

DVRPC

RAC Meeting

DECEMBER 15, 2011

- AGENDA
- MINUTES *from September 29, 2011*
- NEWS ARTICLES



SPECIAL PRESENTATION: TOM THATCHER

Title: NJ Airport Aid Procedures - From the Airports' Viewpoint



Delaware Valley Regional Planning Commission
190 N. Independence Mall West
Philadelphia, PA 19106
(215) 592-1800



P - Parking (Daily and Monthly)
P - Parking (Daily Only)



BY AUTOMOBILE

DVRPC is located in the American College of Physicians (ACP) Building.

From Western PA:

Take I-76 East (PA Turnpike) to Exit 326 Valley Forge Interchange. Continue East on I-76 (Schuylkill Expressway) to Exit 344, which is I-676 (Vine Street Expressway). Get off I-676 at Ben Franklin Br. (4th Exit). Stay right, following signs to 6th Street/Independence Mall. Make a right at the end of the exit (at the traffic light) onto 6th Street. The Building is located on the right side, at 6th and Race Streets.

From Northeastern PA:

Take I-476 south (PA Turnpike - NE Extension, formerly Rt. 9) to Exit 16, I-76 (Schuylkill Expressway), and take I-76 East to Exit 344 (I-676 (Vine Street Expressway). Get off I-676 at Ben Franklin Br. (4th Exit). Stay right, following signs to 6th Street/Independence Mall. Make a right at the end of the exit (at the traffic light) onto 6th Street. The Building is located on the right side, at 6th and Race Streets.

From Central New Jersey (Trenton area):

Take I-95 South to I-676 West/Callowhill Street Exit. Stay to the far right and get off immediately at the Callowhill Street Exit (local traffic). At the light, make a right and get into the far left lane. Make a left on 6th Street. The Building is located on the right side, at 6th and Race Streets.

From Northern and Southern New Jersey:

Take the New Jersey Turnpike to Exit 4 (Rt. 73). Take Rt. 73 North to Rt. 38 West. Take Rt. 38 West to the Benjamin Franklin Bridge. Cross the bridge staying in the far right lane. Exit at 5th Street. Take 5th Street to Callowhill Street and make left. From Callowhill Street make left on to 6th Street. The Building is located on the right side, at 6th and Race Streets.

From Delaware:

Take I-95 North to I-676 West (left lane of I-95). On exit ramp, stay to the right and get off immediately at the Callowhill Street Exit (local traffic). Merge onto Callowhill Street and stay in the left lane. Make a left onto 6th Street. The Building is located on the right side, at 6th and Race Streets.

BY PUBLIC TRANSIT

Amtrak:

Take Amtrak to 30th Street Station. Exit the station at 30th Street. The subway entrance is located at the NW corner of 30th and Market Streets. Take the Market-Frankford Line (blue) Eastbound towards Frankford. Get off at 5th Street. Walk north on 5th Street to Race Street and walk west to 6th Street.

SEPTA Regional Rail:

Regional Rail lines stop at Market East Station (11th and Market Streets). Walk East on Market to 6th Street then north on 6th to Race Street or take the Market-Frankford Line (blue) Eastbound towards Frankford. Get off at 5th Street. Walk north on 5th Street to Race Street and walk west to 6th Street.

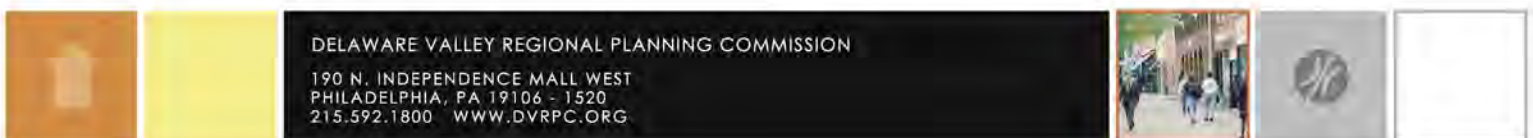
SEPTA Blue Line:

When riding the Market-Frankford Elevated-Subway, get off at 5th Street. Walk north on 5th Street to Race Street and walk west to 6th Street.

PATCO:

Take PATCO to the 8th & Market Street stop. Walk East to 6th Street then north to Race Street.

Parking is available at the Constitution Center across from the building. The entrance is on Race Street. From 6th Street make a left on to Race Street. Parking entrance is on the right.



DELAWARE VALLEY REGIONAL PLANNING COMMISSION

**REGIONAL AVIATION COMMITTEE MEETING
(RAC)**

Thursday December 15, 2011

10:00 AM

Please note:

Coffee will be available in the morning;

Lunch will be served after the meeting!

American College of Physician's Building
190 N. Independence Mall West, 8th Floor
(6th & Race Streets)
(Philadelphia, PA 19106)
(215) 592-1800

AGENDA

1. Introductions

2. Minutes of the of September 29, 2011RAC Meeting

3. Status of Regional Airport Systems Implementation (2Min Reports)

- a. Chester County, Philadelphia International, Northeast Philadelphia, Doylestown, Camden County, Quakertown, Trenton-Mercer, New Castle County, Pottstown Municipal, South Jersey Regional, Heritage Field, Cross Keys, Summit, Flying W, Pennridge, Wings Field, New Garden, Brandywine, Trenton-Robbinsville, Perkiomen Valley, Cecil County, Red Lion, Spitfire, Vansant, Penn's Landing Heliport, Total RF Heliport, Valley Forge Bicentennial Heliport, Horsham Airways Heliport, Philadelphia Seaplane Base.

4. Special Presentation

New Jersey Airport Aid Procedures – From an Airports' Viewpoint

Presentation by Thomas Thatcher, L. R. Kimball

5. Continuing Planning Activities

- a. DVRPC /PA Aircraft Operations Counting Programs
- b. DVRPC/NJDOT AWOS Project Status.
- d. DVRPC CASP 30 - Grant Preparation Status.

