new competition to enter the region. That is why United and American and Chicago have a campaign to "Kill Peotone".

**7. The So-Called "Compromise" Being Sponsored By The "Civic Committee" and by United and American Airlines—New Runways At O'Hare And A New "Airport"—Is A Bad Choice For The Region, The O'Hare Area Communities, and the South Suburbs.**

The Civic Committee has made much of its announced position that it "does not oppose a third airport" and that it would favor a "compromise" that would build both new O'Hare runways and a new airport. This is the same "compromise" plan being pushed by American and United.

But an examination of the details of the "compromise" reveals a far different picture.

• The Civic Committee position is based on a report paid for by United Airlines and prepared by United's long-time consultant, Booz-Allen. The Booz-Allen report's central assumption is that virtually all of the traffic growth must be funneled into a vastly expanded O'Hare—and that O'Hare must be even further expanded in serial fashion far into the future (*i.e.,* a fifth and a sixth parallel runway).

• Under the Civic Committee, Booz-Allen, United Airlines "compromise", O'Hare will get quad runways and several hundred thousand more flights over O'Hare area communities. The third airport—if it gets any traffic at all—will get one thirtieth the traffic level proposed by the State of Illinois for the new airport. Further at the levels envisioned in the Booz-Allen report, there will never be a Peotone. The trickle of traffic projected by Booz-Allen can be fit into a tiny airport at Gary.

With any expansion of O'Hare capacity, the economic viability of a new airport is called into serious question. With an expanded O'Hare it will be hard to justify building the South Suburban Airport. And even if a new airport is built, it will stand as a "white elephant on the prairie"—a subject of derision much as the current Mid-America Airport near St. Louis is ridiculed as standing empty while St. Louis expands its Lambert Field.

**8. The Tribune, Chicago, the airlines and the FAA are trying to stampede and steam roll a decision to build runways at O'Hare without allowing rigorous public examination of the issues.**

We are currently being deluged by a massive wave of hype—funded by the Fortress O'Hare airlines (American and United)—that claims that the central solution is a massive increase in capacity at O'Hare. Their hope is that this hype campaign will force the Governor of the State to break his promise to the State and our communities that he will not allow new runways to be constructed at O'Hare and that he would build the South Suburban Airport. Their hope is that this rush to judgment will be made before they are forced to answer hard questions about their proposal.

Yet these airlines and their front organizations in the downtown business community[11] refuse to disclose (a) exactly what their proposal for O'Hare expansion is, (b) how much will it cost, (c) how much capacity will it provide, (d) how will it impact the current monopoly fare dominance of United and American, and (e) what are the environmental and public health impacts on surrounding communities of their O'Hare expansion proposal.

Indeed, as we sit here today, neither the Tribune, the Sun-Times, Senator Durbin, Congressman Lipinski, nor the host of front organizations funded by United and American have told the public exactly what their plan for O'Hare is, what it will cost, what capacity will it provide, how it will impact the monopoly fare problem, and what is the environmental impact of the proposal on communities surrounding O'Hare.

Instead of facts we get hype. And when people like Senator Fitzgerald ask hard questions, the Tribune rolls another one of its thundering personal attacks on anyone who asks hard questions or asks for a public disclosure and debate—calling Senator Fitzgerald "a political panderer".

The Tribune has been writing editorials day after day demanding that an immediate decision be made to build runways at O'Hare. Senator Durbin has said that there is a July 1 "deadline" for action by the governor on new O'Hare runways.

Ignored are the following:

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[11] For example, the report used by one of the most prominent groups advocating O'Hare expansion (the "Civic Committee") was paid for by United Airlines and was authored by United's long-time consultant, Booz-Allen. See Exhibit 14.

• **Public Stonewalling.** The Civic Committee, the Tribune, Senator Durbin, the City of Chicago, and the airlines refuse: (1) to publicly disclose what their proposal is for new runways at O'Hare; or (2) to answer even the most basic questions about the cost and impacts of their O'Hare expansion proposal as opposed to the alternative of a new regional airport. The Senate Committee should demand that they disclose their plans and answer these basic questions[12].

• **The City of Chicago, the FAA and the Airlines are meeting behind closed doors (the so-called "Delay Task Force" to decide whether to recommend new runways at O'Hare—a recommendation which will have major adverse effects on O'Hare communities and on South Suburban hopes for a new airport.** Excluded from these meetings are the public, the press, representatives of impacted communities, and representatives of Senate President Philip and Congressman Hyde—two federal and state officials who represent the communities around O'Hare. Is this any way to make public policy decisions[13]?

• **The so-called "Delay Task Force" is really a "Capacity Enhancement Team" and is refusing to consider the South Suburban Airport as an alternative to adding capacity at O'Hare.** The Chicago/FAA "Delay Task Force" is really a "Capacity Enhancement Team" sponsored by the FAA. The Delay Task Force is meeting behind closed doors with the airlines as members. The Delay Task Force has announced that it will not consider a new airport as an alternative to adding runways at O'Hare. This means that the alternatives that the Delay Task Force will consider for adding capacity to the region (which is the same as reducing delays) are going to be limited to the choice between new O'Hare runways or new O'Hare runways.

• **"Delay Reduction" is another word for "Capacity Enhancement."** What most people do not realize is that "reducing delays" automatically increases the capacity of the airport to handle more flights. FAA and the City of Chicago define the capacity of the airport as the level of traffic that can be handled at acceptable levels of delay. Chicago defines this level as ten minutes average annual delay per aircraft operation. If Chicago and FAA reduce the delay level of existing traffic—say from 10 minutes per operation to 8 minutes per operation, that delay reduction automatically increases the number of operations that can be processed with a ten-minute delay. Delay reduction and capacity enhancement are two sides of the same coin[14].

**9. Delays at O'Hare are a Red-Herring.**

Neither a new regional airport nor new O'Hare runways will be available in the next five years. The real issue on delays is what to do with delays now and in the next five years. O'Hare needs to be given the same rigorous analysis that is currently underway at LaGuardia to match demand with the existing capacity at that airport. By matching demand and existing capacity, the current delays at O'Hare (and other similarly congested airports like LaGuardia) can be dramatically reduced. Once current delays are addressed by matching demand with existing capacity, we can engage in a rational debate and discussion about which alternatives (e.g. new airport or O'Hare expansion) should be implemented. The alternative selected should provide opportunities for long-term growth without repeating the growth/congestion/delay cycle now afflicting O'Hare and which will be repeated with any quad runway proposal for O'Hare.

**10. Proposals to strip and gut the Governors and Legislatures of 50 states of their ability to enforce state clean air, clean water, and public health laws as applied to proposed expansion of existing airports should be dead on arrival.**

Congressman Lipinski's proposal (and similar proposals being attributed to Senators Harkin and Grassley) would prevent Massachusetts from protecting the citizens of Boston (new runway proposed at Logan Airport), prevent the State of New York from protecting citizens around LaGuardia from new runway proposals, prevent the State of California from protecting the natural resources of San Francisco Bay (new runway at SFO), prevent the State of Washington from enforcing Washington state environmental laws at Sea-Tac, and prevent the State of New Jersey from protecting the citizens around Newark. Indeed, Congressman Lipinski should know that this same legislation, if passed, would strip the power of the State of Illinois to protect the citizens around Midway from runway expansion at Midway. The proposal to gut state environmental and public health laws from airport development is both bad policy and bad law. It is likely unconstitutional as an improper federal intrusion on the basic state power to control and limit the delegation of state power to a state's political subdivisions.

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[12] The Daily Herald has asked similar questions. See Exhibit 15.
[13] See Daily Southtown editorial on this subject. See Exhibit 16.
[14] See Exhibits 4, 8, 10, 11.

These proposals to gut state law protections are bad policy for another reason. These proposals are all directed to promoting expansion of *existing* airports at the expense of looking at environmentally and economically desirable (*i.e.*, to bring in new competition) new airport construction. Nowhere do these proposals address the current gridlock on new airport development caused by Congress' bypassing the states and sending federal PFC money directly to the operators of existing airports.

**11. Your Senate Committee has stepped into a Hornet's nest of political corruption.**

Chicago wants to expand O'Hare and defeat a major new South Suburban Airport because Chicago wants to control the massive patronage dollars and opportunities for graft afforded by billions of federal dollars. The entire operation of O'Hare airport is permeated with the stench of corruption and kickbacks—what the Tribune calls "The Stench at O'Hare". Multi-million dollar kickbacks to Mayor Daley's friends and associates are the order of the day.

The airlines and the downtown business community stand idly by and let this corruption continue because they either profit from it or are afraid. The airlines like it because they use their relationship with a corrupt city government to rip off hundreds of millions of dollars from the business travelers based in Chicago.

CONCLUSION

Respectfully, we make the following recommendations to this committee:

1. Avoid any temptation to try to destroy state power over the state's political subdivisions and the state's power to protect its citizens through state environmental and public health laws.
2. Adjust federal financial funding to provide at least a level playing field—and ideally actual positive incentives—to build new environmentally sound airports.
3. Demand that the FAA take the "brick" off development of the South Suburban Airport and demand fast-track processing of the South Suburban Airport proposal.
4. Demand that the FAA and Chicago and the State of Illinois put the details of all airport capacity proposals (be it South Suburban Airport, expanding O'Hare, Gary, or Rockford) on the table for public examination and debate. Do not tolerate back room deals behind closed doors.
5. Develop federal policies that will break up the Fortress Hub system and force new competition into our region and similarly burdened Fortress Hub communities. The blatant geographic allocation of markets by the major airlines—and the resultant exorbitant fares charged to hub city business travelers—is a national disgrace.

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EXHIBIT 1.—BACKGROUND OF JOSEPH V. KARAGANIS

Joseph V. Karaganis is a 1966 graduate of the University of Chicago Law School. Following law school he served as a law clerk to United States District Judge Hubert L. Will and as a Bigelow Teaching Fellow at the University of Chicago Law School.

Entering private practice in 1968, Mr. Karaganis soon became established as a nationally known expert in the then "new" field of environmental law. His practice is a unique combination of public governmental and private party representation. His public clients have included:

- The State of Illinois—Mr. Karaganis served three Attorneys General of both political parties from 1969–1983 as a Special Assistant Illinois Attorney General representing the state in major environmental litigation—with a special emphasis on the clean-up of Lake Michigan. As an Assistant Attorney General he helped draft the Illinois Environmental Protection Act.
- LaSalle County, Illinois—Mr. Karaganis served as a Special Assistant State's Attorney representing the County in a major hazardous waste controversy.
- The Suburban O'Hare Commission—For the last fifteen years, Mr. Karaganis has served as general counsel of an intergovernmental agency made up of municipalities impacted by aircraft noise and toxic air pollution from O'Hare airport.
- DuPage County, Illinois—Mr. Karaganis served as a Special Assistant State's Attorney representing the State and several school districts seeking damage recovery for aircraft noise interference. In that litigation, Mr. Karaganis successfully challenged Chicago's claim that Chicago's responsibility for aircraft noise damages to schools was limited to the funding available from federal grant funds and that the availability and quality of soundproofing was restricted to that allowed by federal grant regulations. The litigation established that Chicago's liability to pay noise damages was based on state law independent of federal funds and independent of federal grant restrictions and that Chicago's liability was fully indemnified by the

airlines using O'Hare. Result: Approximately 20 million dollars paid to local schools, which Chicago had claimed, were ineligible under federal grant regulations.

• Special counsel to Bensenville, Illinois—Mr. Karaganis successfully sued Chicago for discriminating in the dispensation of housing soundproofing funds—rewarding Chicago's political friends and punishing those communities who opposed O'Hare expansion.

• West Chicago, Illinois—Mr. Karaganis has served and continues to serve as a Special Assistant City Counsel representing West Chicago in a major cleanup battle with Kerr-McGee Chemical Corporation over radioactive wastes in the City. After years of litigation, a settlement was reached with Kerr-McGee, which will produce one of the largest hazardous waste cleanups in the Nation.

Mr. Karaganis's most recent legal success came in December of 1998 when the Illinois Supreme Court, in the case of *People ex rel Birkett* v. *Chicago*, rejected Chicago's claim that Chicago could hide over 50,000 pages of hitherto secret documents regarding illegal O'Hare expansion. The Supreme Court accepted Mr. Karaganis's arguments (on behalf of the DuPage County State's Attorney) that there was no government "deliberative process" privilege that allowed a Chicago to hide evidence of wrongdoing.

Mr. Karaganis has represented a number of citizen and environmental organizations as well throughout his career. His representation has included:

• The Izaak Walton League—successful litigation against Commonwealth Edison to stop open discharge of heated cooling water from Quad Cities Nuclear Power Plant into Mississippi River. Suit resulted in commitment by Edison to halt further nuclear plant construction on Mississippi River.

• The Homestake Gold Mine Lead-Deadwood South Dakota—Mr. Karaganis successfully represented the "Save Centennial Valley Association"—a group of ranchers who fought a huge toxic mine tailings dam and impoundment that threatened the Valley's groundwater.

• Lock & Dam 26 and the Upper Mississippi Wildlife Refuge—Mr. Karaganis represented the Sierra Club and the Izaak Walton League in a successful fight to stop lock and dam expansion on the Upper Mississippi without first obtaining Congress's authorization.

• Tennessee-Tombigbee Waterway, Alabama and Mississippi—Mr. Karaganis represented Environmental Defense Fund in ultimately unsuccessful fight to halt construction of a water project that destroyed major wildlife resources.

Mr. Karaganis is President of Karaganis & White Ltd., a seven lawyer Chicago law firm. While the firm's practice focuses on environmental law, the breadth of matters involved in Mr. Karaganis's practice in state and federal courts have required him and his firm to develop expertise in a broad range of other substantive law areas, including constitutional law, federal court jurisdiction, administrative law, aviation law, and the law governing nuclear energy production.

Mr. Karaganis's private practice—and that of his firm Karaganis & White—involves representation of private corporations, real estate developers, and entrepreneurs in a broad spectrum of environmental matters ranging from Superfund (CERCLA) remediation, CERCLA cost recovery, regulatory compliance with a host of federal and state regulatory programs, brownfield redevelopment, and corporate counseling.

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EXHIBIT 2.—CHICAGO'S DEFINITION OF CAPACITY

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*.

*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 . . .**

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EXHIBIT 3

DOT in its High Density Rule Study (1995) listed the Average Annual All Weather (AAAW) delay for O'Hare as 11.8 minutes. To put that delay figure in a capacity context, consider the following statement in the DOT study:

Solutions to delay require *capacity increases or demand reductions*. . . . [A]s a general rule of thumb, when the AAAW delay per operation reached 6 minutes, capacity improvements should be actively pursued. When the AAAW reached 8 minutes, implementation of capacity improvements should be underway.

