



Congestion Management

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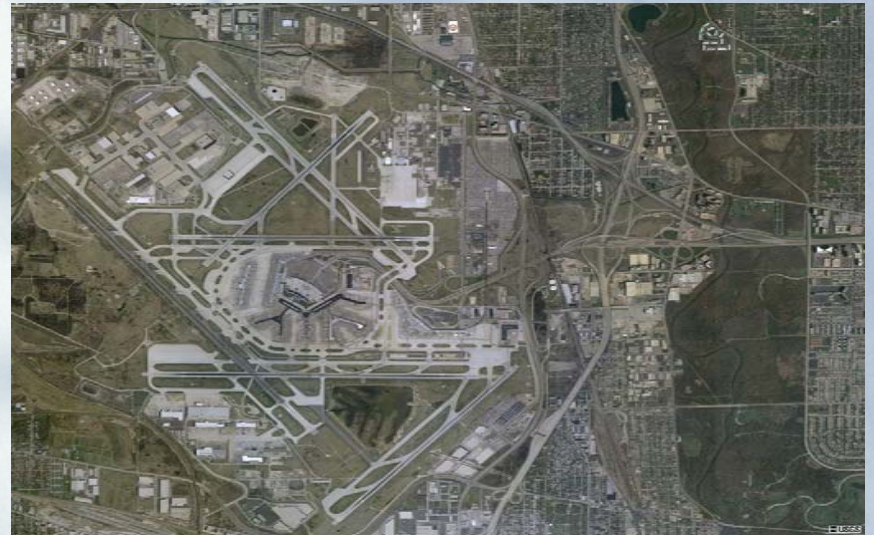
June 07, 2007

Connecting
People & Business



Perspective

- Hub Airport
- International Traffic
- Small GA Component
- Runway Expansion Possible