6. Capital Programming Status

- a. FAA funding program; Harrisburg ADO, Reauthorization Status Update. NPIAS Status; Possible Effects on DVRPC Aviation Planning Region.
- b. PA Funding Program; Status and Activities.
- c. New Jersey funding program; Status and Activities.
- d. Delaware Funding Program Status and Activities.

7. Old Business

- a. Legislative Updates:
 - PA HB 1100 Fixed Wing Tax Exemption
 - Other legislative updates: Input from the floor
- b. DE Aviation user fee and fuel tax update
- c. Any other Input from the Floor

8. New Business

- a. PA Aviation Advisory Committee Meeting: December 7, 2011 Recap main discussion points.
- b. NJ Aviation Association update of latest meeting discussion
- c. Mercer County Airport Strategic Land Use Study
- d. Any Input from the Floor.
- e. Public Comment Period
- f. Next RAC meeting date. Thursday, March 15, 2012, DVRPC offices.

Attachments

September 29, 2011 RAC Meeting Minutes including Sign in Sheet.

Federal Register Notices relevant to Aviation since September 30, 2011

Assorted News Articles

National and International News Articles:

Virginia airports-Key economic drivers, Modern air control vital to economy-

NextGen, Rise in leisure travel, hesitant US business travel, FAA presses NextGen details, Flight tax, Chicago airlines warn about new taxes, Fort Lauderdale runway extension, New revenue source adds on planes, Holiday fare hike, How to save your GA airport, LaHood speaks out about laser incidents, Senator Lieberman to hold aviation security hearing, Aviation fuel cost hurts but travel strong, Road travel cost expected to go up, NextGen bill before President soon, This FAA rule no longer flies, Aviation Bio fuels slow to take off, New ideas for plane efficiency at Cal-Poly, FAA appropriation bill passes, Tarmac delays do not justify new laws.

Airline News:

Southwest to link network, AA bankrupt, Airlines battle back to profit, NY flight-slot bids set up Southwest-JetBlue showdown, United brings economy plus seating, Proposed tax may hurt small cities air-service, Delta cutting international routes, Airline on-time performance, AA to file for chapter 11, PHL-PIT fare to jump 500 percent, AA bankruptcy spurs speculation of merger with US Airways, Casey urges US Airways to rethink PIT fare hikes.

Local News

Southern Chester County weeklies, AA and BA consolidate lounge at PHL, PHL CEP \$1.2B cost increase, Willow Grove NAS alternative development plans, PA House Bill 1100 advances, AC airport, Plan for Willow Grove NAS, LVIA: 'easy-come, easy-go' airport, PHL terminal D&E delayed by lawsuits

Minutes of the September 29, 2011

RAC Meeting

DELAWARE VALLEY REGIONAL PLANNING COMMISSION

Minutes of the September 29, 2011

Regional Aviation Committee Meeting

Attendee	Affiliation
Walker Allen	DVRPC
Chuck Boschen	PB
Robert Checchio	Mid-Atlantic Aviation Coalition
Ted Dahlburg	DVRPC
Brian D'Amico	DVRPC
Robert Dant	Aero Club PA
Justin Edwards	Trenton-Mercer Airport
Tamika Graham	WILMAPCO
Jan Kopple	Tran Systems/DPK&A
Frank Kulka	CHA
Lori Ledebohm	FAA HARADO
Edie Letherby	PennDOT Bureau of Aviation
Michael L. Lohr	Rutgers University
Shirley Loveless	Coleshill Associates, LLC, Temple University -Center for Sustainable Communities
Michael McCartney	Philadelphia International Airport
David Metzler	DVRPC
John Mininger	Bucks County Airport Authority
Roger Moog	Citizen
Bryant Oscarson	AECOM
Reiner Pelzer	DVRPC
Robert Powell	Cecil County Airport
Mary Scheuermann	PB
Fran Strouse	L.R. Kimball
Andre Szumylo	Michael Baker/PAC
John Ward	DVRPC
Tgist Zegeye	WILMOPCO

1. **Introductions and comments from the chair**

Chairman Mr. Mike McCartney opened the meeting at 10:04 and asked for a role call.

2. **September 29, 2011 meeting minutes**

The minutes of the September meeting were approved without comments.

3. **Status of Regional Airport Systems Implementation**

Chester County – Not represented

Philadelphia International

Mike McCartney reported that PHL had received \$466 million from the FAA in September for their capacity enhancement program. Design for restroom upgrade in the B/C area is 100% complete as well as design for Runway 9L/27R with bids in. Construction for Runway 9R safety area is 20% complete.

Northeast Philadelphia

Taxiway F,E,H,J rehab is nearly complete.

Doylestown

John Mininger reported that Doylestown just like PHL is also “rehabbing its bathrooms”. The ALP is still being updated. Apron pavement rehabilitation and crack-filling is complete. The airport is currently in the process of obtaining easements under the approach areas of each runway (5 and 23) to subsequently remove previously identified obstructions.

Camden County – Represented by consultant; nothing to report.

Quakertown

John Mininger reported that Quakertown is preparing aviation easements for the runway 11 approach (for 11 different parcels). Relocated and replaced fuel farm. The airport hopes to get a new card access fuel system started in the Spring.

Trenton-Mercer

Justin Edwards reported that the taxiway was substantially complete along with the air traffic control drainage project. Streamline charter was still

operating with two flights a day to Boston and were talking about the possibility of adding four additional destinations, among them destinations in Florida.

New Castle County – Not represented

Pottstown Municipal – Not represented

South Jersey Regional – Not represented

Heritage Field – Not represented

Cross Keys

The threshold relocation and lighting design has been submitted to the Township and Conservation District for approval. The submittal includes runway and taxiway lighting, vault and PAPIs. The runway and taxiway lighting bids are expected this Fall.