DOT High Density Rule Study, Technical Supplement #3 at D–2 emphasis added

EXHIBIT 4.—CAPACITY/DELAY RELATIONSHIP

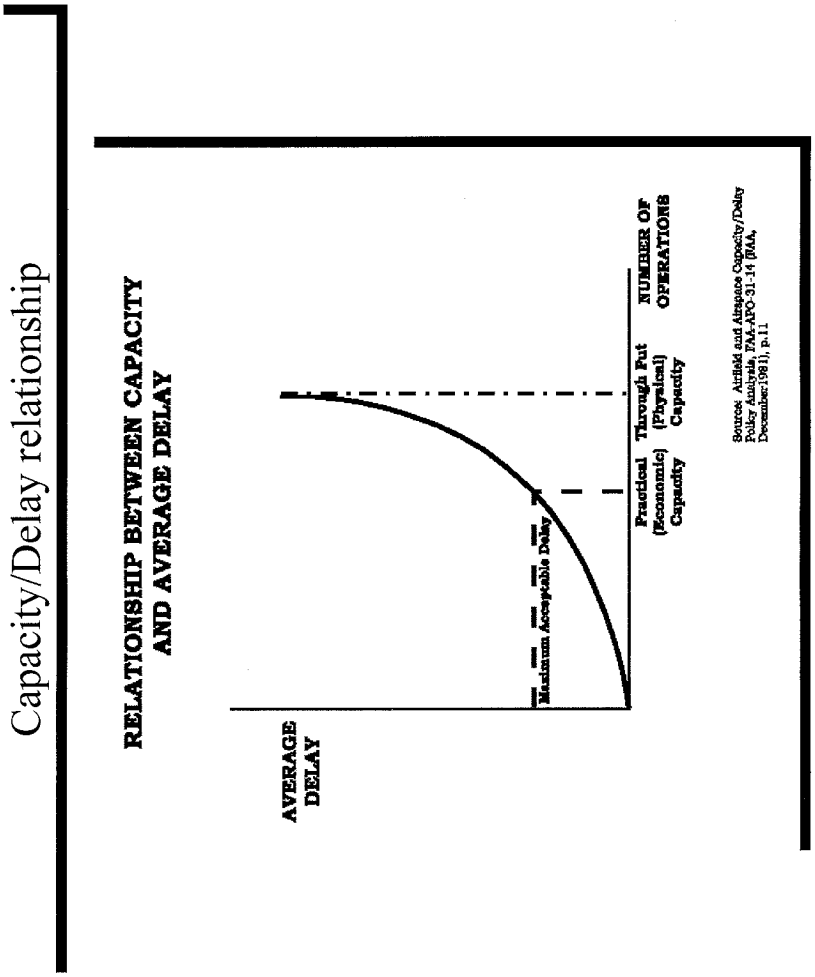


Exhibit 4

EXHIBIT 5.—SUBURBAN O'HARE COMMISSION

QUESTIONS THE TRIBUNE, THE CIVIC COMMITTEE, THE FORTRESS O'HARE AIRLINES (AMERICAN AND UNITED), SENATOR DURBIN AND CONGRESSMAN LIPINSKI DON'T WANT TO ANSWER

In recent weeks, the O'Hare airlines and the City of Chicago public relations machine has unleashed a public relations deluge calling for a "reconfiguration" of runways at O'Hare. The downtown papers—the Tribune and the Sun-Times—have thundered mightily with repeated editorials stating that new runways at O'Hare are

a "done deal" and suggesting that Governor Ryan will break his campaign promise to ban new O'Hare runways.

A downtown business group called the "Civic Committee" (allied with United and American Airlines)—as well as Senator Durbin and Congressman Lipinski—have all been given major coverage in their calls for "reconfiguration" of O'Hare runways.

To his credit, Governor Ryan has repeatedly reaffirmed his promise to our communities to ban new O'Hare runways. And the Governor and IDOT Secretary Kirk Brown have repeatedly asked questions with which our communities agree. What are the details of the so-called plans for "reconfiguration" at O'Hare and what will be the impact of this reconfiguration on O'Hare area communities, the south suburbs' hopes for a new regional airport, and on the problem of high fares due to monopoly dominance by American and United—and a host of other questions relating to the choice of where to put new airport capacity in the region.

Neither the Civic Committee, the airlines, the City of Chicago, or Senator Durbin or Congressman Lipinski is willing to publicly disclose any of the details of the still secret plan for "reconfiguration" of O'Hare runways. Apparently these drawings and plans have been disclosed in a series of closed door meetings between the City of Chicago and the airlines and the Civic Committee, the Tribune, the Sun-Times, Senator Durbin, and Congressman Lipinski.

Yet none of them are willing to tell the public and the communities impacted by the secret "reconfiguration" plan the details of the secret plan. Nor are they willing to answer serious questions about these reconfiguration plans, the impacts of these plans and alternatives to these plans. Here are some of the questions the Civic Committee, the airlines, the City of Chicago, or Senator Durbin or Congressman Lipinski don't want to be asked and questions they won't answer.

• Where are the plans or drawings showing the new "reconfiguration" of runways that the Tribune, the Civic Committee, the airlines, Senator Durbin and Congressman Lipinski say they want at O'Hare? Where are the new runways located? How many new runways?

• How much new capacity is needed in the region between now and 2020?

• How much new capacity will be produced by the O'Hare "reconfiguration" plan promoted by the Tribune and United and American and the Civic Committee vs. the 6-runway south suburban airport?

• What is the future demand for air traffic in the region and how will one runway at O'Hare address that future demand? How will two runways at O'Hare satisfy that future demand? Where are the demand-capacity studies on which the Civic Committee bases its claims?

• How much of future demand will be stuffed into the "reconfigured" O'Hare; when will O'Hare's "reconfigured" capacity be exhausted; and once exhausted where do we go from there?

• What terminal and surface road access facilities are needed for O'Hare to accommodate the growth projected by the Civic Committee and to match the capacity provided by the new runway or runways?

• How much will it cost to add new runway and associated terminal capacity at O'Hare vs. at a new south suburban airport?

• How will new construction at either an O'Hare $10–15 billion dollar expansion or a $4–5 billion dollar new airport be financed?

• How fast can new runway capacity be built at O'Hare vs. a new airport?

• What are the environmental and public health costs of the various alternatives—i.e., an expanded O'Hare vs. a new south suburban airport?

• What is the legal power of Congress to compel Chicago or the State of Illinois to build new runways at O'Hare or build a new airport at Peotone?

• When will Midway be out of capacity?

• Does Congressman Lipinski's proposed federal legislation attempting to strip states of their power enforce state laws to protect their citizens from runway expansion mean that he is willing to strip such protection from Midway area residents when proposals are made to expand Midway runways or build new runways at Midway?

• Is there a monopoly air fare problem currently at O'Hare whereby United and American charge Chicago area travelers—particularly business travelers—more than would be charged if there were significant competition in the region?

• If there is such a monopoly fare problem at O'Hare, what is the annual cost of this problem to Chicago area travelers on an annual basis?

• How much of the region's traffic growth will be captured by United and American if the expansion of the region's air traffic capacity takes place at O'Hare vs. if the expansion takes place at a new regional airport?

• How is the design of the new O'Hare terminal expansion program (a/k/a World Gateway) designed to promote the entry of significant new hub competition (e.g., Northwest, Delta, Continental, new carrier) into the region?

• What are the effects on competition and the problem of the Fortress O'Hare monopoly fares by putting new capacity at a "reconfigured" O'Hare vs. a new south suburban airport?

• Who is Booz-Allen and who funded the economic studies performed by Booz-Allen on which the Civic Committee makes its claims for new runways at O'Hare? Has not Booz-Allen been a long-time business consultant for United Airlines? Did not United Airlines contribute significant funds for the Booz-Allen study which is the basis of the Civic Committee's claims?

• Based on the Civic Committee's demand forecast how soon will demand for air traffic at O'Hare exceed the capacity of a single new runway (2005, 2010, 2015)? How soon will demand exceed the capacity of a second O'Hare runway? Once the capacity of the second runway is exhausted, what do we do then—build even more O'Hare runways?

• Under the Civic Committee/Booz-Allen/United Airlines proposal how much of the region's future traffic growth (in passengers and annual operations) will go to O'Hare vs. the so-called "point-to-point" airport at Peotone or Gary—with one runway at O'Hare; with two new runways at O'Hare?

• What is the cost of "reconfiguring O'Hare" to add one or two parallel runways? What are the associated costs for new terminals, associated road access, and mitigation costs for the increased noise that would exist as compared to an O'Hare which was not expanded?

• How will the costs of expanding the terminals, roadways, and runways for O'Hare expansion be financed?

• Does the Civic Committee challenge the State DOT's estimate of the costs associated with the new south suburban airport? If so, what is the Civic Committee's estimate of the cost of the South Suburban Airport and provide the basis for that estimate.

• How fast can new runways and associated terminal and roadway components be constructed at O'Hare? How fast can these elements be constructed at the new regional airport?

• How many additional annual flights at O'Hare will be needed to accommodate the forecast increase in demand to the year 2020?

• How many O'Hare area homes will suffer unacceptable noise exposure by these additional flights vs. the number of O'Hare area homes that would experience unacceptable levels of noise if the traffic growth was sent to a new regional airport with an adequate environmental buffer?

• Does the Civic Committee agree or disagree with the claim that noise levels from aircraft operations that are above government recommended levels cause a decline in residential property values as compared to similar homes that do not experience levels of aircraft noise in excess of government recommended levels?

• What are the amounts and types of toxic air pollution emitted by operations at O'Hare airport? Do the Civic Committee and the Tribune and Senator Durbin agree with the figures released by Chicago's consultant that show that at current levels of traffic, O'Hare is the largest emitter of toxic and hazardous pollutants in the State of Illinois—far more than any other industrial source? If not, what are their figures?

• Do the Civic Committee and the Tribune and Senator Durbin agree or disagree with the findings of the air toxics study by a nationally known public health consultant, Environ, showing that downwind of O'Hare in residential communities like Des Plaines and Park Ridge, O'Hare toxic emissions cause an increase health risk up to five times recommended health protective levels? If they disagree, where are their data and analyses on the transport of air toxics from O'Hare to downwind residential communities and the resultant health risk from O'Hare toxic emissions in those communities.

• What will be the amount of air toxic emissions at O'Hare if future demand is accommodated by an expansion of O'Hare vs. a new South Suburban Airport with an environmental buffer? What will the concentrations of O'Hare toxic emissions and the resultant health risk in downwind O'Hare area communities if future demand is accommodated by an expansion of O'Hare vs. a new South Suburban Airport with an environmental buffer?

• Do the Civic Committee and Senator Durbin agree with the Tribune Editorial Board that there is a "Stench at O'Hare" and that the management of airport contracts has been part of what that same Tribune Editorial Board refers to as a "culture of sleaze"? If the Civic Committee and Senator Durbin do not agree, why not? If the Civic Committee and Senator Durbin do agree, how can the they propose

shoveling billions more in public funds to expand United and American's monopoly at O'Hare while giving the "culture of sleaze" at O'Hare billions more with which to play?

• Whether the choice be an O'Hare expansion or a new south suburban airport, it is clear that the governmental framework for making and implementing these multi-billion dollar decisions needs to be cleaned up and aired out. What's the Civic Committee's and Senator Durbin's answer? Are the Civic Committee and Senator Durbin advocating a "back room" deal like the Rosemont Casino—only on a much grander multi-billion dollar scale to carve up the pork? Are they proposing that a "backroom deal" be made before giving the impacted communities and their residents a chance to be heard at public hearings on the alternatives?

• What do the Civic Committee and Senator Durbin propose to address the current delay crisis at O'Hare. We both know that whatever the decision is—either new runways at O'Hare or a new airport—these facilities will not be in place to address the delay problem faced by O'Hare currently or the delay problem it will face this Summer or over the next several years. What are the Civic Committee's and Senator Durbin's proposals for addressing this immediate and near term delay problem?

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EXHIBIT 6.—A GENERATION OF DECEIT—CHICAGO'S DECEPTION OF THE PUBLIC, PRESS, FEDERAL AND STATE COURTS, STATE LEGISLATURE AND CONGRESS—CHICAGO'S GUERILLA WAR CONTINUES

• Chicago lied to the public and the press in a 1983 Environmental Impact Statement when it said it had abandoned plans for new runways at O'Hare because of the adverse environmental impact the additional flights would have on surrounding communities. While it made this statement to the public, Chicago was secretly planning new runways at O'Hare.

• Chicago lied to the federal courts in 1986 when it said that it had no plans for new runways. At that very time, Chicago was planning new runways at O'Hare.

• Chicago lied in 1990 to the O'Hare communities, the DuPage County Regional Planning Commission, and the Northeastern Illinois Planning Commission when it said that Chicago would be preparing a Master Plan Update to examine all alternatives for adding capacity in the region. That same year Chicago officials secretly met with United Air Lines officials to discuss the new Master Plan. Chicago and United officials agreed that a new Master Plan was needed but decided to do a secret Master Plan with the express purpose of limiting public participation, in particular hiding the master plan from the Suburban O'Hare Commission.

• Chicago lied to the public in 1991 when it said it was proposing new O'Hare runways "to reduce delays" and not for additional new flights. Chicago's consultants told Chicago that the "delay reduction" runways actually would increase capacity and add more flights.

• Chicago and the airlines lied to the Illinois General Assembly in 1995–96 when they told the General Assembly that the Chicago area airports had plenty of capacity and that there was no need to add capacity at either O'Hare or at a new airport.

• Chicago lied to the House Judiciary Committee in 2000 when it told Chairman Henry Hyde and the Congress that Chicago and O'Hare had plenty of capacity without any need for new runways or a new airport.

• Chicago lied to the Illinois House Aviation Committee in April and May of this year when it said O'Hare had sufficient capacity for several additional years when Chicago knows O'Hare is out of capacity.

• Chicago lied when it told the press and the public that Chicago was not actively opposing the new South Suburban airport when Chicago was actually working in collusion with United Airlines to "Kill Peotone" and to stop major new competition from entering the region.

• Chicago lied about: The demand for airport services (Chicago has generated internal forecasts very similar to the State of Illinois), O'Hare capacity (By Chicago's own definition of capacity, O'Hare is out of capacity now and has been for several years), and it continues to lie about demand and capacity for the region and O'Hare

• Chicago continues to lie about the fact that its multi-billion dollar "World Gateway" Terminal project is part of a larger "Integrated Airport Plan" that includes new quad runways. Chicago 's own consultants have told Chicago that without new runways, O'Hare does not need new terminals.

• Chicago has clearly shared the details of its quad runway O'Hare "reconfiguration" (integrated Airport Plan) with the airlines and the Civic Committee—but neither Chicago, the airlines or the Civic Committee are willing to give the public and the media the details of the plan.

EXHIBIT 7.—CHICAGO'S "TERRIBLE DILEMMA" AND ITS TOP CONSULTANT'S ADMISSION THAT THE CHICAGO WAS WAGING A "GUERRILLA WAR" AGAINST A NEW AIRPORT

The following is from an internal memo in which Chicago's lead airport consultant over the past 40 years details why the city had to argue that no new air capacity was needed in the Chicago area, knowing it was a lie, and the resulting "Guerrilla War" it waged against the new regional airport.

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*.[1]

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So Mayor Richard M. Daley (pre-Lake Calumet) falsely claimed that no new capacity was needed in the region. Then he flip-flopped and admitted that new airport capacity was needed. Then Mayor Daley flip-flopped again when Lake Calumet failed and now continues to claim that no new airport capacity is needed. His chief consultant knew Chicago was lying in 1993 and Chicago knows it is lying today.

Chicago is continuing its "guerilla war" against the economic welfare of the region by fighting the construction of the new regional airport capacity the region needs and by secretly planning massive new runway expansion at O'Hare.

