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U.S. House of Representatives
Committee on Transportation and Infrastructure
Washington, DC 20515

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February 3, 2005

Honorable Marion Blakey
Administrator
Federal Aviation Administration
800 Independence Avenue, SW
Washington, DC 20591

Dear Administrator Blakey:

Attached is information provided to me that outlines concerns with respect to Chicago's O'Hare Modernization Plan. I would appreciate your views and comments on these issues.

Obviously, we need to develop more airport and runway capacity across the Nation, but we need to ensure that the benefits of any expansion project will be realized once it has been completed.

Thank you for looking into this matter.

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Sincerely,

John L. Mica
Chairman
Subcommittee on Aviation

O'Hare Modernization Program (OMP) Fact Sheet

Cost

- At least $15 billion (not $6.6 billion as City initially claimed). City refuses to release detailed quantity and unit cost estimate (cost likely higher). City claims $billions in project elements are "optional" (*e.g.*, terminals) but without these components, O'Hare cannot handle City's projected passenger growth.
- No detailed cost analysis-FAA does not have detailed cost analysis of the O'Hare project, despite statutory requirement that project must pass cost-benefit test for FAA funding (49 U.S.C.§ 47115(d)(2)).

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OMP Cannot be Financed

- FAA has no comprehensive financial plan to pay for OMP.
- Chicago cannot meet statutory requirement that City must demonstrate that "enough money is available to pay the project costs" from non-federal sources (49 U.S.C § 47106).
- OMP will require $60-100 million per year in AIP discretionary funds—The City has already applied for an LOI for $300 million in AIP discretionary grants just for Phase 1.
- AIP discretionary pool cannot afford OMP.
- City's Master Plan says funding requires increase in PFCs from $4.50 to $6.00-legislation required for this increase.
- O'Hare airlines cannot afford OMP.
  - UAL in bankruptcy, struggling to survive and is cutting costs and cannot support special facility bonds.
  - AA just escaped bankruptcy and is cutting costs.
  - O'Hare cost per passenger will triple to nearly $30 per enplaned passenger—one of the highest in the nation.
- "Majority In Interest" airlines have already vetoed the major terminal component of the O'Hare expansion plan (the so-called "World Gateway" terminal project).

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After OMP Delays Will Be Worse With Very Little Additional Capacity

- According to FAA an airport is at practical capacity when average annual delays reach 4-6 minutes per operation, beyond that delays increase exponentially (according to FAA's most recent NPIAS Report to Congress.
- After $15 billion, O'Hare will reach its practical capacity and become gridlocked at less than 1.2 million annual operations (current level 950,000).
- After $15 billion, within three years of completion (2016)
  - 11 minutes average all weather delays- (compared to 9 minutes current delays*)
  - 43 minutes IFR delays- (compared to 39 minutes current delays*)
    (*City's January 2003 delay analysis.)
- Phase 1 of OMP (two new runways) will produce worse results
  - At only 1.1 million operations, according to FAA/City's own analysis, delays will be
    - 11 minutes average all weather
    - 52 minutes IFR

- City already rejected Phase 1 as a viable alternative because it "reaches excessive delays and gridlocks." City Master Plan Section 5.1.4, page V-42.

- Airlines have only agreed to Phase 1 (i.e. City received "Majority in Interest" approval only for Phase 1).
- Full OMP impossible to finance (American has already vetoed terminal portion).
- Both Phase I and or/OMP leaves Chicago region far short of the needed capacity — OMP cannot accommodate projected O'Hare traffic, let alone the regional shortfall that will result with Midway being soon over-capacity. 4
- Ten years of construction chaos and disruption.

Destruction Before Decision

- City and FAA Using Piecemeal Process Leading To Approval of Airport Layout Plan
  - Before FAA evaluates full costs of project
  - Before FAA determines if plan can be financed
  - Before FAA determines if benefits outweigh costs
- FAA plans to issue a tentative decision in February (a Draft Environmental Impact Statement) before it has evaluated the merits of the project.
- DEIS will create a fait accompli.
- Once ALP approved the City will acquire and demolish homes, businesses and religious cemeteries.
- Once ALP approved and properties/cemeteries demolished, Government will be committed to completing the project. 5

Impact on Religious Cemeteries

- Two 150 year old religious cemeteries will be destroyed by OMP.
- The cemeteries remain active religious institutions' for worshippers who believe that the cemeteries are sacred ground and the remains must be undisturbed until Judgment Day.
- Religious Cemeteries are protected by the Federal Religious Freedom Restoration Act and First Amendment of U.S. Constitution
- RFRA requires FAA to demonstrate
  - Compelling governmental need for destruction of religious cemeteries
  - No alternative that would avoid destruction.
- FAA cannot meet RFRA requirements
  - OMP will cost too much, can't be financed and will increase not reduce delays.
  - There are a number of on-airport and off-airport alternatives
    - Implementation of FAA Delay Task Force Recommendations
    - Other on-airport configurations
    - Reliance on other airports, including the proposed South Suburban Airport
    - Demand management
      - O'Hare currently has demand management hourly flight cap
      - LaGuardia has flight cap/lottery and high-density rule slot limits
      - DCA has high-density rule slot limits

"Western Access" To O'Hare Is A Myth

- "Western access" requires that the best two runways (14/32s) be destroyed.
- "Western access" assumes that either United or American will finance a "western terminal" far from their core terminals — American won't do it and United cannot afford it (United already in default on the terminal 1 bonds.)
- "Western access" requires passengers with unchecked baggage using the existing terminals to park their cars in a western lot — take bus to the western terminal — and then take 1 hour off-airport bus ride to the eastern entrance to the airport.
- For a cost exceeding $15 billion, "western access" gives passengers a one hour bus ride.

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FAA Should Defer ALP and DEIS Until It Fully Evaluates the Merits of OMP

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