Summit – Not represented

Flying W – Not represented

Pennridge – Not represented

Wings Field

Fran Strouse reported that they had a successful Community Day at the airport. The construction of the new itinerant parking apron progresses without any major problems. Construction is projected to be finalized by the end of November. Construction on the SRE building is complete and the building was accepted by the Township.

New Garden

Phase 3 construction of the parallel taxiway is well underway. New t-hangar development is expected in the Spring.

Brandywine

Fran Strouse reported that the east portion of the taxiway rehab with improvements to the RSA/TSA is complete. The drainage design has been submitted to the Township for final approval. The airport beacon replacement is complete and operational. Brandywine received a grant for the purchase of a tug.

Trenton-Robbinsville – Not represented

Perkiomen Valley

Mother nature destroyed a most troublesome tree during a recent storm. The airport is now able to move forward on a PAPI and has received a Grant Tentative Allocation for Phase 2 Obstruction Removal. However, the airport owners do not intend to enter into a Phase 2 agreement with the BOA until there is a clear indication that the obstructions sited in the original obstruction removal study can be mitigated without major opposition from the land owners.

Cecil County

Robert Powell reported the shop is busy and fuel sales are up thanks to lower fuel prices. Snow markers will go in shortly. New 10 Unit Tee Hangar and Terminal Building are complete and occupied. Charter operations are doing OK and Medivac operations continue. Some projects are currently on hold until economic conditions improve. Mr. Powell would like to leave RAC with this comment: As we navigate these difficult economic times we must be reminded that they are especially difficult for non-federally recognized airports. There is great uncertainty as to the future of privately owned public-use airports as no one knows where the funding is going to come from. In recent decades the number of pilots has dropped from 800,000 to 600,000 and younger pilots are not emerging in sufficient numbers. We cannot understate the challenge for funds and the irreplaceable nature of small public-use airports.

Red Lion – Not represented

Spitfire – Not represented

Van Sant

Obstruction plan is coming along and Tinicum Township, in Bucks County, is in the final stages of adopting their airport hazard zoning ordinance.

Penn's Landing Heliport – Not represented

Total RF Heliport – Not represented

Valley Forge Bicentennial Heliport – Not represented

Horsham Airways Heliport – Not represented

Philadelphia Seaplane Base – Not represented

4. Special Presentation

High Speed Rail Proposal for the Northeast Corridor

This was a summary presentation of a plan put forward by the 2011 PennDesign Studio on the implementation of High-speed Rail in the Northeast Corridor. The primary focus areas of the project's research included proposals for government and financial structures to make the plan a reality as well as an analysis of the economic benefits and value-capture strategies cities could adopt to maximize the investment. In this presentation to the Regional Aviation Committee, special emphasis was given to the inadequacies of the existing transportation system to accommodate future demand, the role High-speed Rail could play in facilitating mobility throughout the mega-region, and the impact such service would have on aviation. Some of the benefits discussed included freed capacity at congested airports such as LaGuardia as well as expanded markets through code-share agreements if strategic integration occurred between the two modes.

A copy of the power point presentation can be found on the DVRPC website: <http://www.dvrpc.org/Aviation/RAC.htm>

5. Continuing Planning Activities

a. DVRPC/PA Aircraft Operations Counting Program

Mr. David Metzler reported on the completion of the out of the region PA counts at Schuylkill County (ZER), Jake Arner (22N), Queen City (XLL) and Wilkes-Barre/Wyoming Valley (WBW)

b. DVRPC/NJDOT AWOS Project Status

Mr. Pelzer reported that the AWOS project was 85% complete. The last two airports Spitfire Aerodrome and Solberg are facing some obstacles in reaching completion. Spitfire's 7460-1 hazard determination application is held up in the FAA Atlanta office, but should be released soon. NJDOT decided, on the airport owner's request, to re-sight the AWOS from its original site determination to a new location across the runway. NJ DOT will pay the cost increase for the relocation. A new form 7460-1 has to be filed. It is expected to receive a hazard determination of the new site by early 2012. FAA commissioning is to follow for all sites. Mr. Pelzer is currently attempting to set up commissioning dates for those sites installed and file all appropriate paperwork.

c. Willow Grove Update

The HLRA has informed the Bucks County Airport Authority (BCAA) in a formal letter that their NOI application was not accepted. John Mininger, chairman of the BCAA explained that his organization stepped

up to the plate because they felt they were the only public entity to do so and therefore eligible to submit a NOI. The submittal has been criticized by locals for being filed by a non-local organization, despite the fact that Bucks County borders the airport's perimeters. BCAA's first choice was always a joint Bucks/Montgomery County Airport Authority. Their second preference would be a resurrected Montgomery Airport Authority and their third choice was BCAA. However, at the time of the NOI submittal Montgomery County was not committed to a joint filing. Mr. Mininger indicated that the BCAA submitted a letter to the HLRA indicating their non-acceptance of the provided reasoning for the rejection of their NOI submittal and requested a more thorough review and the consideration of a Phase I economic impact study that was provided to the HLRA one week before the final NOI decision was reached. The HLRA declared there was not enough time to review the additional material. Mr. Pelzer thanked the BCAA for their leadership on this issue and indicated that a truly irreplaceable transportation infrastructure will be lost not just to Horsham but to the greater Philadelphia and Delaware Valley Region if the NOI submittal from the BCAA is not reevaluated by the HLRA.

6. Capital Programming Status

a. FAA Update

Lori Ledeborn reported that the FAA is still in business after a few summer weeks of furlough but the current extension only keeps the agency going until January. No indications at the present time of any funding to pass down to airports yet, and she has no idea of when or if such funding will become available. The ECIP, a web-based system, is in pilot study right now.

b. PennDOT Update

Edie Letherby reported that the statewide zoning workshop helped propel compliance from 27% to 34%. A number of bigger airports have taken state funding to get municipalities onboard to adopt an airport zoning ordinance. Mrs. Letherby expects close to 50% compliance once several ongoing projects are complete and she noted the state was seeing benefits they hadn't expected to see. A recent PennDOT study on transportation recommendations was published and the state just finished an economic impact study. The previous study dates back to 1999.

c. New Jersey Update

No NJDOT officials were present today. Bob Cecchio reported that NJ aviation now receives funding from the Transportation Trust Fund (TTF). The DOT operates under advice that any money from the TTF could only be used under TTF criteria. Things like design, travel expenses, prevention, aviation promotion and research do not qualify for funding according to these criteria.