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EXHIBIT 8.—DECEIVING THE PUBLIC BY CLAIMING THE NEW RUNWAYS ARE FOR DELAY REDUCTION WHEN CHICAGO KNEW THAT NEW RUNWAYS MEAN ADDITIONAL FLIGHTS

Chicago and the airlines have tried to argue that new runways are needed to reduce delays and are not intended to increase the capacity and the number of aircraft operations. Chicago even went so far as to rename a "capacity enhancement" study Chicago was conducting from 1988–1991 as a "Delay Task Force Study".

Yet internal contract documents show that the "Delay Task Force" effort was really a "Capacity Enhancement Plan" that would increase O'Hare's flight capacity by several hundred thousand flights per year. See Evidentiary Appendix at p. 21 and See Exhibit 260.

In March 1993, Chicago own consultants warned Chicago officials that claiming that new runways were only for delay reduction was not truthful. The consultants told Chicago that the new runways were also intended for increasing the number of flights.

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.

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[1]Exhibit C 76 (italic emphasis in original, boldface emphasis added.)

**[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.[2]

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EXHIBIT 9.—HIDING THE NEW O'HARE MASTER PLAN FROM THE PUBLIC

In 1990 Chicago lied to the O'Hare communities, the DuPage County Regional Planning Commission, and the Northeastern Illinois Planning Commission when it told these organizations that Chicago would be preparing a Master Plan Update to examine all alternatives for adding capacity in the region.

**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**.

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That same year Chicago officials secretly met with United Air Lines officials to discuss the new Master Plan. They (Chicago and United officials) all agreed that a new Master Plan was needed but decided to do a secret Master Plan with the express purpose of limiting public participation—and in particular hiding the master plan from the Suburban O'Hare Commission.

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).**[3]

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.

Chicago and the O'Hare Airlines then proceeded to prepare a secret multi-million dollar Master Plan for expansion of O'Hare. They attempted to disguise the Master Plan by giving the Master Plan a series of aliases ("Airport Layout Plan Update"; Global Hub Implementation Plan; and finally "Integrated Airport Plan".

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[2] Exhibit C 89 (italicized emphasis in original, boldfaced emphasis added).

[3] The "SOC" referred to here is the "Suburban O'Hare Commission."

Exhibit 10.—Relationship Between Delay Reduction and Capacity Increases

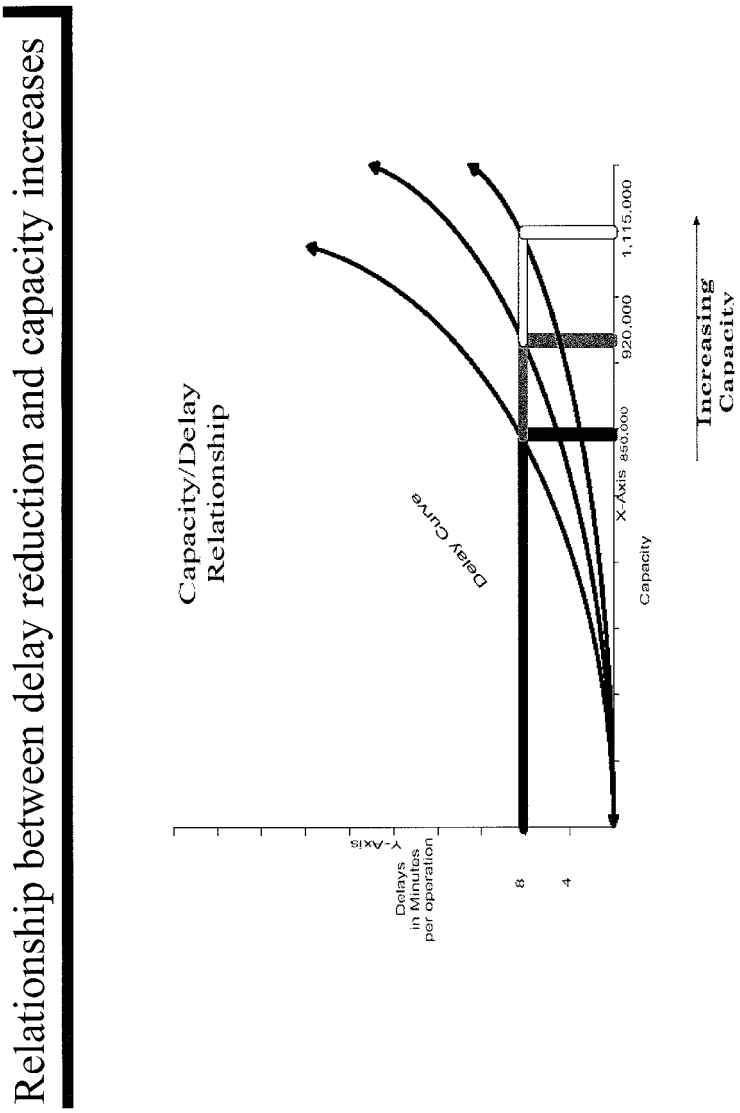


Exhibit 10

EXHIBIT 11.—RELATIONSHIP BETWEEN DELAY REDUCTION AND CAPACITY INCREASES

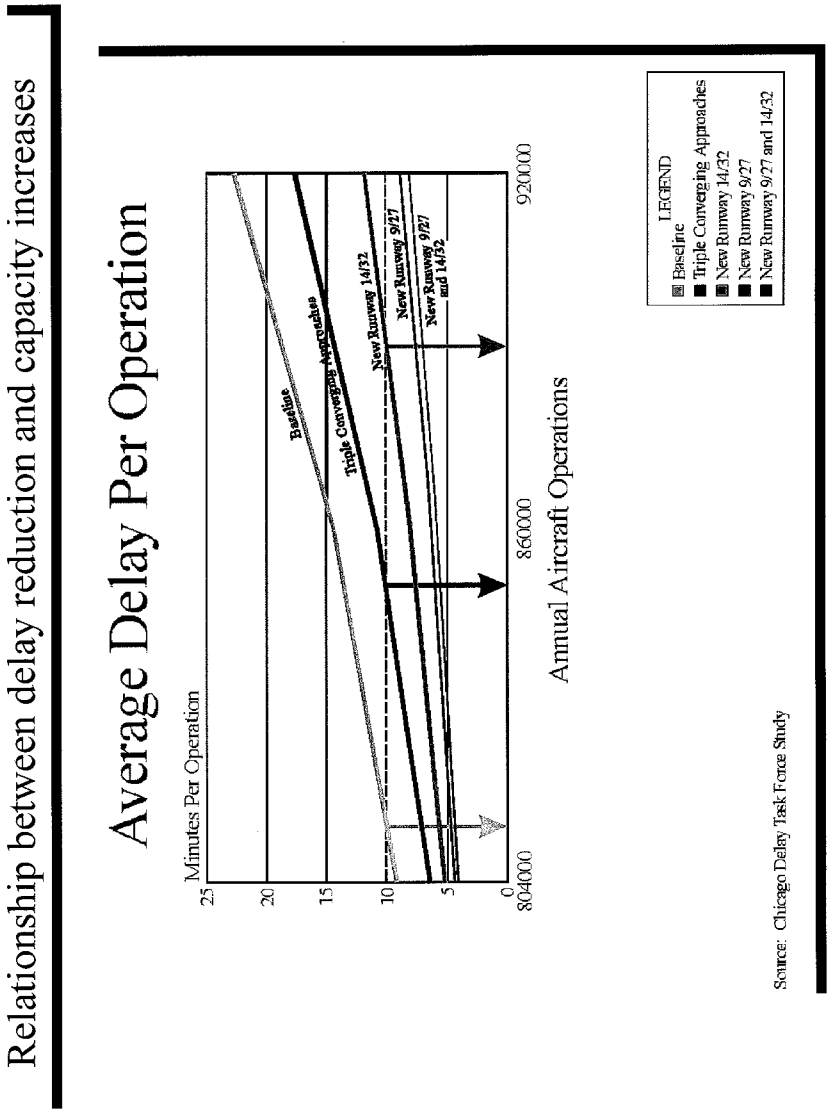


Exhibit 11

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EXHIBIT 12.—THE ANALYTICAL FRAMEWORK THAT GOVERNS AIRPORT DECISION MAKING

In order to understand the evidence in this case, it is useful to further summarize the analytical framework that governs decision-making about airport expansion. This framework is discussed extensively in the Evidentiary Appendix in the chronological narrative, but a more concise outline may be helpful.

**1. Demand vs. capacity.** Airport expansion is governed by two simple concepts: forecast passenger and traffic demand vs. calculation of the capacity of the airport.

**2. Does existing or forecast demand exceed the capacity of the airport?** If demand exceeds capacity then expansion of the airport—or as an alternative construction of another airport—is needed.

**3. The forecast demand drives the entire analysis.** Central to the decision whether to expand an airport—and central to any disputes as to whether facilities such as runways are needed—is the Demand Forecast. The Demand Forecast drive the entire analysis: The Aviation Demand Forecast serves as the foundation for planning future airside, terminal and landside facilities.[1]

Thus Demand Forecast is computed as both number of passengers and number of aircraft operations and is then used to compare demand with the capacities of the airside, the terminals and the landside.

**4. Measure of airfield capacity.** Airfield capacity is defined by the number of operations that can be handled at an acceptable level of delay.

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. . . . 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. . . .*[2]

Airfield capacity analysis is typically done—and was done here by Chicago—with and FAA capacity/delay computer model called SIMMOD.[3]

**5. Long-term planning.** Long-term planning of airport needs is typically done in a master planning process[4] that "integrates" the capacity and needs of the three major airport components—airside, landside, and terminal.

Mr. Ursery stated that it is necessary to integrate and balance the *three components (airfield, terminal, and ground access). . . .*[5]

* * * * *

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.[6]

Applying this framework to Chicago's current long-term planning, it clear demand already exceeds the runway capacity at O'Hare. One does not need the FAA's SIMMOD model to know that O'Hare's runways are choking on too much traffic. Either new runways are needed at O'Hare or a new airport needs to be built.

These facts are confirmed by Chicago's own demand capacity analysis. As discussed above, Chicago's SIMMOD capacity analysis shows that O'Hare operations already exceed the delay levels which Chicago has defined as the capacity of the airport.

Even if one accepts the unsupported claim in Chicago's documents that O'Hare has a capacity of 946,000 operations,[7] Chicago's own demand forecast says that demand at O'Hare will exceed the 946,000 operation capacity in approximately the

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[1] Plaintiffs Exhibit C70.

[2] Plaintiffs Exhibit MP4, p. II–1 (italic emphasis added).

[3] While most of the reports are in evidence to prove that the capacity analysis was performed, two of the SIMMOD reports show that current levels of traffic delays exceed the level of delay which Chicago has defined as the capacity at O'Hare. See Plaintiffs Exhibit S4, Bates No. OH/DU 0097476, and Plaintiffs Exhibit S17, Bates No. OH/DU 002855.

[4] Because Chicago has not wanted to involve the public in the master planning process, Chicago has disguised the Master Plan process with a series of euphemistic names such as "Global Hub Feasibility Study," "O'Hare Beyond 2000," and most recently, the "Integrated Airport Plan."

[5] Plaintiffs Exhibit C82 (italic emphasis added) .

[6] Plaintiffs Exhibit C114 (italic emphasis added). For evidence of the integration of airside, landside and terminal elements, *see*: Plaintiffs Exhibit C95A ("[T]he planning team should focus its attention on *integrating* the *airfield, terminal, and ground access elements* of the most viable plan."); Plaintiffs Exhibit C49 ("Using the short-list of airport component alternatives, a series of *integrated airport facility concepts* will be developed."); Plaintiffs Exhibit C44 ("Our key technical role will be in the airside simulation/planning, ALP preparation *(integration of the landside/terminal work with the airside)*"); Plaintiffs Exhibit C70 ("L&B will coordinate with the landside/terminal contractors to *integrate terminal and roadway concepts with each airfield concept.*"); Plaintiffs Exhibit C82 ("Mr. Ursery stated that it is necessary to *integrate* and balance the three components (*airfield, terminal, and ground access)*"); Plaintiffs Exhibit C209 ("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*.") (Italic emphasis throughout added.) *See also* Plaintiffs Exhibits C55, C56, C60, C61, C62, C70, C74, C80, C89, C90, C133, and C138 for references to the need for an integration of the components of the airport.

[7] Plaintiffs Exhibits C156 and C158.

year 2007[8]—about the same time Chicago is completing construction of the 5 billion dollars worth of terminal and road expansion.

Indeed, Chicago's own experts have repeatedly stated that there is sufficient existing terminal capacity—the current capacity shortfall is in the need for new runways and roads.

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.*[9]

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.[10]

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.*[11]

What this analytical framework and this evidence demonstrates (along with the explicit evidence on the Integrated Airport Plan[12]) is that the real current capacity constraints at O'Hare are the runways and the roads—not terminals. Everyone—except Chicago—now agrees that O'Hare is out of runway capacity[13]. The only two choices are either new runways at O'Hare (Chicago's secret choice) or a new airport. Chicago should not be allowed to segment pieces of the Integrated Airport Plan—putting forward only the terminal and roadway segments while hiding the need for runways (or a new airport) from the state permitting process and public debate.

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EXHIBIT 13.—COMPARISON OF HAZARDOUS AIR POLLUTANTS FROM O'HARE INTERNATIONAL AIRPORT WITH LARGEST REPORTED SOURCES OF RECOGNIZED CARCINOGENS TO AIR IN ILLINOIS

| Rank | Facility Name | TPY |
|---|---|---|
| 1. | O'Hare International Airport (HAPs per KM Chng) | 346.75 |
| 2. | No-Sag Foam Products Corp. (West Chicago) | 283.62 |
| 3. | General Foam Corp. (Bridgeview) | 241.97 |
| 4. | GE Co. (Ottawa) | 219.45 |
| 5. | Burkhart Foam, Inc. (Cairo) | 209.38 |
| 6. | Senior Flexonics, Inc. (Bartlett) | 140.63 |
| 7. | Remline Co. (Yorkville) | 129.07 |
| 8. | Cerro Copper Products Co. (Sauget) | 118.10 |
| 9. | Dow Chemical (Channahon) | 106.66 |
| 10. | Abbott Labs (North Chicago) | 97.40 |

[8] Plaintiffs Exhibit C203, Bates No. OH/KF020806. 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. Compare the Chicago Demand Forecast of June 1998 (C 223)(which Chicago says is the forecast demand used to design the World Gateway Program) with Landrum & Brown's Jeff Thomas capacity forecast of 946,000 operations. (C 155, EA at 114). According to these documents—which are optimistic—O'Hare runs out of runway capacity by 2007.

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.

[9] Plaintiffs Exhibit C91 (italic emphasis added) .

[10] Plaintiffs Exhibit C114 (italic emphasis added).

[11] Plaintiffs Exhibit C157 (italic emphasis added).

[12] Evidentiary Appendix pp. 137–47.