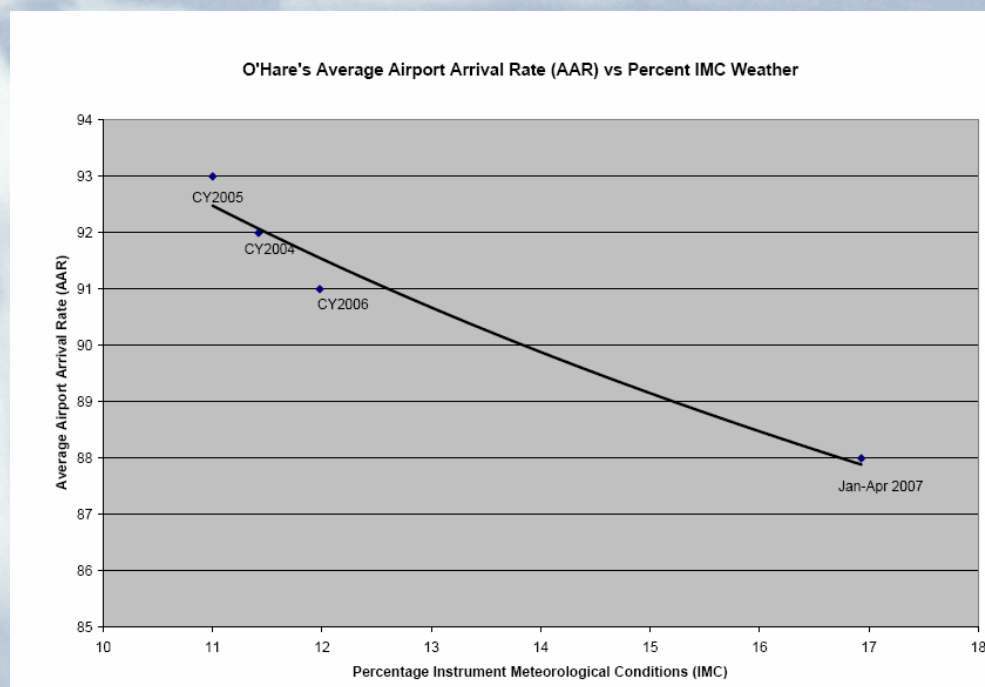


Background

- HDR
- Scheduling Meetings
- Show Cause Order
- Rule



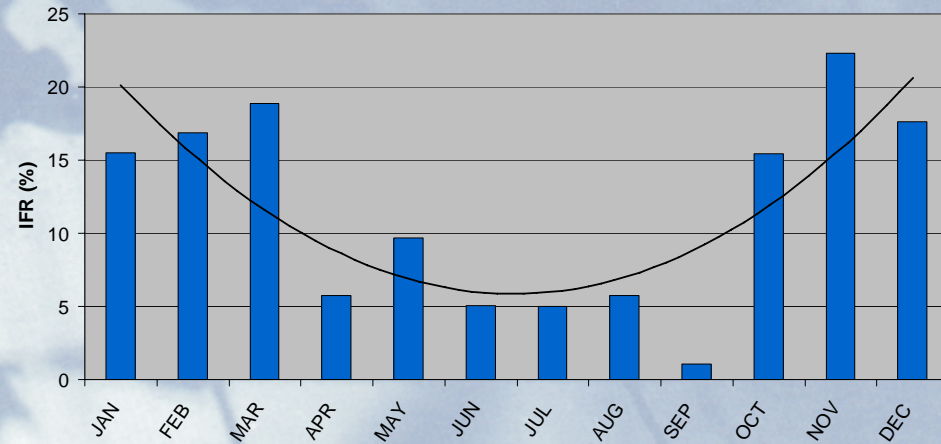
- Airfield/Weather
 - VMC/IMC imbalance
 - VMC AAR 100-96
 - IMC AAR 80-72
 - AAR is not actual capacity
- Schedule