On another note, the State ordered a Somerset airport neighbor to remove a tree, asserting its statutory right to do so. This is the first time in recent memory that the State of New Jersey has done this. The deadline for removal of the tree has passed and Mr. Cecchio will report on the status of the situation at the next meeting.

d. Delaware Update

Bobbi Geier reported that Delaware was still trying to push through jet fuel tax and registration fee in the state legislature. On November 5th, they will sponsor the first ever Aviation Career Day.

7. Old Business

a. Legislative Update

Reiner Pelzer reported that the PA tax exemption for fixed-wing aircraft (HB 1100) is currently on the House floor and is hoping it will pass through. PA has seen positive impacts from the tax exemption of rotor-wing. Mr. Pelzer will update the Committee on the status of the bill at the next meeting.

8. New Business

- a. Next RAC meeting is December 15, 2011, DVRPC offices
- b. No public comments

Aviation Related Notices of Rules and Regulations Published in the Federal Register

(September 30 – December 1)

[FR Doc. 2011-27367 Filed 10-24-11; 8:45 am]

BILLING CODE 4910-13-C

DEPARTMENT OF TRANSPORTATION**Federal Aviation Administration****14 CFR Part 97****[Docket No. 30809; Amdt. No. 3449]****Standard Instrument Approach Procedures, and Takeoff Minimums and Obstacle Departure Procedures; Miscellaneous Amendments****AGENCY:** Federal Aviation Administration (FAA), DOT.**ACTION:** Final rule.

SUMMARY: This rule establishes, amends, suspends, or revokes Standard Instrument Approach Procedures (SIAPs) and associated Takeoff Minimums and Obstacle Departure Procedures for operations at certain airports. These regulatory actions are needed because of the adoption of new or revised criteria, or because of changes occurring in the National Airspace System, such as the commissioning of new navigational facilities, adding new obstacles, or changing air traffic requirements. These changes are designed to provide safe and efficient use of the navigable airspace and to promote safe flight operations under instrument flight rules at the affected airports.

DATES: This rule is effective October 25, 2011. The compliance date for each SIAP, associated Takeoff Minimums, and ODP is specified in the amendatory provisions.

The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of October 25, 2011.

ADDRESSES: Availability of matter incorporated by reference in the amendment is as follows:

For Examination—

1. FAA Rules Docket, FAA Headquarters Building, 800 Independence Avenue, SW., Washington, DC 20591;

2. The FAA Regional Office of the region in which the affected airport is located;

3. The National Flight Procedures Office, 6500 South MacArthur Blvd., Oklahoma City, OK 73169 or

4. The National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: <http://www.archives.gov/>

*federal register/
code of federal regulations/
ibr_locations.html.*

*Availability—*All SIAPs are available online free of charge. Visit nfdc.faa.gov to register. Additionally, individual SIAP and Takeoff Minimums and ODP copies may be obtained from:

1. FAA Public Inquiry Center (APA-200), FAA Headquarters Building, 800 Independence Avenue, SW., Washington, DC 20591; or

2. The FAA Regional Office of the region in which the affected airport is located.

FOR FURTHER INFORMATION CONTACT:

Richard A. Dunham III, Flight Procedure Standards Branch (AFS-420) Flight Technologies and Programs Division, Flight Standards Service, Federal Aviation Administration, Mike Monroney Aeronautical Center, 6500 South MacArthur Blvd., Oklahoma City, OK 73169 (Mail Address: P.O. Box 25082, Oklahoma City, OK 73125) telephone: (405) 954-4164.

SUPPLEMENTARY INFORMATION: This rule amends Title 14, Code of Federal Regulations, Part 97 (14 CFR part 97) by amending the referenced SIAPs. The complete regulatory description of each SIAP is listed on the appropriate FAA Form 8260, as modified by the National Flight Data Center (FDC)/Permanent Notice to Airmen (P-NOTAM), and is incorporated by reference in the amendment under 5 U.S.C. 552(a), 1 CFR part 51, and § 97.20 of Title 14 of the Code of Federal Regulations.

The large number of SIAPs, their complex nature, and the need for a special format make their verbatim publication in the **Federal Register** expensive and impractical. Further, airmen do not use the regulatory text of the SIAPs, but refer to their graphic depiction on charts printed by publishers of aeronautical materials. Thus, the advantages of incorporation by reference are realized and publication of the complete description of each SIAP contained in FAA form documents is unnecessary. This amendment provides the affected CFR sections and specifies the types of SIAP and the corresponding effective dates. This amendment also identifies the airport and its location, the procedure and the amendment number.

The Rule

This amendment to 14 CFR part 97 is effective upon publication of each separate SIAP as amended in the transmittal. For safety and timeliness of change considerations, this amendment incorporates only specific changes

contained for each SIAP as modified by FDC/P-NOTAMs.

The SIAPs, as modified by FDC P-NOTAM, and contained in this amendment are based on the criteria contained in the U.S. Standard for Terminal Instrument Procedures (TERPS). In developing these changes to SIAPs, the TERPS criteria were applied only to specific conditions existing at the affected airports. All SIAP amendments in this rule have been previously issued by the FAA in a FDC NOTAM as an emergency action of immediate flight safety relating directly to published aeronautical charts. The circumstances which created the need for all these SIAP amendments requires making them effective in less than 30 days.