[13] Even the airlines—through their consultant Booz-Allen—now agree that O'Hare is out of runway capacity. 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*. Booz-Allen now says: "The timing for adding new runway capacity [at O'Hare] will have to be accelerated significantly." C 256a EA at 148.

| Rank | Facility Name | TPY |
|---|---|---|
| 11. | Solutia, Inc. (Cahokia) | 75.65 |
| 12. | Shell Wood River Refining (Roxana) | 70.25 |
| 21. | Borden Chemicals & Plastic (Illiopolis) | 33.78 |
| 31. | BF Goodrich Co. (Henry) | 21.19 |
| 34. | Koppers Ind., Inc. (Cicero) | 18.19 |
| 41. | Amoco Chemical Co. (Shannahon) | 15.14 |
| 51. | Marathon Ashland Petroleum L.L.C. (Robinson) | 11.67 |
| 66. | Clark Refining & Marketing, Inc. (Blue Island) | 8.43 |
| 70. | PDV Midwest Refining L.L.C. (Lemont) | 7.68 |
| 84. | Chrysler Corp. (Belvidere) | 6.80 |
| 88. | Kerr-McGee Chemical L.L.C. (Madison) | 6.54 |
| 89. | Chemical Processing, Inc. (Rockford) | 6.51 |
| 94. | Acme Finishing Co., Inc. (Elk Grove Village) | 6.11 |

*Source (other than O'Hare International Airport): Environmental Defense Scorecard Pollution Ranking Database (http:www.scorecard.org). Emission levels are of recognized carcinogens to air, as reported by the listed companies in their Toxic Release Inventory (TRI) reports, required to be reported annually under Section 313 of the Emergency Planning and Community Right-to-Know Act (EPCRA), 42 U.S.C. § 11023, and retained in the U.S. EPA TRI Database.

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## EXHIBIT 14.—THE CIVIC COMMITTEE/BOOZ-ALLEN/UNITED AIRLINES/OSCAR D'ANGELO/GARY CHICO CONNECTION

The Civic Committee's call for new runways at O'Hare is purportedly based on an economic study of the airport needs of the region performed by the firm of Booz-Allen & Hamilton.

What most people don't realize is that Booz-Allen is a consultant to United Airlines and that United Airlines paid for the Booz-Allen Study. Nor do people realize the role of confidential mayoral advisor Oscar D'Angelo and Gary Chico, United's lawyer and former Chief of Staff to Mayor Daley, in shaping the outcome of the study.

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. (See Evidentiary Appendix at 137.)

Oscar D'Angelo is a reported confidante of Mayor Daley, and according to the Chicago Tribune, is the beneficiary of a contract with Landrum & Brown which pays D'Angelo large sums of money for serving as Landrum & Brown's liaison with the Mayor. A May 28, 1998 memo 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.**

Oscar D'Angelo is apparently the conduit between Landrum & Brown and Mayor Daley on the "quad runway" reconfiguration plan. See EA at pp. 130–132.

After the first Booz-Allen report—paid for by United—Booz-Allen did a supplemental report, now asserting that runways should be built as soon as possible. The supplemental Booz-Allen report did nothing to change the economic analysis of the first Booz-Allen report which claimed that virtually all growth must go to O'Hare. In summary, the entire Booz-Allen economic rationale of the Civic Committee's proposal is based upon a report bought and paid for by United airlines. And Booz-Allen's views are in turn shaped by back room communications between Gary Chicago and Oscar D'Angelo.

EXHIBIT 15.—DAILY HERALD: DON'T RUSH TO OK UNSEEN O'HARE PLANS, MAY 25, 2001

OUR VIEW: THE PUBLIC HAS SEEN NO MAPS. NO ENVIRONMENTAL IMPACT STUDIES. NO COST ESTIMATES. NO TIMETABLES FOR CONSTRUCTION.

Last week, there was talk of cutting a legislative deal on O'Hare International Airport by the time lawmakers adjourn this week. Then Sen. Dick Durbin declared that Gov. George Ryan and Mayor Richard M. Daley have until July 1 to reach an agreement on runways—or else Congress will step in and impose its will.

Whoa; let's slow down a minute.

That pressure is building to do something about Chicago's airport capacity is no surprise. Delays at O'Hare cause flights to back up across the country, wasting travelers' precious time and imposing a high cost on commerce. Outside pressure of some sort probably was necessary to break the long-standing impasse between Republican governors, who have opposed runways and favored construction of a third major airport, and Dale,y who opposes construction of any airport the city doesn't control and presumably has long been in favor of new runways at O'Hare.

We say presumably, because the city has never taken a single public step to advance any specific plans for new runways or reconfiguration of existing runways. That remains true to this day, although Daley now says a newly formed delay task force will try to have a plan ready to hit Durbin's July 1 deadline. And American Airlines, for its part, is offering to show Gov. Ryan the runway plan it would prefer.

But keep in mind that the public has seen no maps. No environmental impact studies. No cost estimates. No timetables for construction. No analysis of how flight schedules might be further disrupted or delayed during construction—particularly if the city wants a radical reconfiguration that would result in two or more new sets of parallel runways. No reports of what the capacity of an updated O'Hare would be. No assessment of related noise and safety issues. The complete absence of plans and cost-benefit analyses does not seem to deter those who suddenly insist that we must commit to an O'Hare plan—even plans unseen—and that we do so, in essence, right now. The absence of construction timetables does not seem to disturb those who insist that O'Hare runways are the short-term answer for more capacity, even though the city aviation commission itself says it is very possible that new runways would not be operational for at least 10 years.

Yes, it is time—past time—to get serious about increasing airport capacity in the Chicago region. But O'Hare is not the only piece of the puzzle. A third airport in Peotone—which possibly could provide more capacity than O'Hare runways and perhaps do so earlier and at less cost—must be part of any reasonable discussion. To assume and declare that O'Hare is the only answer or the main answer before we know what the city and airlines have in mind is more than just bad planning—it is no planning at all.

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EXHIBIT 16.—DAILY SOUTHTOWN, FRIDAY, JUNE 8, 2001

O'HARE TASK FORCE KEEPS DOOR CLOSED

For 20 years the city of Chicago has been conducting a campaign to sabotage plans for a third airport in the south suburbs. Documents prepared by Landrum & Brown, the city's aviation consultant, and recently unsealed by court order include a game plan for a "guerrilla war" against the third airport.

This week, the so-called "O'Hare Delay Task Force" held its first meeting. Landrum & Brown is providing the data and forecasts for the task force, which has decided to meet behind closed doors, barring south suburban officials, the public and the press from attending.

The documents released by the recent court order showed that Landrum and Brown advised Chicago on how to stall progress on a third airport and protect O'Hare and Midway airports and their airlines from possible competition at Peotone or another south suburban site. Chicago fought for years in court to keep the documents secret, and now city officials apparently are dedicated to keep the task force meetings secret as well.

The decision to bar the public from a task force meeting Tuesday was called "improper and unseemly" by U.S. Rep. Henry Hyde (R–6th) of Bensenville, who has worked for years with O'Hare's suburban neighbors to discourage expansion of the airport. Hyde urged Federal Aviation Administrator Jane Garvey to open the meetings—which, Hyde noted, include representatives of United and American Airlines and 14 other air carriers.

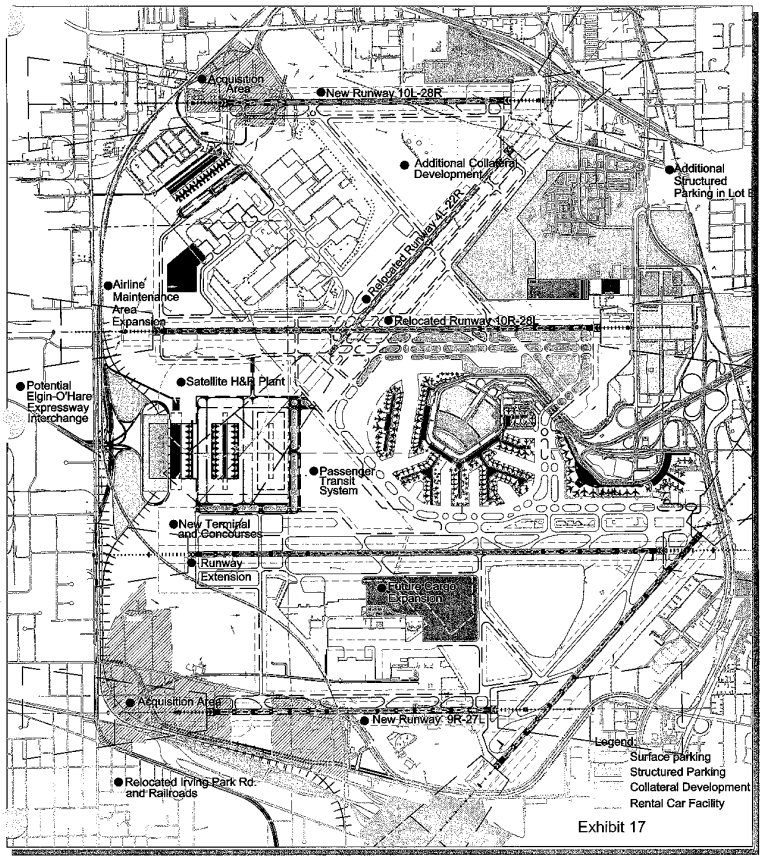
Joseph Karaganis, a lawyer for the anti-expansion suburbs, tried to enter the meeting but was barred. "If this happened in any other community, officials would be in jail," Karaganis said.

The fact is, the Cook County state's attorney and Illinois attorney general treat Chicago as if it were exempt from the Open Meetings Act. And it was clear at the task force meeting that Chicago Aviation Department officials have every expectation that the task force will be allowed to carry on its business in secret.

As Hyde wrote, that is "improper and unseemly." The task force meetings should be open to the public and press.

But then, how often do people involved in a guerrilla war invite the press and the public to attend their planning sessions?

EXHIBIT 17


Acquisition Area
New Runway 10L-28R
Additional Collateral Development
Additional Structured Parking in Lot E
Relocated Runway 4L-22R
Airline Maintenance Area Expansion
Relocated Runway 10R-28L
Potential Elgin-O'Hare Expressway Interchange
Satellite H&R Plant
Passenger Transit System
New Terminal and Concourses
Runway Extension
Future Cargo Expansion
Acquisition Area
New Runway 9R-27L
Relocated Irving Park Rd. and Railroads
Legend:
Surface parking
Structured Parking
Collateral Development
Rental Car Facility
Exhibit 17

PREPARED STATEMENT OF THE SUBURBAN O'HARE COMMISSION

ONE ASPECT OF THE MONOPOLY FARE PROBLEM AT O' HARE

There has been much discussion over the issue of high fares charged by the dominant airlines at O'Hare—United Airlines and American Airlines—to business travelers using O'Hare airport. For many years, business travelers at O'Hare—those who usually travel in a 0–14 day window on short term business trips—have complained about the high prices charged by American and United for travel from O'Hare to many major business destinations such as New York's LaGuardia, Boston Logan, Washington National and West Coast cities.

For example, the cost: of a single economy coach round trip ticket for flights from O'Hare to major business destinations next Tuesday June 19, 2001 is as follows: O'Hare to Boston: $1,556.00; O'Hare to LaGuardia (NY): $1,297.00; O'Hare to Wash. National: $1,297.00; O'Hare to Los Angeles (LAX): $2,304.00; O'Hare to San Francisco: $2,361.00.

An examination of fares to these cities in the 0–14 day window so critical to business travelers shows that United and American typically keep economy coach fares at these high levels for several of these major business destinations throughout the 14 day period. This means that Chicago area business travelers must pay punishingly high fares for basic business travel out of O'Hare to major business centers within a 0–14 day window.

United and American have defended these high fares suggesting that these high fares are not caused by a lack of competition, but simply by the fact that travel in a short time window is necessarily high cost. In a study cited by allies of United and American—and paid for by United—United's long-time business consultant, Booz-Allen and Hamilton claimed that there was not a monopoly high fare problem at O'Hare.

To test this argument, the Suburban O'Hare Commission conducted a study of published internet fares for travel to major business centers: (1) by Chicago-based travelers from O'Hare and (2) by travelers from so-called "spoke" cities who connect through O'Hare to the same business destinations. For example, a traveler from Springfield to Washington National might deplane at O'Hare and then get on a plane at O'Hare to Washington National with a Chicago-based traveler who begins his or her trip at O'Hare. Similarly, a traveler from Madison, Wisconsin to LaGuardia might deplane at O'Hare and also board a plane at O'Hare to LaGuardia with a Chicago-based traveler who begins his or her trip at O'Hare.

All other things being equal, one would expect that the traveler from the spoke city connecting at O'Hare to a major business destination would pay a higher fare than the Chicago-based traveler. The spoke city traveler is using two aircraft and traveling a greater distance than the Chicago-based traveler.

To see if Chicago-based travelers are being treated fairly by United and American in the critical short term business travel, we attempted to determine if travelers from spoke cities were being charged the same very high fares charged to Chicago business travelers. We found two surprising facts:

**1. Travelers in spoke cities where there is strong competition frequently pay a far lower fare than the Chicago-based passenger who is traveling on the same plane.**

An example can be found in the flight to Boston on June 19, 2001: O'Hare to Boston (Chicago based traveler) 6–19: $1,556.00; Springfield to O'Hare to Boston (same plane as Chicago-based traveler) 6–19: $386.00; Peoria to O'Hare Boston (same plane as Chicago-based traveler) 6–19: $452.00; Madison, WI to O'Hare Boston (same plane as Chicago-based traveler) 6–19: $613.00.

In this example the Chicago-based traveler paid anywhere from 200 percent to 400 percent more than the spoke city traveler—more than $1,500 for the Chicago-based traveler and as low as $386 for the "spoke" city traveler even though the spoke city traveler and the Chicago-based traveler flew on the same day and the same flight from O'Hare to Boston.

Another example can be found in the flight to Washington National on June 19, 2001: O'Hare to Washington National (Chicago-based traveler) 6–19: $1,386.00 6–19; Springfield to O'Hare to Washington National (same plane as Chicago-based traveler) 6–19: $558.00; Grand Rapids, MI to O'Hare to Washington National (same plane as Chicago-based traveler) 6–19: $799.00; Madison, WI to O'Hare to Washington National (same plane as Chicago-based traveler 6–19: $613.00.

Again, in this example the Chicago-based traveler paid anywhere up to 200 percent more than the spoke city traveler—more than $1,300 for the Chicago-based traveler and as low as $613 for the "spoke" city traveler even though the spoke city

traveler and the Chicago-based traveler flew on the same day and the same flight from O'Hare to Washington National.

Another example can be found in the flight to LaGuardia (New York) on June 19, 2001: O'Hare to LaGuardia (Chicago-based traveler) 6–19: $1,1297.00; Peoria to O'Hare to LaGuardia (same plane as Chicago-based traveler) 6–19: $501.00; Grand Rapids, MI to O'Hare to LaGuardia (same plane as Chicago-based traveler) 6–19: $519.00; Madison, WI to O'Hare to Washington National (same plane as Chicago-based traveler) 6–19: $803.00.

Again, in this example the Chicago-based traveler paid anywhere up more than 200 percent more than the spoke city traveler—almost $1,300 for the Chicago-based traveler and as low as $519 for the "spoke" city traveler even though the spoke city traveler and the Chicago-based traveler flew on the same day and the same flight from O'Hare to LaGuardia.