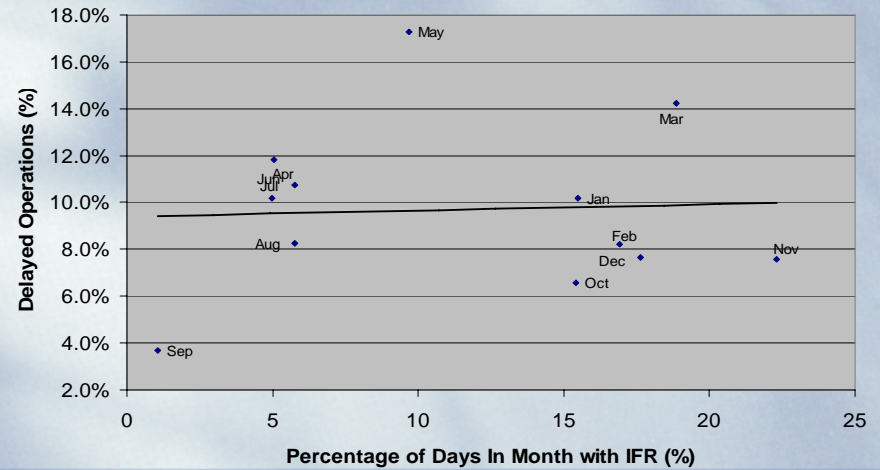


- Know your airport

PERCENT IFR



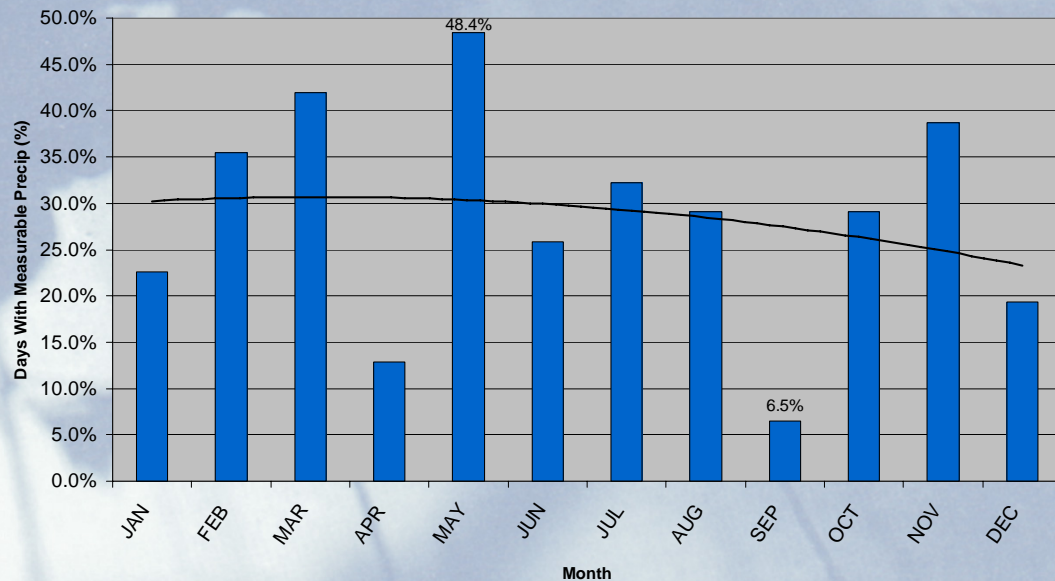
PERCENT DAYS IN MONTH WITH IFR Vs. PERCENT DELAYED OPERATIONS



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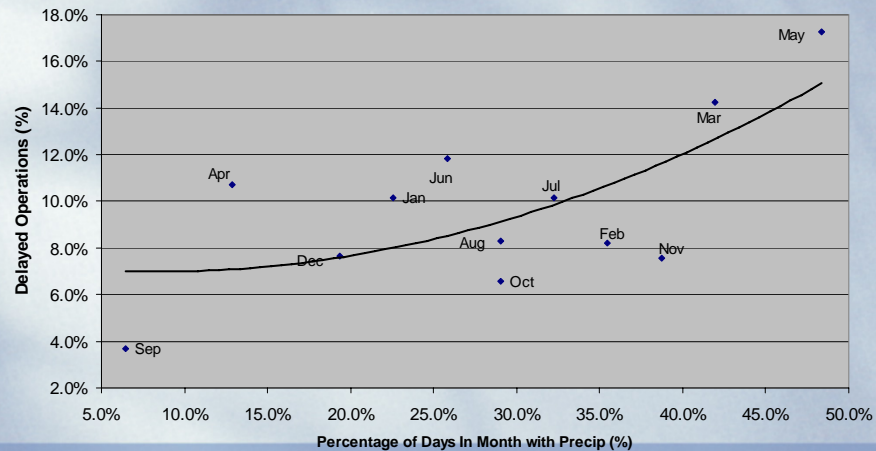