Because of the close and immediate relationship between these SIAPs and safety in air commerce, I find that notice and public procedure before adopting these SIAPs are impracticable and contrary to the public interest and, where applicable, that good cause exists for making these SIAPs effective in less than 30 days.

Conclusion

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore—(1) is not a “significant regulatory action” under Executive Order 12866; (2) is not a “significant rule” under DOT regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. For the same reason, the FAA certifies that this amendment will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 97

Air Traffic Control, Airports, Incorporation by reference, and Navigation (air).

Issued in Washington, DC, on October 14, 2011.

Ray Towles,*Deputy Director, Flight Standards Service.***Adoption of the Amendment**

Accordingly, pursuant to the authority delegated to me, Title 14, Code of Federal Regulations, Part 97, 14 CFR part 97, is amended by amending Standard Instrument Approach Procedures, effective at 0901 UTC on the dates specified, as follows:

• *Mail:* Address your comments to the Office of Regulations, Social Security Administration, 107 Altmeyer Building, 6401 Security Boulevard, Baltimore, Maryland 21235-6401. Comments are available for public viewing on the Federal eRulemaking portal at <http://www.regulations.gov> or in person, during regular business hours, by arranging with the contact person identified below.

FOR FURTHER INFORMATION CONTACT: Mariangela Rosa, Social Security Administration, 6401 Security Boulevard, Baltimore, MD 21235-6401, 1-877-794-7395 or e-mail SSA.504@ssa.gov. For information on eligibility or filing for benefits, call our national toll-free number, 1-800-772-1213 or TTY 1-800-325-0778, or visit our Internet site, Social Security Online, at <http://www.socialsecurity.gov>.

Dated: October 17, 2011.

Michael J. Astrue,

Commissioner of Social Security

[FR Doc. 2011-27353 Filed 10-21-11; 8:45 am]

BILLING CODE 4191-02-P

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

Application of Friendship Airways, Inc. d/b/a Yellow Air Taxi for Commuter Authority

AGENCY: Department of Transportation.

ACTION: Notice of Order to Show Cause (Order 2011-10-9), Docket DOT-OST-2005-21533.

SUMMARY: The Department of Transportation is directing all interested persons to show cause why it should revoke the Commuter Air Carrier Authorization issued to Friendship Airways, Inc. d/b/a Yellow Air Taxi and deny its application to resume commuter operations, pursuant to 49 U.S.C. 40109(f) and 14 CFR part 298.

DATES: Persons wishing to file objections should do so no later than November 1, 2011.

ADDRESSES: Objections and answers to objections should be filed in Docket DOT-OST-2005-21533 and addressed to U.S. Department of Transportation, Docket Operations, (M-30, Room W12-140), 1200 New Jersey Avenue, SE., West Building Ground Floor, Washington, DC 20590, and should be served upon the parties listed in Attachment A to the order.

FOR FURTHER INFORMATION CONTACT: Catherine J. O'Toole, Air Carrier Fitness Division (X-56, Room W86-489), U.S. Department of Transportation, 1200

New Jersey Avenue, SE., Washington, DC 20590, (202) 366-9721.

Dated: October 18, 2011.

Susan L. Kurland,

Assistant Secretary for Aviation and International Affairs.

[FR Doc. 2011-27455 Filed 10-21-11; 8:45 am]

BILLING CODE P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Airport Improvement Program: Modifications to Benefit Cost Analysis (BCA) Threshold

AGENCY: Federal Aviation Administration (FAA); DOT.

ACTION: Notice of changes; comments and responses.

SUMMARY: This document announces the publication of the final policy changes to the Federal Aviation Administration's policy requiring a benefit cost analysis (BCA) for capacity projects funded by Airport Improvement Program (AIP) discretionary funds. On December 16, 2010, the FAA issued a *Notice of Availability of Draft Guidance and Request for Comments* with regard to the modification of its policy requiring benefit cost analyses (BCA) for capacity projects, which was published in the **Federal Register**. (78 FR 78798-02, December 16, 2010). The FAA now is (1) Issuing the final policy modifying the threshold at which BCAs are required from \$5 million to \$10 million in Airport Improvement Program (AIP) Discretionary funds, and (2) responding to comments requested in the Notice on December 16, 2010.

DATES: Effective date of the modified policy: October 24, 2011.

ADDRESSES: Copies of the final guidance to begin the implementation of the policy for conducting BCAs can be obtained from the Federal Aviation Administration, Office of Airport Planning and Programming, Airports Financial Assistance Division (APP-500), 800 Independence Avenue, SW., Washington, DC 20591. An electronic copy of the guidance will be posted on the FAA's Airport's Division Web site at http://www.faa.gov/airports/aip/bc_analysis within 7 days of publication of this notice.

FOR FURTHER INFORMATION CONTACT: Frank San Martin, Manager, Financial Assistance Division (APP-500), Office of Airport Planning and Programming, Federal Aviation Administration, 800 Independence Avenue, SW., Washington, DC 20591, (202) 267-3831.

SUPPLEMENTARY INFORMATION:

A. Background

Policy History

In 1994, the FAA established its policy on Benefit Cost Analysis (BCA) requirements for airport capacity projects. Factors leading to these requirements included:

1. The need to improve the effectiveness of federal airport infrastructure investments in light of a decline in federal AIP budgets;
2. Issuance of Executive Order No. 12893, "*Principles for Federal Infrastructure Investments*," 59 FR 4233, Jan. 26, 1994;
3. Guidance from Congress citing the need for economic airport investment criteria; and
4. Statutory language from 1994 included in Title 49 U.S.C. 47115 (d) specifying that, in selecting projects for discretionary grants to preserve and enhance capacity at airports, the Secretary shall consider the benefits and costs of the projects.

The FAA implemented BCA requirements for capacity projects at all categories of airports in order to limit the FAA's risks when investing large amounts of discretionary funds. The FAA uses the conclusions reached in the BCA review to make policy and funding decisions on possible future federal investments.