A final example is the flight to Los Angeles from O'Hare on June 19, 2001: O'Hare to Los Angeles LAX (Chicago-based traveler) 6–19: $2304.00; Peoria to O'Hare to LaGuardia (same plane as Chicago-based traveler) 6–19: $501.00; Toledo, Ohio to O'Hare to LaGuardia (same plane as Chicago-based traveler) 6–19: $864.00; Madison, WI to O'Hare to Washington National (same plane as Chicago-based traveler) 6–19: $620.00.

Again, in this example the Chicago-based traveler paid anywhere up more almost 400 percent more than the spoke city traveler—$2,300 for the Chicago-based traveler and as low as $620 for the "spoke" city traveler even though the spoke city traveler and the Chicago-based traveler flew on the same day and the same flight from O'Hare to Los Angeles.

These fare comparisons demonstrate that in spoke cities where American or United has significant competition with other hub airports and airlines (e.g., Northwest, and Continental) the fares charged to the spoke city traveler are far lower than the Chicago-based passenger is paying on the same flight. Since the fare comparisons were for the same flights on the same day, United and American cannot use calendar differences or cost differences as an excuse for the much higher fares charged to the Chicago-based business traveler.

We also looked at the fares charged from Midway. While fares charged by ATA to these same business destinations on the same day are far lower than those charged by United and American at O'Hare, ATA offers far fewer flights and seats and apparently is not able to mount a significant enough competitive challenge to United and American's market dominance to drive the O'Hare fare prices down to anything close what the spoke city traveler is paying.

When these huge fare premiums charged to the Chicago-based traveler at O'Hare are added up over tens of thousands of passengers over the course of a year, it is easy to see why the State of Illinois has stated that the lack of competition in the Chicago region and the dominance by United and American is costing Chicago area travelers several hundred million dollars per year.

**2. There is more than one hubbing airport operation in the Chicago region.**

One of the central arguments made by United and American and their business allies such as the Civic Committee is that virtually all the growth must occur at O'Hare rather than at a new regional airport—because, according to them, the region can only operate a single hub airport. But our fare study of Chicago and spoke cities revealed that the Chicago region currently has three hubbing airports—O'Hare, Midway, and Milwaukee. Many of the spoke cities served by United and American from O'Hare are also served by hub-and-spoke operations from Midway (ATA) and Milwaukee (Midwest Express). Unfortunately, neither of these airports provides sufficient capacity for these hubbing operations to grow to sufficient size and frequency to provide significant competitive pressure on the high fares charged to Chicago-based business travelers at O'Hare. Indeed, based on current rates of growth, Midway will be out of capacity in about 3 years.

CONCLUSION

United and American's own published internet fares demonstrate that these two airlines charge Chicago-based business travelers hundreds and thousands of dollars more than travelers from spoke cities who connect through O'Hare and travel on the same plane out of O'Hare to the same business destination as the Chicago based traveler. These extremely high fares for the Chicago based business traveler out of O'Hare appear to be based on the lack of significant competition in the Chicago region for the hub-based Chicago traveler. Where such competition in the spoke cities exists, the fares to the same destination on the same day on the same flights are much lower for the spoke traveler than for the Chicago-based traveler.

Senator MCCAIN. Thank you, sir. Welcome, Mr. Crown. Thank you for being here. And if you could move the microphone over.

**STATEMENT OF LESTER CROWN, CHAIRMAN, MATERIAL SERVICE CORPORATION AND CHAIR OF CIVIC COMMITTEE'S AVIATION TASK FORCE**

Mr. CROWN. Thank you, Mr. Chairman. I'm here as the Chair of the Civic Committee's Aviation Task Force and joining me is Eden Martin who is the President of Civic Committee and also will be available to answer questions afterwards.

The Civic Committee, I think as you know, is a group of senior executives from most of the major corporations and the professional firms and universities here in Chicago. And it's dedicated to improving the economic and the social vitality of this region.

Our members have offices and plants and people living not just in the city of Chicago, but in all of the suburbs. It is a regional organization. And from that we have, obviously, we have a huge stake in the economic and the aviation future of this region.

The preeminence of Chicago as a transportation hub is really in jeopardy, as all of you said this morning. The operations at O'Hare have been stagnant at 900,000 operations for the last few years. And it doesn't appear that under existing weather conditions in Chicago, that you can, at the existing airport, have more than 900,000 operations as time goes on.

The predictions that you all talk about are true. All of our predictions on airline travel really have been less than what has occurred whether it's been the City or the state or the federal. The result has been larger than what we have anticipated to begin with.

And as far as the members of the Civic Committee and the whole business community in Chicago are concerned, we are absolutely convinced that the primary way to address the shortage of aviation capacity is first to add one or more runways at O'Hare.

Actually, maybe it's almost hard to say now, but the Civic Committee has been recommending the expansion of the O'Hare Airport for 20 years. Obviously, it's fallen on deaf ears for quite sometime but we started this 20 years ago. That additional runway capacity at O'Hare obviously could benefit not just the Chicago region but West Virginia, Arizona, and every other place throughout the country.

Half, approximately half, of all of the passengers who come through O'Hare either originate or terminate here. But the other half, such as you when you come through and so many others, go beyond. And O'Hare is the connecting point to other destinations for half of the people, over half of them that come through O'Hare.

Now, similarly, airfreight shippers that use O'Hare use it as an intermediate point. As we've talked about here this morning, there's been very little progress, unfortunately, made locally with respect to increasing runway capacity at O'Hare because primarily because of the political situation and the competing efforts to build a third airport at Peotone and concerns about noise and traffic in the communities. And I'd like to address those three issues briefly just one at a time.

A new airport at Peotone is probably a very good idea. But what it does is it increases the capability of point to point flights. This Committee is on record to support the suggestion for land banking and perhaps even then the building of a new airport at Peotone to provide the region with the flexibility to meet the increased aviation demand in the future.

But if I can, I'd just like to emphasize as strongly as possible that Peotone is not a substitute for enhancing O'Hare's position as a national and international hub. And if we have kept the flights at O'Hare or split the hub now before you maximize the capacity of O'Hare, it just will not work as well.

On splitting the hubs, it's been tried in many places. Paris is the natural hub for Europe. They put in two airports and the hubs became Amsterdam and Frankfurt. Montreal put in a second airport and they lost out and Toronto became the hub.

New York has three airports. LaGuardia is obviously a point to point airport. JFK, if you think about it, is a point to point airport. For any of you that have tried to get into JFK and go beyond, you do the same thing the rest of us do. You take a cab to LaGuardia and go on from there. Newark is the hub. Washington is the exception. There's no question. National is a point to point airport. And both Dulles and Baltimore are hubs.

However, Dulles is served by United primarily. Baltimore is served by US Airways. And if a passenger on United comes into Dulles, he doesn't have the opportunity to go to the destinations of US Airways that United doesn't fly to. So a single hub is the most effective and important type of operation that you can have. It doesn't mean that you can't have two hubs. It just isn't as efficient and shouldn't be done first.

Now, second, I really want to say that communities around O'Hare have a stake in the future of the airport. And they have quality of life concerns that Senator Durbin talked about. Absolutely true. And they should be addressed.

The City has spent over $300 million in soundproofing homes and schools around O'Hare. And should there be a commitment now to expand the runways of O'Hare, we completely agree that there should be a commitment of additional resources to mitigate those problems.

Also, the other problems, Senator Durbin, should be addressed. You've got western access, eastern access and ground facilities to handle it. All of them have to be done. But the only way you increase the capacity of O'Hare as a hub and spoke airport is by the addition of an additional runway or two.

We really very much appreciate the fact that this Committee has gotten into this problem. We think it's one of the most important things within this area on a economic basis. O'Hare is the economic engine for this region and a Booz-Allen and Hamilton, an independent report that we commissioned to have done says that if another runway, one more, just one additional runway goes into O'Hare, it will mean at least an additional 100,000 jobs for this area.

If you all remember, especially Senator Fitzgerald and Senator Durbin——

Senator MCCAIN. Your third point is? We're running out of time, sir. Please go ahead.

Mr. CROWN. Just we did an awful lot to entice Boeing to come in. And they brought 500 jobs. This would be 200 Boeings being brought to the Chicago region. Thank you very much.

[The prepared statement of Mr. Crown follows:]

PREPARED STATEMENT OF LESTER CROWN, CHAIRMAN, MATERIAL SERVICE CORPORATION AND CHAIR OF CIVIC COMMITTEE'S AVIATION TASK FORCE

Good morning, Mr. Chairman. My name is Lester Crown. I am a member of the Civic Committee of The Commercial Club of Chicago and Chair of its Aviation Task Force. On behalf of our members, I would like to thank you, along with the other Committee members and Senators here today, for allowing us the opportunity to share the business community's viewpoint on the Chicago region's aviation future. We appreciate your efforts to solve the shortage of aviation capacity—which we can all agree has reached a crisis stage across the country. Nowhere is the problem more pressing than at O'Hare Airport, which has become a major bottleneck in the national aviation system.

The Civic Committee—a group of 68 senior executives from the Chicago region's leading businesses, professional firms, and universities—is dedicated to improving Chicago as a place to live, work, and conduct business. We believe that a strong and efficient aviation system is essential to the economic vitality and livability of Chicago and Northern Illinois. Our members have offices and plants throughout the city and suburbs, including in the communities around O'Hare. We have employees who use O'Hare for business and/or personal travel. We clearly have a huge stake in the economic and aviation future of the region; and we are unanimous in our support for adding runway capacity at O'Hare. In fact, we've been advocating new runways at O'Hare for almost 20 years.

One of the Chicago region's proudest legacies is its historic position as a major transportation center of the United States. Chicago developed as a major industrial, commercial, and financial center, and its businesses have grown and provided jobs for millions of people, because of ready access to efficient surface and air transportation networks. Chicago grew initially because of its proximity to the inland waterway transportation network. It later became a major commercial center in the 19th century because it was a hub for the nation's major railways. In the 20th century, from the beginnings of commercial aviation, Chicago has been the leading aviation center in the United States. Midway Airport was at one time the busiest airport in the country. It was succeeded by O'Hare Airport, which became—and for decades remained—the busiest airport in the world.

Chicago's growth as a transportation center was good not just for Chicago, but for the entire country. Our rail switching operations provided essential linkages for transcontinental movements of freight, linking suppliers and consumers throughout the country. O'Hare airport now serves the same role in the national aviation system—as a vital hub for the movement of both passengers and cargo. Both United and American Airlines operate networks of connecting flights and schedules at O'Hare; and several dozen other airlines also have significant operations at the airport. Roughly half of the airport's passengers originate or terminate their trips at O'Hare, benefiting Chicago and the region. But, as many of you know from personal experience, the other half of the passengers use O'Hare as a connecting point to another destination. Similarly, many air freight shippers use O'Hare as an intermediate point for their freight shipments.

Today, Chicago's pre-eminence as a transportation center is in jeopardy. O'Hare Airport is approaching its capacity limitations. Its operations have remained stagnant at approximately 900,000 for the past few years, while other airports have experienced substantial increases in the number of flights. Flight delays and cancellations at O'Hare—due primarily to inadequate runways—have reached an all-time high, creating a ripple effect across the country. The increasing delays and declining service at O'Hare adversely impact not only the people of Northern Illinois, but the citizens and businesses in Arizona, West Virginia, and other states throughout the country. Although other major American metropolitan centers—including Atlanta, Dallas/Ft. Worth, and Denver—have built new airports and added new runways, or are planning to build new runways, Chicago has not built new runway facilities at O'Hare for decades.

According to a study conducted by Booz Allen and Hamilton for the Civic Committee, aviation demand is projected to increase substantially in the future, with a significant portion of the projected increase in international traffic. International

traffic at O'Hare grew at a rate of over 12 percent between 1996–99. Because of its central location and scope of operations, O'Hare is a natural to become the primary mid-continent international aviation hub.

In order to protect and enhance its role as a primary aviation hub, Booz Allen concluded that Chicago should add new runways at O'Hare now. Additional runway capacity at O'Hare would significantly reduce delays and improve the efficiency of the national aviation system. Unfortunately, little progress has been made with respect to increasing runway capacity at O'Hare because of competing efforts to build a third airport at Peotone and concerns about noise in the communities around O'Hare. Let me address these issues one at a time.

First, a new airport at Peotone or elsewhere may be a good idea to accommodate the projected increase in point-to-point flights and promote economic development throughout the region. We are on record in support of land-banking for a third airport in Peotone to provide the region with the flexibility to meet increased aviation demand in the future. But a new airport in Peotone is not a substitute for expanding O'Hare's position as an international and domestic hub. Capping the number of flights at O'Hare or splitting its hub operations with a new airport would lead to disaster. Similar efforts failed in Paris and Montreal.

Secondly, we recognize that the communities around O'Hare also have a stake in the future of the airport. They have quality of life concerns related to the airport's operations, such as noise and traffic congestion, that must be addressed. However, we do not believe that the solution to addressing these issues is to allow O'Hare to wither on the vine. Once the City releases a detailed plan for the airport, it will undergo an extensive review process, including an environmental evaluation. Many of these quality of life concerns will be addressed during this process. Hundreds of millions of dollars have already been spent by Chicago on soundproofing homes and schools around the airport; and we believe that any agreement to reconfigure O'Hare should commit additional resources to further mitigate noise and traffic concerns. There are other issues that need to be addressed, including Western access to the airport, but none of these should be allowed to block the immediate improvement of O'Hare.

We appreciate the efforts of this Committee and other members of Congress to improve O'Hare and its impact on the national aviation system. Certainly, our preference is to have this issue resolved on the local level, and we are encouraged by recent indications from Governor Ryan and Mayor Daley that they will soon consider plans to expand runway capacity at O'Hare. However, if all else fails—and our local leaders cannot reach an agreement—then the Federal Government should step in and resolve the issue.

There are a number of initiatives that Congress should consider in the interim to help improve O'Hare and the national aviation system. For example, Congress should streamline the environmental review process for runway construction. According to the FAA, it takes them nearly 4 years, sometimes longer, to complete an environmental review of a runway construction project. As you know, the lengthy review process has bogged down runway expansion projects at other airports around the country. Congress should also empower the FAA to speed up the technological advancement of the nation's air traffic control system. Lastly, Congress should fund adequate capital and operational investments in aviation to ensure a safe and efficient national aviation system in the future.

We, the Chicago region and the nation, cannot afford to allow O'Hare to languish in delays and unfulfilled potential. If we fail to act, increasing numbers of travelers will avoid O'Hare; and the airlines will schedule more flights via other metropolitan airports, putting additional pressure on a national system approaching its limits. We must decide now to expand runway capacity at O'Hare; and to that end, we pledge our continued support to this Committee, Governor Ryan, and Mayor Daley.

# O'Hare Needs Another

CIVIC COMMITTEE
*of The Commercial Club of Chicago*

**An open letter to:**
**The Honorable Mayor Richard M. Daley**
**The Honorable Governor George H. Ryan**
**The Honorable James "Pate" Philip**
**The Honorable Emil Jones**
**The Honorable Michael J. Madigan**
**The Honorable Lee A. Daniels**

We, the undersigned members of the Civic Committee of The Commercial Club of Chicago, believe that the inadequacy of runway capacity at O'Hare Airport – now and in the future – is the single most important economic issue facing the Chicago region. We urge you to work out arrangements that will include reconfiguring O'Hare by adding at least one additional east-west parallel runway.