PERCENTAGE OF DAYS WITH MEASURABLE PRECIPITATION

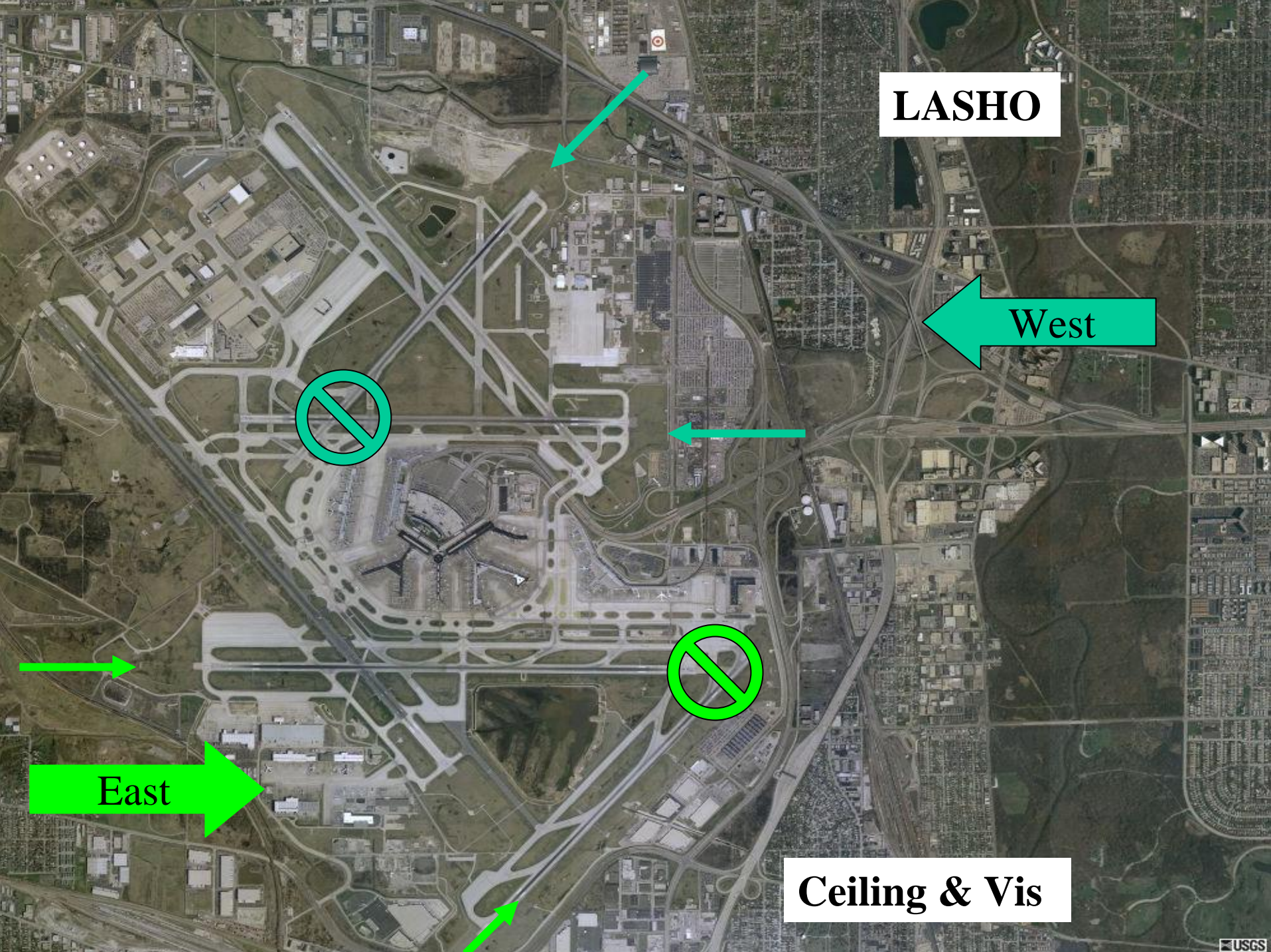


- Know your airport

PERCENT DAYS IN MONTH WITH PRECIP VS. PERCENT DELAYED OPERATIONS



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LASHO

West



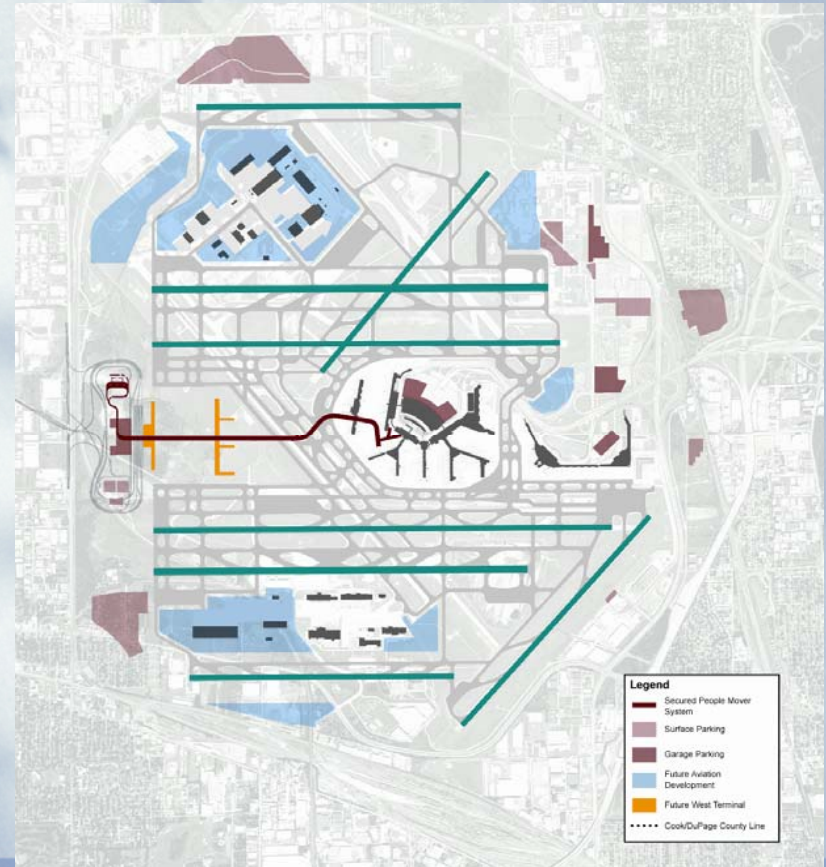
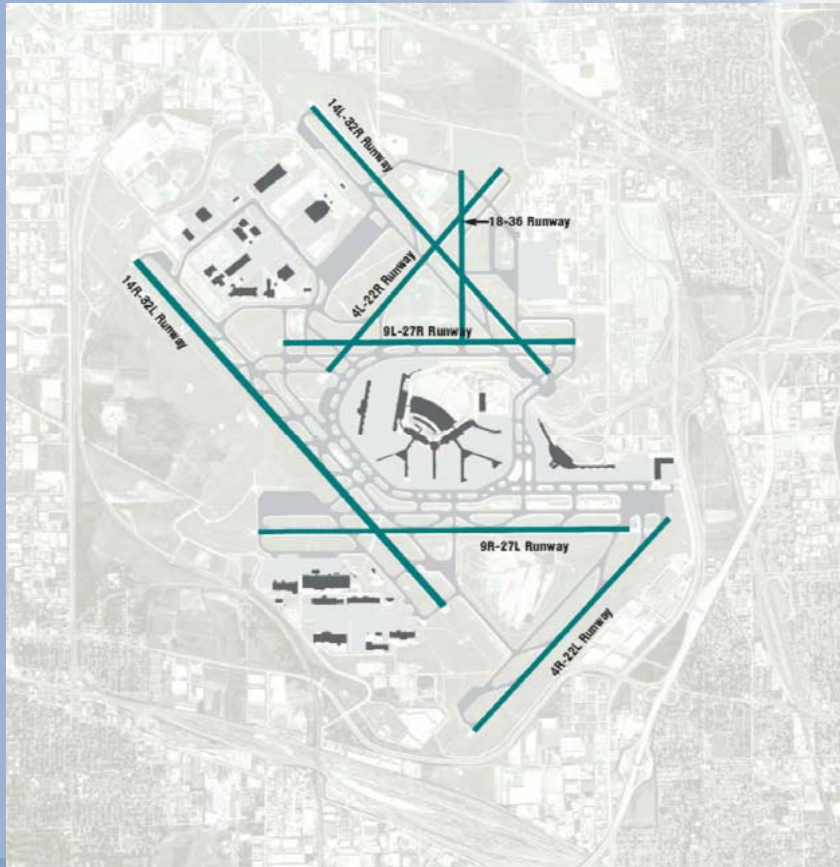
East