In 1997, a new FAA policy transferred responsibility for preparing BCAs from the FAA to the sponsor. In addition, the policy lowered the projected cost threshold from \$10 million in AIP discretionary funds (established in 1994) to \$5 million.

The \$5 million threshold change was made policy in 1997 and formalized in a 1999 **Federal Register** notice, *Federal Aviation Administration Policy and Final Guidance Regarding Benefit Cost Analysis (BCA) on Airport Capacity Projects for FAA Decisions on Airport Improvement Program (AIP) Discretionary Grants and Letters of Intent (LOI)*, 64 FR 70107 (Dec. 15, 1999).

Since 1997, sponsors have been required to conduct BCAs for capacity projects for which more than \$5 million in AIP discretionary funding will be requested. In developing the new draft guidance increasing the threshold, the FAA reviewed the reasons for lowering the BCA threshold amount in 1997 and concluded that those reasons do not present sufficient basis to warrant maintaining the \$5 million level threshold today.

The FAA has gained valuable experience assessing the implementation of the policy and the need to further clarify the threshold

requirements for BCA. The \$5 million threshold has remained unchanged for over 13 years while costs of construction have risen significantly. Using a construction cost index that approximates heavy civil infrastructure costs and is maintained by the Bureau of Labor and Statistics, construction costs of \$5 million in 1997 are equivalent to costs of \$9.6 million in July 2011. FAA's use of BLS construction cost data is explained later in Section C. b. "Setting of the New Threshold Level."

Based on the increase in construction costs, the FAA has concluded that \$10 million in AIP Discretionary funds is the appropriate threshold for Fiscal Year 2012 and beyond. Though the BCA threshold is being increased, the FAA retains the right to require a BCA for any capacity project in order to evaluate the reasonableness of project costs relative to project benefits.

Procedural History

On December 16, 2010, the FAA published in the Federal Register a *Notice of Availability of Draft Guidance and Request for Comments* regarding the modification of its policy requiring benefit cost analyses (BCA) for capacity projects (78 FR 78798-02, December 16, 2010). This Notice requested comments on AIP grant and LOI cost threshold, above which BCAs must be performed; a total of three commenters responded to this request. Two commenters, the Airports Council International (ACI) and Mr. Joseph M. Polk of the Memphis-Shelby County Airport Authority, expressed support for the draft guidance, stating that it will reduce the need for potentially costly and time-consuming BCAs where limited AIP discretionary funds are involved. A third commenter, the Air Transport Association (ATA), expressed a series of questions and concerns about the draft guidance. The FAA has reviewed and addressed these comments below, consolidating and arranging them in a manner that enables us to best respond.

B. Modifications to Policy

The previous AIP grant policy, issued June 24, 1997 and commencing in Fiscal Year 1998, stated that airport sponsors seeking \$5 million or more in AIP discretionary funds for capacity projects were required to provide a completed BCA with the grant application. The Letters Of Intent (LOI) policy stated that a BCA was required for any LOI request to be issued in Fiscal Year 1997 or thereafter. In 1999, federal policy exempted certain reconstruction projects from the BCA requirement.

The FAA will be issuing a companion Program Guidance Letter (PGL) 12-01 titled "Revised BCA Guidance" on the date of publication in the **Federal Register** which incorporates the BCA requirement threshold modification from \$5 million to \$10 million in requested AIP Discretionary funds. This revised guidance is based on the report titled "Benefit Cost Analysis Threshold Evaluation" which assessed the technical feasibility for raising the threshold to \$10 million. A discussion of the evaluation and results is included in the PGL to inform FAA staff, airport sponsors, consultants and the public about the basis for this decision.

C. Discussion of Comments and Responses

On December 16, 2010, the FAA established a docket and invited airport sponsors and other interested parties to comment on the BCA requirement cost threshold for AIP grants and LOIs. The docket was open for about six weeks and closed on January 31, 2011. As stated above, this summary and discussion of comments reflects the major issues raised.

Comments From ACI and Mr. Polk

Both the Airports Council International (ACI) and Mr. Joseph Polk of the Memphis-Shelby County Airport Authority expressed support for the draft guidance. Mr. Polk cited economic inflation as resulting in grants below the \$10 million mark being "relatively small" for "most commercial airports." Mr. Polk also stated that this change "reduces bureaucracy and returns funding applications to a level that worked in the mid-90s." Similarly, ACI expressed support and stated that the new policy will reduce the need for "potentially costly and time-consuming BCAs when limited AIP discretionary funds are involved." The FAA agrees with these commenters as to the advantages of offsetting cost inflation and the resource conservation advantages of this new policy for all involved in the grant making process.

Comments From ATA

a. Cost/Benefit Statutory Requirement

ATA Comments: ATA stated that "FAA fails to recognize or give effect to the statutory requirement that the Secretary of Transportation must consider the benefits and costs of projects selected for discretionary grants. FAA does not even attempt to demonstrate that raising the threshold will not compromise the Secretary's ability to do so."

FAA Response: The FAA disagrees with the comment. The FAA does not require BCAs for all AIP projects, though the benefits and costs of all projects are thoroughly considered. The authorizing statute exempts certain projects from the BCA process where the underlying value of the type of project has already been subject to economic evaluations through regulation, advisory circulars, or an amendment process. In addition, to be eligible for federal funds AIP projects must comply with applicable federal regulations, including 14 CFR part 139, 49 CFR part 1542, and related FAA standards and policies. While the FAA relies on the BCA results, among other considerations, in making discretionary funding decisions for certain capacity projects, the BCA requirement is not imposed on all projects and BCA results are not the ultimate arbiter in determining grant decisions. Rather, the FAA pursues a balanced approach in applying the BCA policy to evaluate more expensive projects in order to protect the federal investment. The increase of the threshold amount from \$5 million to \$10 million does not change any other provisions related to the Secretary of Transportation's consideration of benefit and cost.