Businesses and citizens in and around Chicago rely on and benefit from an efficient aviation system, anchored by the hub operations at O'Hare Airport. O'Hare has become the primary economic engine of the region; and a new runway would generate an additional $10 billion annually, and create over 100,000 new jobs.

Moreover, O'Hare is today plagued by delays – both weather-related and otherwise – which are in part the consequence of inadequate runways. These delays frustrate travelers and impose tremendous costs on our businesses, and will get worse over the next several years as the demand for air travel grows and our runway capacity problems become more severe. Increasing numbers of travelers will avoid O'Hare; the airlines will schedule more flights via other metropolitan airports; and companies will locate their businesses and facilities elsewhere.

The time to act was yesterday. Other major American cities – Atlanta (which now has the busiest airport in the world), Dallas, and St. Louis – are building or planning to build additional runways at their airports. Denver has a new international airport. Chicago cannot afford to fall further behind. A new airport in Peotone or an expanded Gary airport for point-to-point traffic may be good ideas; but neither would be an adequate substitute for expanding runway capacity at O'Hare.

Our companies employ over 1 million people who live and work throughout the six-county region or who use O'Hare airport for business or personal travel. We pay hundreds of millions of dollars annually in taxes to our home communities and to the state of Illinois. We have a huge stake in the future economic health of our region.

We believe your records as the highest executive branch and legislative leaders in Illinois and Chicago may well be judged by history largely on the basis of whether you break the political logjam and settle this runway issue. We pledge our help and support to you as you work to achieve this goal.

# Runway - Now

William F. Aldinger
Chairman and Chief Executive Officer
Household International

Lester Crown
Chairman
Material Service Corporation
Chairman, Civic Committee Aviation Task Force

Bernard L. Hengesbaugh
Chairman and Chief Executive Officer
CNA Financial

Robert S. Morrison
Chairman, President and Chief Executive Officer
The Quaker Oats Company

Timothy R. Schwertfeger
Chairman and Chief Executive Officer
Navistar International

Richard W. Ashley Jr.
Managing Director Chicago/Minneapolis Complex
McKinsey & Company, Inc.

William L. Davis
Chairman and Chief Executive Officer
R. R. Donnelley & Sons Company

William F. Bowen
President and Chief Executive Officer
United Way/Crusade of Mercy, Inc.

Edward C. Mueller
President and Chief Executive Officer
Amsteed Corporation

Charles H. Shaw
Chairman
The Shaw Company

William L. Bax
Managing Partner
PricewaterhouseCoopers

Deborah L. Duncan
Managing Partner - Chicago Office
Arthur Andersen, LLP

Philip M. James Kraemer Jr.
Chairman and Chief Executive Officer
Xerox International Inc.

Earl L. Neal
Principal
Earl L. Neal & Associates

Harrison I. Steans
Chairman
Financial Investments Corp.

David M. Barrett
Partner, Senior Member of the Firm Committee
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Michael S. Lowe
Midwest Area Managing Partner
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Richard C. Notebaert
President and Chief Executive Officer
Tellabs, Inc.
Vice Chairman, Civic Committee of The Commercial Club of Chicago

Reed G. Sampson
Chairman and Chief Executive Officer
A.T. Kearney, Inc.

William J. Brodsky
Chairman and Chief Executive Officer
Chicago Board Options Exchange

W. Jerome Parrish
Chairman and Chief Executive Officer
Sears Roebuck and Co.

Edward M. Liddy
Chairman, President and Chief Executive Officer
The Allstate Corporation

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Northern Trust Corporation

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Thomas D. Woznicki
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Franklin A. Cole
Chairman
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R. John Martin
Partner, Baker Austin Brown & Wood
President, Civic Committee of The Commercial Club of Chicago

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Sears, Roebuck and Co.
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Linda S. Wolf
Chief Executive Officer
Leo Burnett USA

E. David Coolidge III
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Senior Partner
Mayer, Brown & Platt

Andrew J. McKenna
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Schwarz

Patrick G. Ryan
Chairman and Chief Executive Officer
Aon Corporation

William Wrigley Jr.
President and Chief Executive Officer
Wm. Wrigley Jr. Company

Alan G. McNally
Chairman and Chief Executive Officer
Harris Bank

Senator MCCAIN. I thought you had three points.
Mr. CROWN. That's enough, sir.
Senator MCCAIN. Thank you very much, Mr. Crown.
Mr. Paesel.

**STATEMENT OF EDWARD W. PAESEL, EXECUTIVE DIRECTOR, SOUTH SUBURBAN MAYORS AND MANAGERS ASSOCIATION, REPRESENTING THE KEEP CHICAGO/ILLINOIS FLYING COALITION**

Mr. PAESEL. Thank you, Senator. I am the Executive Director of the South Suburban Mayors and Managers Association. Today I'm privileged to represent the Keep Chicago and Illinois Flying Coalition, which consists of state, municipal, and county elected officials for Cook, Will, DuPage and Kankakee Counties, as well as business leaders from the Chicago Southland, Will County and Kankakee County Regional Chambers of Commerce. And we also number organized labor, citizen groups and educators as part of our coalition. And many of them are behind me today in the audience.

I come here today to reiterate and reinforce our 14-year effort, we need to reemphasize that. Our 14-year effort to expand the aviation capacity of the Chicago region. We have stood in a bipartisan effort, with the state of Illinois, its present and two previous Governors, in not only calling for but actually planning the aviation facilities that would serve the region, the state and the nation for the net 20 years and more.

Some call us obstructionists. But it is we who, with the state, 14 years ago recognized the rapidly growing aviation demand and the lack of regional capacity to handle it. In the early 1990's, many forecasters foresaw the crisis conditions that finally overtook the national aviation system; Secretary Mineta, in 1997, warned that we were approaching gridlock.

Chicago is a major contributor to that gridlock because its airport sponsors have refused to acknowledge these forecasts. As late as a year ago, O'Hare's two major airlines were stating publicly that they could accommodate demand well into the 21st Century. As late as a month ago, the city of Chicago testified to the state legislative aviation committee that O'Hare would not require runway expansion.

Its adverse conditions and ripple effects, however, finally have pushed O'Hare to center stage, nationally. Many Congressional leaders must fly through Chicago and they know well its serious problems. Iowa's senators are asking that our Governor be stripped of his authority so that O'Hare can be expanded to serve their state's 2.9 million residents.

We too believe that 2.9 million Iowans should be served through Chicago's aviation hubs. And we said that as early as 1995 they predicted the loss of service to their cities, a forecast which, at the time, the airlines loudly protested.

We applaud the courageous stand of Governor Ryan. His priority is the economic well-being of 12 million Illinois citizens. And our responsibility is to see that the 2½ million south suburbanites, who live within 45 minutes of the proposed south suburban airport, finally are well-served as well. Our travel time to O'Hare exceeds

2 hours, severely restricts our use and discourages the location of business and industry in our midst.

Fourteen years of planning, often against the obstructionist actions of the City, the airlines and the Federal Government, have finally resulted in a thoroughly planned airport that could be operational within 5 years. The Federal Government has the authority to expedite the EIS for the south suburban airport that has been stalled for 4 years. We urge this Committee to press forward with a solution to the national aviation problem that is, one, environmentally sensitive, and, two, socially just.

This can and should be achieved without abandoning the environmental safeguards that the nation has put in place. The south suburban airport plans are well-documented and publicly discussed. There are no similar plans for O'Hare runways that have been presented to the public. Because the environmental consequences of O'Hare's expansion are expected to be severe, documentation has been avoided and the need for expansion itself has been denied.

Our airport plan protects the environment and enriches our citizens. In our service are of 2½ million residents, we have a job shortage of 450,000. This will grow to 550,000 if we continue to pile the region's aviation rewards into the areas surrounding O'Hare. Our communities can and must be revitalized and the region rebalanced with no additional public funding by building the south suburban airport. Building the south suburban airport can solve many of the nation's aviation problems and eliminate the region's growing economic divide in one fell swoop. It is smart growth in all respects.

Finally, we ask that you truly listen to our concerns today because they are the concerns of the people. They are, as well, the concerns of local government and business leaders who offer, with the south suburban airport, solutions to the national and regional aviation crisis that are both short term and long term.

Thank you for your attention.

[The prepared statement of Mr. Paesel follows:]

PREPARED STATEMENT OF EDWARD W. PAESEL, EXECUTIVE DIRECTOR, SOUTH SUBURBAN MAYORS AND MANAGERS ASSOCIATION, REPRESENTING THE KEEP CHICAGO/ILLINOIS FLYING COALITION

My name is Edward Paesel; I am the Executive Director of the South Suburban Mayors and Managers Association. Today, I also am privileged to represent the Keep Chicago/Illinois Flying Coalition, consisting of state, municipal and county elected officials from Cook, Will, DuPage and Kankakee Counties, as well as business leaders from the Chicago Southland, Will County and Kankakee County Regional Chambers of Commerce. We also number organized labor, citizen groups and educators as part of our coalition.

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Some call us obstructionists. But it is we who—with the state—14 years ago, recognized the rapidly-growing aviation demand and the lack of regional capacity to handle it. In the early 1990's, many forecasters foresaw the crisis conditions that finally overtook the national aviation system; Secretary Mineta, in 1997, warned that we were approaching gridlock. Chicago is a major contributor to that gridlock because its airport sponsors have refused to acknowledge these forecasts. As late as a year ago, O'Hare's two major airlines were stating, publicly, that they could ac-

commodate demand well into the 21st Century. As late as a month ago, the City of Chicago testified to a State legislative committee that O'Hare would not require runway expansion.

Its adverse conditions and ripple effects, however, finally have pushed O'Hare to center stage, nationally. Many Congressional leaders must fly through Chicago and they know, well, its serious problems. Iowa's two senators are asking that our governor be stripped of his authority so that O'Hare can be expanded to serve their state's 2.9 million residents. We, too, believe that 2.9 million Iowans should be served through Chicago's aviation hubs; as early as 1995, our studies predicted the loss of service to their cities, a forecast which the airlines loudly protested.

We applaud the courageous stand of Governor Ryan. His priority is the economic well-being of twelve million Illinois citizens. And our responsibility is to see that the 2.5 million South Suburbanites, who live within 45 minutes of the proposed South Suburban Airport, finally are well-served, as well. Our travel time to O'Hare, exceeding two hours, severely restricts our use, and discourages the location of business and industry in our midst.

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Our airport plan protects the environment and enriches our citizens. In our service area of 2.5 million residents, we have a job shortage of 450,000. This will grow to 550,000 if we continue to pile the region's aviation rewards into the area surrounding O'Hare. Our communities can be revitalized and the region rebalanced, with no additional public funding, by building the South Suburban Airport. Building the South Suburban Airport can solve many of the nation's aviation problems and eliminate the region's growing economic divide in one fell swoop. It is smart growth, in all respects.

We ask that you truly listen to our concerns, today, because they are the concerns of the people. They are, as well, the concerns of local government and business leaders, who offer—with the South Suburban Airport—solutions to the national and regional aviation crises that are both short-range and long-term. Thank you for your attention.

Senator MCCAIN. Thank you very much, Mr. Paesel.

Mr. Schwiebert.

## STATEMENT OF MARK SCHWIEBERT, MAYOR, CITY OF ROCK ISLAND

Mr. SCHWIEBERT. Chairman McCain, Chairman Rockefeller, Senators Durbin and Fitzgerald, I want to begin by thanking you for convening this hearing here in Chicago and coming to us to hear some information about this very important issue.

Today, I perhaps will speak with a little different perspective than most of the others, perhaps a little less passion on the subject because it isn't quite so close to where I'm from in western Illinois, but with no less interest in the concerns that exist with regard to Chicago aviation because of the significant impact it has on economic development and our job base in western Illinois and eastern Iowa.

First a word about the base from which I come. I'm from the Quad Cities region, which is located on what is sometimes referred to whimsically as the western coast of Illinois—a four city region of Rock Island and Moline in Illinois and Davenport and Bettendorf in Iowa.

Quad Cities International Airport is a facility that presently accommodates 400,000 passengers per day and as such is the third busiest airport in the state of Illinois, after Chicago O'Hare and Midway. We've seen a 56 percent growth in our enplanements during the last 6 years and serve a population base of approximately 1.2 million population in a 60-mile area.

We are also going through an 18 million dollars expansion at our own airport, which we see as accommodating a considerable amount of additional growth in the future. And are presently the fifth fastest growing airport, Senator Rockefeller, the fifth fastest growing airport in the United states at the present time with hubs, in addition to here in Chicago, in St. Louis, Minneapolis, Detroit, Denver, Milwaukee and Atlanta.

As such, we have become something of a regional sub-hub that can, in one respect perhaps, afford some opportunity for reducing some of the congestion that may occur at the Chicagoland airports. But we're very much concerned about the Chicago metropolitan airport situation and are here primarily to speak on behalf of the addition of runways at Chicago O'Hare.

And the reason for that, as was referred to by Mr. Crown earlier, is because a large amount, 90 percent approximately of the people coming out of the Quad Cities International Airport at the present time are coming through O'Hare for purposes of catching connecting flights to other points.

Only approximately 10 percent, due to a variety of reasons, are actually people who are coming to Chicago as the ultimate destination. Well, that has something to do with ridiculously high air fares presently on round trip air fares. The walkup fare to Chicago from the Quad City is presently $800. That's for a 165-mile flight.

And that relates to a further reason why the additional runways at O'Hare are necessary. Not only do we need O'Hare with its ability to serve the international as well as the national community as opposed to the point to point service, but we need the expansion of the runway so we can gain additional gates from Quad Cities O'Hare for competing airlines.

Presently our sole service to O'Hare is by United Express. That means that United Express basically has a captive market and can charge pretty much what they want for whatever the airfares would be to Chicago. And they are doing so.

Senator MCCAIN. They're charging $800?

Mr. SCHWIEBERT. Eight hundred dollars round trip for walkup service. Now, if you book in advance you can get somewhat better rates. I know I was booking for a trip in October where we would have had point to point service and it would have been over $300. And then would have been catching another flight out of here. But that would have been several months in advance would have been over $300. But walkup service is $800 at the present time.

And that's the second reason why the added gates are important. In 1999 we had a competing airlines serving Quad Cities and that was American Airlines. Because of the limited number of gates, slots in and out of O'Hare at the present time, they shifted that service to what they saw as being a larger service base between Chicago and Omaha. And as a result, we were left with one airline to Chicago from the Quad Cities.

The capacity we have locally could accommodate at least another four roundtrip flights a day to Chicago we've estimated. We presently have five roundtrip flights. Now, as I say, speaking for downstate communities here today in somewhat of an unofficial capacity, I would just suggest that although our problem may be more pronounced because of the fact that we have a busier air service, I'm sure that this condition could also be reported for many other downstate communities, which don't have the luxury of having as much air service as we do presently. And as a result I think there is a major concern.

I would like to add that I think that one of the topics that's been raised today by a number of you on this esteemed panel that I think makes a great deal of sense is the concept of regional planning. I'm sure there is abundant capacity for just about any kind of air service that would be developed here. Particularly if you consider some of the numbers that are being mentioned here.

At the same time, I think a first priority simply has to be, Senator Rockefeller, as you said earlier, on expanding capacity at O'Hare. It's simply not sufficient and no other alternative is going to meet the concerns that downstate communities have for a global, national as well as point to point service.