Ceiling & Vis



CHICAGO AIRPORT SYSTEM

Future Airfield



Connecting
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Congestion Management

- In general, not interested in congestion management
 - Solving congestion through adding capacity
- Why?
 - Anti-competitive
 - Economically damaging
 - Can be self-defeating



Competition

- Airport Planning-Urban Planning-Business Strategy
- Interregional
 - ORD and other hubs
- Intraregional
 - ORD-MDW/MKE



Economically Damaging

- O'Hare's economic impact
 - Existing \$38B
 - Modernized \$56B
- Small Communities
 - Domestic B737
 - \$34M
 - International B777
 - \$133M
 - PFC's
 - Landing fees



Self-defeating

- HDR and O'Hare Modernization Program
- Protectionism
- Disincentive
- Playing with Fire



Congestion Management

- Which Kind?
 - Administrative
 - Auctions
 - Pricing
- Flexibility
- Congestion management proceeds/slot ownership
- Minimize regulatory burden
- Use-or-lose and slot life



Which Kind?

- Administrative
 - Devil you know
 - Small community new entrant treatment
- Auctions
 - Self-defeating issues
 - Small community new entrant treatment
- Pricing
 - Control the fees and funds
 - Cost per enplanement
 - Flexibility on small community and international fees



Flexibility

- Adjustable rate
 - ORD from 88 to 98 AAR
- Seasonality



Proceeds/Slot Ownership

- Airport should receive congestion management proceeds. Why?
 - We're the only one that can solve the problem
 - Gate or runway
 - Regional economic damage
- Feds
 - Redistribution
 - Airport mad and so are the airlines
- Airlines
 - Shareholders
- No outside entities should have ownership



Regulatory Burden

- Opportunities
 - International flights
 - Weekends
- Pricing fees are the norm



Use-or-lose and slot life

- Scarce resource can't be wasted
- 80%
 - Is it 80%? Watch the weekends
- Short life span to prevent self-defeating perpetuation
 - ORD from 2002 to new runways in 2008
 - Closely spaced in the future?