The FAA believes that the balancing of the benefits and costs of projects evaluated for analysis under this approach does not compromise but rather assists the Secretary in exercising this consideration. It is particularly important to note that the revised guidance still allows the FAA to require BCAs where the project costs fall below the threshold when such review is warranted by specific circumstances in consideration of all relevant factors.

b. Setting of the New Threshold Level

ATA Comments: ATA stated, "[t]he Notice first points out that a construction cost of \$5 million in 1997 was equivalent to \$9.8 million in July 2008, and then asserts that '[t]he \$5 million threshold has required both FAA and sponsors of non-primary and non-hub airports to devote substantial financial and staff resources in preparing and evaluating BCAs for relatively small projects with readily apparent capacity benefits.' However, the connection between the two statements is not supported by either the Notice or the draft [PGL] cited therein, and the conclusion that \$10 million is the appropriate threshold for determining whether a BCA is required is arbitrary."

FAA Response: The FAA disagrees with the comment. The FAA's decision to raise the BCA threshold to \$10

million in 2011 is based mainly on increases in construction costs from 1997 to present. When the original BCA threshold of \$10 million was established in 1994, FAA policy exempted projects undertaken solely or principally with the objectives of safety, security, conformance with FAA standards, or environmental mitigation. In addition, the FAA considered the potential expenses and time needed to assess individual capacity projects. At that time, the threshold was based on applying the policy to cover a select number of more expensive and higher risk projects, and this reasoning still applies. In reevaluating this balance, the FAA compared current construction costs with costs from 1997, when the threshold was lowered to \$5 million.

The FAA was most interested in the value of construction costs, especially costs for material such as steel, concrete, and asphalt, because those costs have risen faster than the general rate of inflation. Since we were unable to locate construction cost data specific to airport construction, we relied upon highway and street construction data collected by the Bureau of Labor and Statistics (BLS). These data were collected through 2010 and have since been replaced by the new BONS index, which measures material and supply inputs for new nonresidential construction. For more information about the BONS Index, see U.S. Department of Labor Bureau of Labor and Statistics, *PPI Detailed Report Data for July 2010*, Vol. 14 No. 7, 6–7 (2010). These data provide a reasonable approximation of heavy civil infrastructure costs in general, and therefore best capture the dynamics of construction cost increases.

Based on the latest BLS data from July 2011, construction costs of \$5 million in 1997 are equivalent to \$9.6 million today. As calculated, the costs of construction have risen significantly over the last 13 years, but there has not been a corresponding increase in the BCA threshold. The FAA does note that construction costs that were previously at the \$5 million level have not fully escalated to the \$10 million level; nevertheless, a threshold increase to \$10 million should negate the need to revisit the threshold issue again for a number of years.

c. Airport Project Construction Costs

ATA Comments: ATA stated “While construction costs in general have indeed increased since 1997, FAA has not relied on actual costs of airport projects funded with AIP discretionary grants during that time period, despite the potential benefit of reviewing that

data. (FAA notes in the PGL that ‘we were unable to locate construction cost data specific to airport construction,’ but does not explain why that data would not be readily available to the grant-maker.). Instead FAA has chosen to rely on highway and street construction data, which indicates that a \$5 million project would cost about \$8.6 million today, a decrease from the \$9.8 million in 2008 cited in the Notice. As the table appended to the PGL illustrates, construction costs, while exhibiting an overall upward trend, fluctuate both seasonally and from year to year. To suggest, as FAA does by increasing the threshold for BCAs from \$5 to \$10 million, that project construction costs have doubled since 1997 is simply not accurate.”

FAA Response: The FAA agrees with the comment that it has access to FAA grant funding data, but these data have limited application since they are focused on federal grant program administration requirements. The grant data make up only a percentage of the project costs and the percentages vary by airport size and project type. The data are not meant to provide detailed cost statistics for airport construction projects and are not available in a way that allows tracking of the unit costs of construction items over time. More importantly, the funding amounts are based on general project descriptions, which make it difficult to assess changes in costs per work unit. The FAA lacks the resources to compile and analyze bid tabulations from the several thousand projects funded annually through AIP.

The FAA currently uses, and will continue to use, the readily available construction cost data from the Bureau of Labor and Statistics because these cost indices are objective, accepted, and used industry wide. In addition, the BLS data allows for a comparison between a set of construction unit costs from 1997 to that same set of costs in the current time period, data that the FAA does not collect as part of the Airport Improvement Program (AIP) grant making process. The FAA collects data on total eligible AIP costs, but the level of detail is not sufficient to provide a statistical comparison of airport construction unit costs between 1997 and 2010. Collection of such information by the FAA would require significant resources, would take years to compile, and would create a new index of construction costs that is duplicative of the data provided by the BLS.

The FAA notes that the comment is correct that the most recent data indicate that construction costs have not

fully doubled.¹ The FAA would like to stress, however, that construction costs have risen significantly over the last 13 years and there has not been any corresponding increase in the BCA threshold. It is important that the FAA provides a well-justified threshold level that does not fluctuate at short intervals in order for airport sponsors to plan and develop projects in an efficient manner. Accordingly, as previously stated, although the escalation of costs has not yet reached the \$10 million level, a threshold increase to \$10 million should negate the need to revisit the threshold issue again for a number of years.

d. Capacity Benefits of Small Projects

ATA Comments: ATA stated “Even if the highway construction cost index is relevant, and even if one accepts FAA’s ‘rounding up’ of the numbers to support a threshold of \$10 million, it does not follow that raising the threshold would merely exempt ‘relatively small projects with readily apparent capacity benefits’ at non-primary and non-hub primary airports, as the Notice implies. Again, FAA has access to data that could support—or refute—this point. How many of the BCAs prepared or reviewed by FAA in the past five or ten years fall into this category? How many of those projects would come under \$10 million when adjusted for inflation? Are there any examples of projects in the \$5–10 million range where the capacity benefits were not ‘readily apparent’? And even if some capacity benefits are apparent, is it always the case that those benefits exceed the \$5–10 million cost?”