Thank you very much.

[The prepared statement of Mr. Schwiebert follows:]

PREPARED STATEMENT OF MARK SCHWIEBERT, MAYOR, CITY OF ROCK ISLAND

The Quad City International Airport is critical to the economy of Western Illinois and Eastern Iowa. It serves a 60-mile catchment area, including Rock Island, Moline, East Moline, Davenport and Bettendorf, and 1.2 million people.

The airport serves 400,000 passengers per year, up 56 percent in just 6 years. We have almost completed the construction of a new $18 million terminal concourse expansion project. We have added 12 new gates, two new baggage carousels, a frequent flier lounge, a new restaurant and snack bar, and a new gift shop. In the next 5 years, we will be the fifth fastest-growing airport in the country. We have nonstop air service to six different hubs—St. Louis, Chicago O'Hare, Minneapolis, Detroit, Denver, Milwaukee and Atlanta. For a region of our size, this represents very good service and allows us to be a "sub-hub" that can help relieve congestion at major hubs like O'Hare. As such, our facility benefits all of Western Illinois and Eastern Iowa.

But we don't have reliable and frequent service to O'Hare's International Hub, and this is destructive to businesses and economic development in the area. On July 31, 1999, American Airlines terminated service from the Quad Cities to O'Hare because American needed the slots to establish service between O'Hare and Omaha. This leaves only five daily flights by United Express to Chicago from the Quad Cities. This does not satisfy our demand for service to O'Hare and leaves no margin for error if a flight is delayed or canceled. Every day people drive to Chicago for international connections to insure that they make their flights and avoid air traffic or weather delays.

Greater capacity to O'Hare is critical for our area's development. We need new runways at O'Hare to provide that capacity. Fliers in the Quad Cities are not only looking for better ways to Chicago—we need access to O'Hare's incredible range of air service to cities all over the world which only O'Hare can provide.

Midwestern communities depend on service to O'Hare. And we need these runways now, not in the 10 to 15 years that it often now takes to complete runway projects. We need decisions to allow this to happen and an environmental review process to facilitate construction *presently* to meet current and future demand. The runways would be funded by the Passenger Facility Charges that passengers are accustomed to paying. Chicago and Illinois taxpayers should not have to bear the cost.

In conclusion, I urge you to support new runways at O'Hare to foster greater economic development and progress throughout our Midwestern region.

Thank you.

Senator MCCAIN. Thank you very much, Mayor.

Mr. Karaganis, you state that no one would use Peotone if O'Hare is expanded. Is that correct?

Mr. KARAGANIS. Yes, I think that's a position taken by——

Senator MCCAIN. But you also claim that expansion of O'Hare won't accommodate the forecast of additional traffic. That seems to me a contradiction.

Mr. KARAGANIS. It isn't, Senator, if I may explain.

Senator MCCAIN. Sure.

Mr. KARAGANIS. The premise of my good friends over here at the Civic Committee is that——

Senator MCCAIN. I think we need the microphone again. I'm sorry.

Mr. KARAGANIS. I'm sorry, let me——

Senator MCCAIN. Go ahead.

Mr. KARAGANIS [continuing]. Is that really O'Hare ought to be the centerpiece of regional air transportation. And if you follow their logic, if you accept their logic, which was a study paid for by United Airlines, but if you accept it and I'm willing for the sake of discussion, then you must keep O'Hare as the centerpiece for all the connecting traffic into the region to keep the international base, et cetera.

What that basically means is when that quad runway system is installed, which must have associated terminals and roadways in order to keep the traffic moving, you'll run out of capacity fairly shortly. And I think the statement was made in one of the earlier panels that basically what you'll have is the delays will be right back to where they are today, as these runways get filled up.

The premise then is to add more runways. If you accept the logic of what is being proposed here, you would then say, all right. If we have four parallel runways, why don't we have at O'Hare what the state is proposing at Peotone, namely a fifth and sixth parallel runway.

You can do that. And as Congressman Hyde said, you can do that but you've got to look at what the costs are of these various alternatives. So, yes, the quad runway system, based on Chicago's analysis and FAA using the synop capacity model is that the quad runways will fall short of the regional demand and fall short of being able to meet that capacity.

Then you have to ask yourself, how much have we invested here, and we'll hear the same argument again, we have this huge sum cost in O'Hare. What are the incremental costs of putting a fifth and a sixth runway at O'Hare? And that is all legitimate questions. I'm not trying to deny them. But the fact is that's what the analysis will be.

So, the question right now, and this is in a document and I must say there's some useful material in here. A City consultant, when faced with this said——

Senator MCCAIN. Please, summarize.

Mr. KARAGANIS [continuing]. If our runways will not do the job, why are we adding runways? Why don't we just build a new airport?

Senator MCCAIN. I see. Just very briefly, you made some very strong statements regarding corruption involving the city of Chi-

cago and O'Hare. Have you taken it to law enforcement authorities?

Mr. KARAGANIS. Yes, we have, Senator. We have taken the antitrust problems to the United states Department of Justice, to the state Attorney General to the U.S. Attorney and the——

Senator MCCAIN. I'm talking about charges of corruption.

Mr. KARAGANIS [continuing]. And with respect to corruption, we've taken those charges to the U.S. Attorney as well.

Senator MCCAIN. Thank you. Mr. Crown, is there an airfare problem at O'Hare where United American charged Chicago area travelers, particularly business travelers, more than we would be charged if there was more competition at the airport or in the region?

Mr. CROWN. If you expanded the operational capacity at O'Hare and with that expanded the ground facilities, which means more gates, some of those gates obviously could go to competitive airlines. And the more competition you have obviously the lower the rates will go.

Senator MCCAIN. Mr. Paesel, do you oppose expansion of O'Hare?

Mr. PAESEL. We do oppose expansion of O'Hare at this point because we don't know what that entails. We don't know what that means and what's the impact on the environment. What's the cost? And until a full plan is on the table, it's impossible to support a plan that doesn't exist.

Senator MCCAIN. If you accept the premise that we need to expand capacity somewhere, what's your solution?

Mr. PAESEL. Our obvious preference for a number of reasons is to build the south suburban airport near University Park and Peotone for several reasons beyond what's been talked about here. Even if you were able to add ten runways at O'Hare, it doesn't mitigate the fact that our 2½ million residents who, larger than the metropolitan area of St. Louis and many other major metropolitan areas, it doesn't mitigate the time for us to reach and have the benefits of a major airport.

The second thing is there hasn't been covered here is that the travel times to O'Hare have deteriorated so badly, the congestion is so bad that based on Chicago Area Transportation Study figures, the average travel time from the Loop to O'Hare is only 6 minutes less than the average travel time from downtown to the Peotone airport.

So, we're not talking about a modern airport that is far outside the metropolitan area is not usable for others. It's very usable especially for underserved area in the southern suburbs.

Senator MCCAIN. Thank you. Mayor Schwiebert, are you opposed to building a new airport south of Chicago?

Mr. SCHWIEBERT. We're really not here to take a position on that subject. I think that's really more a regional issue that needs to be addressed giving consideration to a number of the factors that have been looked at today. I certainly think that any kind of regional planning approach ought to give consideration to that possibility as well as the other possibilities that have been talked about in terms of both Rockford's underutilized capacity and potentially Gary.

Senator MCCAIN. I think that we are in some agreement that there should be, or it would be very helpful if there were a regional authority. Does anyone disagree with that?

Senator Rockefeller.

Senator ROCKEFELLER. I just have to second what the Chairman just said. Mr. Karaganis, I have to say to you, I've been in the Senate 17 years. I've never seen such a vitriolic presentation in my entire life. More charges of conspiracy and corruption and deceit and all kinds of things.

And the reason, I don't say that because you have the right to write whatever you want. But it's sort of that approach, which is the opposite of getting to solve a problem, which is a national problem, which is in the interest of Illinois as a whole to solve. I just make that point.

And second, I'm not asking you a question. I'm just making a point. And second, it strikes me, as Chairman McCain has indicated, that there is reason to think about a regional authority. It's absolutely incredible what happened in the bitterness, very similar bitterness with Baltimore-Washington International, National and Dulles.

I mean, you would have thought that a world war had broken out. It had broken out. And we were consumed by it. People—Senators wouldn't speak to each other if they took this position or that position or whatever.

A regional authority was created, actually BWI is not a part of that, but they're booming nevertheless, within the Virginia situation. And all of a sudden people who had been competing like crazy were working together because they were on the same regional authority.

And by the way, they were selling nothing but AAA rated bonds and making, and they can't stop building. And we have, you know, a better and better situation than ever before.

So, I'm not sort of asking a question, Chairman McCain. I just sort of want to say that I think that what Lester Crown has said and what the Mayor has said sums up my reaction to what I've heard and what I spent a lot of time in preparing for this hearing. And that is that you have to start, I mean, it's just common sense. It's not a question of because it's in Chicago or because it's under the Mayor or whatever.

Of course you have to start with doing O'Hare because it's there. Because you can build new runways and because you can do these things in intelligent ways which allow traffic and delays to be accommodated.

And, oh, by the way, yes, that will be inconvenient. But with the shorter time line that the Chairman and I are working on to be able to do all kinds of things, not just environmental impact studies but building of runways, as both Mr. Crown and the Mayor have indicated, that doesn't preclude other options.

And it seems to me that that's the sort of spirit that's needed. And that's what I'm so hoping that the Mayor and the Governor can come together and make an arrangement which serves not only the entire state of Illinois. I'm not in a position to say whether it should be Peotone or some other place. I mean, it's going to have to be another place, I think, but it's going to have to start with

O'Hare and it doesn't mean that concurrently other things can't be done at the same time.

But I just really beg you to keep us out of it because we're not going to stay out of it unless you solve it. We can't afford to. The nation can't afford to. The interstate highway system is a national system. It is a national system. The Governors, I was one for awhile, yes, they get to place where it goes, but, boy, it is a national system. The government pays all the money and there's a very strong parallel between that.

So, I really advise cooperation based upon doing O'Hare and then looking for an additional alternative, which I think is going to be inevitable, which is going to be in the interest of the state of Illinois and the country. Thank you.

Senator MCCAIN. Thank you.

Senator Fitzgerald.

Senator FITZGERALD. Well, I wondered if Mr. Karaganis would want to address the cost issue that he was challenged earlier before on it. And I have a chart here. This is the reprint from the Daily Herald. It shows the seven existing runways at O'Hare. And this is a possible reconfiguration, which most people seem to be operating that they tear up several of the runways to get four parallel runways.

Could you explain how you get to your cost estimates on that?

Mr. KARAGANIS. Yes. I submitted a memorandum yesterday in response to a question from Mr. Chamberlain, which has in the memorandum an attachment entitled, the Analytical Frame Work that Governs Airport Decision Making. And that frame work contains a number of quotations from planning documents by the city of Chicago that basically says you must integrate the airfield terminal and ground access components.

And if you don't have adequate ground access components to feed the airport and to take traffic off the airport, you can add all the runways in the world and they aren't going to work. The same thing is true with terminals. If you have all the runways and don't have adequate terminals.

Now, there's a six billion dollar proposal out at O'Hare right now called World Gateway/CIP. If it's not to address the two new runways that are being proposed or the quad runway system, then what terminals and runways are being proposed that will have to address and to be integrated with the additional runways.

If you look at what has been announced, and this is based on an inverted plan. You have the four runways, the demolition of four runways. You have construction of four new runways. You have a six billion dollar terminal plan. And what is not included in the cost estimates is the cost of a western terminal because of the loadings that we're talking about for the quad runways, you need to have western access. The documents show that.

So, what is the cost of the western terminal? What is the cost of the western access? Runways will not be able to handle the additional capacity without the terminals and the roadways. And that's what integrated airport planning and master planning is all about. And it's done at airports around the country.

And contrary to a suggestion that was made earlier, the state has done that at the south suburban airport. They have integrated

the terminals, the roads and the runways. And that needs to be done. When you integrate everything out here, you're looking at 10 to 15 billion dollars plus. And if you don't do these key elements, you won't be able to carry the traffic that is projected to be carried by the runways. It's that simple.

Senator FITZGERALD. Now, Mr. Crown, I totally agree with you that O'Hare is a great economic engine. I come from the northwest suburbs, the Village of Inverness, about, oh, maybe 15 miles northwest of the airport. And my parents moved into that area in 1958. And in Palatine Township, there were only 3,000 people there in 1958. I think there's about 130,000 people in Palatine Township. And it was the Northwest Tollway being built and O'Hare Airport being built that brought all that economic development out there.

But wouldn't you acknowledge that there are other parts of the state of Illinois that also want the economic engine? And don't some of the south suburban people have a valid point that they want an economic engine and jobs in their part of the state, too. What do you say about that?

Mr. CROWN. One does not preclude the other, Senator. The most important thing, because of the air capacity problem throughout the country, is to maximize the capability of the one hub and spoke airport, which we have at O'Hare. That in no way precludes putting an airport in another location, whether it be in Peotone or elsewhere.

As the demand is growing, the chances are that a third airport is going to be needed. But they are not alternate solutions. That's all I am saying. One, is the most important, is increasing the capacity at O'Hare. If concurrently, it's a question of a third airport, too, fine. But an airport, sir, is not a jobs program. It solves an air capacity problem.

Senator FITZGERALD. And you have a specific committee has been on record favoring at least a land banking for a third airport.

Mr. CROWN. We certainly have.

Senator FITZGERALD. Yes. Mayor Schwiebert, thank you for being here and I love your facility at Moline. It's a great airport. I've been flown in there on several occasions myself. But I believe that while your overall traffic, your enplanements have gone up substantially and I congratulate you and your airport director on your leadership there.

While your overall enplanements have been going up dramatically and you are a very fast growing airport, based on the figures that I've seen, your actual commuter seats and airfare and commuter seats from Moline to Chicago have been going steadily down since 1992. In fact, you've had 263,000 seats to Chicago in 1992. It went down to 249,000 in 1996 and then down to 175,000 last year.

And don't we need an awful lot of new capacity at a place like O'Hare or in Chicago in order to get you more enplanements? It's not just a matter of adding one runway at O'Hare or two runways. Clearly, the air carriers, when they have the opportunity to run a flight out of O'Hare, they like to run a big jet carrying 300 or more people to another big city as opposed to a smaller regional jet or commuter plane. Isn't that the case?

Mr. SCHWIEBERT. Well, in terms of the numbers that you're referring to, Senator, I would defer to our Director of Aviation, who's here and he would be certainly better to comment on the specific numbers. But certainly one of the reasons that you're seeing some decline in the number of commuter flights, in particular, to Chicago is a reason I mentioned earlier, that since 1999, we've had a sole provider.

It's been essentially a monopoly. And United Express has done what monopolies frequently do when they're given the opportunity. They've charged what the market will bear. That has resulted in a lot of people who are coming to Chicago for Chicago business driving or finding other ways to get up there.

I know there are some people who drive up to Princeton and catch the passenger train to Chicago. Anything to avoid having to pay those kinds of outrageous fares that we're seeing.

I think that with the increase in the gates that would come with an addition of one or two runways, we would be able to make a very strong case to American Airlines to reinstate the service and the demand would be there.

At the present time I think we may actually be seeing some loss of service to Chicago O'Hare as well because of the fact that we've gotten more hubs that we can service. And that's good because that reduces some of the congestion problem at O'Hare, as I said before.

But I think one of the big things that's impacting on commuters is the fact that there is a monopoly right now. Increasing gates, increasing the capacity here would allow for more of that commuter connection to be reinstated and those commuter flights to be increased.

I would like to add just one other thing on this concept of the regional initiative, which was asked about before. I think it's critically important in any kind of a regional scheme, from our perspective, to do two things. First of all, I think it's very important to continue to have strong local input. I recognize there may be a place where the Federal Government needs to get involved, particularly with national issues such as we're dealing with with the federal aviation issues, just as we were in the interstate highway system many years ago.

But I think it's also critically important to continue to have the input of those who are in the field who are going to be most directly impacted by it in that process, and heavily involved in that process.

Second, I think that any kind of regional scheme has to continue to recognize that the primary airport within the Chicago metro region has to be O'Hare for the reason that was referred to by one of the presenters previously.

If you attempt to have two hubs, and we've seen this happen too often in the Quad Cities where we have four metropolitan centers that sometimes compete with each other. Instead of having one well-done project, you can wind up with a lot of half-baked projects.

And what we don't need in the Chicago metro region, it would be my opinion as a downstate mayor, would be two major hubs in this area that would be competing with each other and creating overhead, environmental and other problems which would result in

both airports being diminished in their ability to serve this region's needs.

Senator MCCAIN. Senator Durbin.

Senator DURBIN. Thanks, Mr. Chairman. Mayor Schwiebert, thanks for being here and for speaking for a lot of downstate communities. I know that, I extended the invitation because I wanted this voice to be heard.

Senator Fitzgerald, my colleague, raised a legitimate point to Mr. Crown about don't we need economic development in many parts of the state. I certainly believe we do and I think it includes downstate. And we shouldn't ignore the impact of an O'Hare decision on downstate communities like your own and others that you speak for a day, I thank you for joining us.

Mr. Karaganis, you're a good lawyer. You're a good advocate. You work hard for your client. I think that the point that's been made is an important one. We need to have, tone down the rhetoric, in your own words you said keep the rhetoric down. I really think that's important now if we're ever going to reach a reasonable solution to what is a very important challenge.

You just minutes ago identified the World Gateway Project at O'Hare as a six billion dollar project. It's 3.8 billion. You've given us estimates on the cost of runways, this chart here. If you could bring that over here. The estimates from your commission are so wildly far away from the cost of runways all across the United states.

The average cost is about 530 million dollars for one runway. And you say when it comes to O'Hare it's going to be 7 to 10 billion. Now, the way you reached that is explained. You add things in. Oh, you need a new terminal. Oh, you need a new access. You put in all the costs on top of it and say it isn't just a runway. It's all the things that have to be brought in.

If we're going to use that standard, we need to use that as well at Peotone.

Mr. KARAGANIS. Absolutely.

Senator DURBIN. Excuse me. If we use that standard, we need to use it at Peotone.

Mr. KARAGANIS. Absolutely.

Senator DURBIN. The fact is, I can walk downstairs from the elevator here, use my CTA pass and be out at O'Hare in 45 minutes and I've done it. I can't do the same thing at this moment to Peotone. We know that. This infrastructure doesn't exist at Peotone. The infrastructure of highways and mass transit, of truck loading facilities, of railyards, of hotels, of restaurants, of rental car facilities; that is a huge massive infrastructure which is not easily, if ever, replaced in a greenfield setting.

I think that Peotone has a future. But let's be honest about it. Why would we walk away from this massive investment in infrastructure at O'Hare that has served us so well and not modernize it? Not capitalize on what we have?

I think that we can do that and still have an opportunity to build the south suburban airport. There's no reason why we can't. Maybe this dates me. I can remember when you walked through Midway Airport and ducked the buckets for all the leaking roofs. There

were no airlines there. Just a handful of people wandering in and out. Look at it today. Look what's going on here.

A brand new terminal and all this expansion. As Senator Rockefeller said, we have this sensational appetite in America to get up and go. And we're using airlines more and more. And I say, Mr. Paesel, south suburbia, they deserve an airport and I think they should have one. And I think there's going to be an opportunity for them to use all of the potential passengers in developing it, but not at the expense of O'Hare.

So, I hope that as we get into the rhetoric of what things cost that we use really realistic and honest figures here.

Mr. KARAGANIS. Can I have——

Senator DURBIN. Excuse me. Excuse me, Mr. Karaganis, excuse me.

I hope that we use the information that we can derive from the FAA and others. And if you're going to be honest in talking about the cost of things, talk about the cost of replacing the O'Hare infrastructure in south suburbia. It's massive. It goes way behind 600 million dollars to talk about something that's going to augment or supplement what is available at O'Hare.

Please, sir, you may respond.

Mr. KARAGANIS. Thank you, sir. We couldn't agree with you more that Peotone ought to be evaluated on the same grounds as O'Hare expansion. In other words, the same criteria of what goes into airport planning. And what we're talking about, sir, when we put the cost estimates down, are the elements that the FAA uses in airport master planning.

So, all those elements are necessary in order to deliver the planes to the runways and the passengers in and out of the airport. Now, you're absolutely right. Those costs ought to be——

Senator DURBIN. Mr. Karaganis.

Mr. KARAGANIS [continuing]. And those costs——

Senator DURBIN. Mr. Karaganis, how long would it take you on a CTA train to get down to Peotone now?

Mr. KARAGANIS. On a CTA train?

Senator DURBIN. Or any train?

Mr. KARAGANIS. Never.

Senator DURBIN. You can't. The point I'm making is this. If you're talking about serving, excuse me, sir. If you're talking about serving an airport, and the need to serve it, then we've got to talk about comparable requirements. I think the day may come and I hope it does come when such an airport is served. But if we're going to be comparing the cost of investment at O'Hare and the cost of building a new airport, then we have to put it at the same level.

Mr. KARAGANIS. Senator, I think there's a commuter service on Metro to University Park right now.

Mr. PAESEL. Could I clarify that?

Senator DURBIN. I can tell you that if you're going to drive down the Dan Ryan, you talk about a 6-minute difference between getting to Peotone and getting out to O'Hare. The Dan Ryan, if I'm not mistaken, runs into a little traffic congestion from time to time.

Mr. PAESEL. It absolutely does. If I could just clarify two things very quickly. One, there is existing commuter rail service from

downtown to University Park, which is on the north border of the airport that exists and you can do it in 50 minutes.

Senator DURBIN. Can you say that it really—well, I don't want to get into details here, but you would have to concede that if you're talking about a runway with millions of passengers, you're talking about a more substantial investment, are you not, in infrastructure to serve it.

Mr. PAESEL. Obviously, there would have to be improvements to the rail system. This airport though has two existing expressways, a much better infrastructure than O'Hare ever had. When it opened up and for many years.

Senator DURBIN. Well, things were quite a bit different when it was an orchard.

I would say that the—I'd just like to say this in closing, Mr. Chairman. Thank you for coming here and it was a good hearing. And I appreciate bringing people together on what you can tell is a very interesting and contentious topic.

I think the suggestions here on regionalism on the September 1st deadline and this conversation is going to help us move along. Thank you very much.

Senator MCCAIN. Well, I want to thank my two colleagues from Illinois and their dedication and efforts on this issue. I don't believe this Committee would be here if it had not been for their urging and their involvement.

I also want to thank Senator Rockefeller, who has played a vital role in this whole process because he's the chairmanship of the Aviation Subcommittee on the Commerce Committee. And we all look forward to working with him.

I want to thank the witnesses. Mayor Schwiebert, you are very eloquent. Mr. Schwiebert, you were very eloquent and we thank you. We thank all the witnesses. We think this is a very important hearing.

And I guess, if I could sum up, it's now up to Chicago and the people of Illinois, that they're going to come together and resolve this issue. As Senator Rockefeller stated so eloquently, if they do not, then I think you're going to see intervention from various areas. And I'm not sure that's good for the process because I think we all function on the fundamental principle that the people who live and work here and are involved with the community know best what the solutions for the community are.

But our taxpayers and our citizens, West Virginia and Arizona, all over this country, do have a stake both financial and obviously because we are citizens that go through and use the facilities here in Chicago if they want to get just about anyplace in America or in some cases, the world.

So, I thank you all for your involvement, your commitment. And we stand ready to help in any possible way that we can, which is our proper and correct role and we hope we never have to do anything more than that.

I thank you. This hearing is adjourned.

[Whereupon, at 12:15 p.m., the Committee adjourned.]

# APPENDIX

PREPARED STATEMENT OF RONALD W. WIETECHA, MAYOR, CITY OF PARK RIDGE, ILLINOIS

If I had been allowed to testify before this hearing I would have said that my name is Ron Wietecha. I'm the Mayor of the city of Park Ridge, Illinois. According to the latest census figures, 37,775 people live in my city. Park Ridge was incorporated as a city in 1910 long before airplanes were invented. Many of my residents have lived in the same homes for three and four generations, making Park Ridge a Homestead community. We have no industry in Park Ridge. City Hall is less than three miles from the center of O'Hare Airport. Because we are east of the airport, we are most affected by landings, but when the winds are right, we get our share of takeoffs as well.

Park Ridge political leaders opposed the siting of a jet-based airport in Maine Township in the 1950's. They knew then that airports grow and this one is too close to residential neighborhoods like Park Ridge. They also knew that Chicago as the operator of an airport built outside of its own city limits and the middle of no-voters; it would not have to be responsive or accountable for growth and nuisance issues. In 1981, Park Ridge joined Des Plaines, Niles and Bensenville in creating the Suburban O'Hare Commission to oppose uncontrolled expansion of the Airport. My predecessor, Marty Butler liked to say that the airport is something to be feared because when Chicago wants something, you can't fight City Hall alone.

O'Hare Airport has indeed become something to be feared. In spite of Suburban resistance, it has been allowed to grow into one of the world's busiest airports without so much as a "by your leave" or "what do you think as a neighbor." We are the ones who have had to compromise over the years and accept every additional flight and decibel. When we've complained, we've been criticized for being strident and politically motivated. The fact remains, that quality of life for Park Ridge residents is affected by over 930,000 flights annually. The fact also remains that O'Hare was never designed to be a megaport with four parallel runways. It was never designed to handle the 1.8 million flights a year that are conservatively projected for the year 2010. O'Hare will never be a Denver International, Atlanta Hartzfield or Dallas Fort Worth airport. There is not enough land or airspace to handle the traffic of the future. There are not enough roads and highways to allow passengers easy access to the terminals.

O'Hare is a great economic engine but only for some. The direct benefits are shared by only a few including Chicago and the airlines, but the economic profits come at a high price. They come at a price that is being paid by the residents of my town. Some of the problems created by an overcrowded and overstuffed airport include increased air pollution, noise pollution, delays and the heightened potential for air and ground disasters. I appreciate the need to expand the region's airport capacity. I understand the need for more runways, but laying more concrete at O'Hare is not the answer. If we need more capacity and if we need more runways, then build them at a new airport.

Building runways at O'Hare can only mean more negative impacts to the environment. At 930,000 flights a year we already have too much noise pollution, air pollution and too many threats to public safety. To add more runways, the city of Chicago has announced it must condemn and knock down at least 600 homes in surrounding communities. To build more runways, Chicago must make the airport footprint larger. To add more access to the airport, homes and businesses must be taken and destroyed. This cannot be called a balanced and fair approach to airport expansion when there are less radical, hysterical and more economically advantageous alternatives.

Let me address the issues of noise pollution and air pollution. According to Chicago's own figures, each month, more than half of all flights currently arrive on runways 22 right and 27 right, over Park Ridge. These flights create individual incidents of noise that frequently are at 90-plus decibels. The Federal threshold for allowable noise is 65 decibels. Yet Park Ridge qualifies for no noise mitigation, none.

Chicago manipulates noise monitor results by averaging noise over a 24-hour period through a computer model that is unfair and unreal. Park Ridge gets the noise and no relief or soundproofing. Chicago refuses to use the Federal noise guidelines because the costs of a real noise-soundproofing program would simply be too great. So we are asked to grin and bear it for the sake of someone else's economic windfall. Last April, over 80 percent of Park Ridge voters indicated that they want home soundproofing. Instead, we are told that the airport needs more runways and more flights.

Last year, Park Ridge, Des Plaines, Itasca and Niles undertook our own air quality study. The study was done under the auspices of an Elmhurst firm, Mostardi and Platt. The study concluded that O'Hare Airport is the No. 1 polluter in the State of Illinois. We discovered that the toxic substances produced by jet engines are carried across our whole region covering more than 90 communities. We also learned that neither the Federal EPA nor the Illinois EPA measures the toxic emissions produced by jet fuel and jet engines when air quality tests are done. Their tests measure only the exhaust from stationary sources, such as onsite buildings, boilers, compressors, air conditioning equipment and gasoline powered ground vehicles that either work on the premises or bring passengers in and out of the airport. Although limited in nature, these EPA results indicate that the airport is one of the biggest polluters in the State and the largest health hazard. When you add the carcinogenic emissions from airplane engines, O'Hare becomes the biggest polluter in the state. However, no one is officially acknowledging this fact or doing anything to reduce the risks and dangers.

Recently and without much fanfare or publicity, the American Cancer Society's Palatine Office released findings as to the number of cancer cases reported in our area. The highest incidents of cancers for both men and women have been reported in the O'Hare ring communities of Arlington Heights, Mount Prospect, Palatine, Des Plaines, Niles and Park Ridge. Instead of doing something to reduce the threat of cancer from air pollution, Chicago and the airlines want to add more runways, more flights and more toxic emissions to the air we breathe.

New airports, like Denver International, must be sited with adequate open space around the facility to buffer people from the environmental and health hazards associated with airport operations. Park Ridge is a community of people who want to own a home and raise a family. The people of Park Ridge appreciate O'Hare for what it is, a convenience and an economic engine. But when it comes to airport expansion and more runways they say enough. You can build new runways and enhance capacity faster and cheaper in the South Suburbs where economic development is needed and wanted.

Park Ridge residents will not stand for more noise pollution, more air pollution and more threats from jets being squeezed into a 1950's airport. I am here to remind you that Airport expansion is a people issue not just a profit issue. Over a million people live near O'Hare and they should not be dismissed or ignored. The people of Park Ridge do not want airport expansion, which would serve only airline monopolies, Chicago sweetheart deals and the convenience of strangers. There are more cost effective and beneficial alternatives to more runways at O'Hare. All plans for dealing with delays and regional airport development should be put on the table and evaluated fairly and objectively. To blindly push for expansion of O'Hare is not only unconscionable, it's selfish and ignores the welfare of people in the communities surrounding O'Hare.

Some congressmen, the airlines and the city of Chicago want discussions about airport issues to take place behind closed doors because they want to control who is at the table and what is said. They seem to be afraid to look at *all* proposals for handling current and future aviation needs. They seem to be afraid of an *objective cost/benefit analysis*. They seem to be afraid to confront the people who are legitimate *stakeholders* in this issue. They seem to be afraid of the facts.

I'm here to call upon all government leaders to serve the public good rather than to protect corporate profits. While acknowledging the aviation needs of the region, you must also acknowledge the people living around O'Hare. To do anything less is to betray your public trust.

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