FAA response: The FAA disagrees with the comment. The FAA is not proposing to exempt “‘relatively small projects with readily apparent capacity benefits’ at non-primary and non-hub primary airports” from a thorough planning process, including an assessment of project benefits, by increasing the threshold to \$10 million. Rather, in these instances the FAA will rely on the traditional master planning, regional metropolitan planning, or statewide planning processes to sufficiently study and analyze the capacity benefits of a project instead of requiring a separate BCA for such projects.

In addressing this comment, the FAA reviewed 117 BCAs for capacity projects since the year 2000. Of those, only 12 projects had construction costs totaling less than \$10 million. If the threshold had increased to keep up with construction cost inflation, only one of

¹ The most current data (through July 2011) indicate a \$5 million project would cost about \$9.6 million today.

the 12 projects with costs under \$10 million would have avoided the BCA requirement. Based on the data in FAA's National Plan of Integrated Airport Systems, retaining the \$5 million threshold is likely to create an unnecessary resource burden in coming years. In the next five years alone there are more than 150 projects with capacity codes and/or project descriptions that appear to be capacity-related. Of these, 79 have total eligible project costs greater than \$10 million which typically coincide with discretionary requests in excess of \$5 million. This would likely result in project delays and corresponding increases in capital costs. By raising the threshold to \$10 million, the number of projects that may require a BCA will increase at a significantly slower rate. The FAA believes this would preserve a prudent balance between analysis and expenditure of AIP funds, particularly since the planning process itself requires an assessment of the capacity benefits of such projects.

e. Staff and Sponsor Resource Conservation

ATA Comments: ATA stated, "FAA cites staff and sponsor resources as a motivating factor in raising the threshold, but once again offers no evidence to support the conclusion that doing so will conserve these resources. It would be helpful to know how many projects FAA expects will be newly exempt from the BCA requirement in coming years, based on past experience with grant requests. Furthermore, when the threshold was lowered from \$10 million to \$5 million in 1997, it was done in conjunction with a shift of the responsibility for preparing a BCA from the FAA to the project sponsor. How much of the anticipated savings in staff resources will accrue to FAA, and how much to airport sponsors? ATA has a direct interest in this, since costs attributable to preparing BCAs are considered allowable airport planning costs, and, to the extent not covered by an AIP grant, may get passed back to airline tenants through inclusion in the rate base."

FAA Response: The FAA's main justification in increasing the threshold from \$5 million to \$10 million is to keep pace with the impact of inflation on construction costs. Consistent with the original BCA policy, in increasing this threshold the FAA seeks to balance oversight of expensive, high risk projects with limited time and monetary resources. Based on the data presented above there is strong evidence to suggest that retaining the existing threshold would significantly increase the number

of small capacity projects requiring formal BCA reviews. This would create additional project costs, lengthen the time required to implement a project, and create additional and duplicative levels of review by the FAA, airport staff, and airport users. Instead, the FAA will rely on existing master planning, metropolitan area planning, and statewide system planning to adequately address the capacity benefits of such projects. Anticipated savings will accrue to sponsors, airline tenants and the FAA, though the FAA is not currently able to directly quantify these savings.

g. Full Justification of Projects

ATA Comments: ATA stated "ATA recognizes that FAA's constrained resources may make the prospect of fewer BCAs to prepare or review appealing, but we must point out that in an era of limited funding it is all the more important that projects be fully justified in terms of benefits relative to costs. While BCAs may not be the only means to do this, FAA should ensure that it will not lose sight of this principle before it raises the threshold."

FAA Response: The FAA agrees with the comment that all projects must be fully justified in terms of benefits to the traveling public, aviation system users, and neighboring communities. However, not all projects that compete for limited AIP discretionary funds are subject to the BCA requirement. Instead, the BCA process is one of many tools the FAA uses to determine the capacity benefits of potential projects. The FAA relies on existing master planning, metropolitan area planning, and statewide system planning processes to adequately analyze and address the capacity benefits of such projects. As circumstances warrant, the FAA also requests BCAs or other economic evaluations be done for projects under the threshold.

Accordingly, after review of the public comments, the FAA has determined that the policy proposing to increase the BCA threshold from \$5 million to \$10 million in AIP Discretionary funds should be adopted now.

Issued in Washington, DC, on October 17, 2011.

Benito DeLeon,

Director, Office of Airport Planning and Programming.

[FR Doc. 2011-27364 Filed 10-21-11; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[Summary Notice No. PE-2011-48]

Petition for Exemption; Summary of Petition Received

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of petition for exemption received.

SUMMARY: This notice contains a summary of a petition seeking relief from specified requirements of 14 CFR. The purpose of this notice is to improve the public's awareness of, and participation in, this aspect of FAA's regulatory activities. Neither publication of this notice nor the inclusion or omission of information in the summary is intended to affect the legal status of the petition or its final disposition.

DATES: Comments on this petition must identify the petition docket number involved and must be received on or before November 14, 2011.

ADDRESSES: You may send comments identified by Docket Number *FAA-2011-1029* using any of the following methods:

- *Government-wide rulemaking Web site:* Go to <http://www.regulations.gov> and follow the instructions for sending your comments electronically.

- *Mail:* Send comments to the Docket Management Facility; U.S. Department of Transportation, 1200 New Jersey Avenue, SE., West Building Ground Floor, Room W12-140, Washington, DC 20590.

- *Fax:* Fax comments to the Docket Management Facility at 202-493-2251.

- *Hand Delivery:* Bring comments to the Docket Management Facility in Room W12-140 of the West Building Ground Floor at 1200 New Jersey Avenue, SE., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

Privacy: We will post all comments we receive, without change, to <http://www.regulations.gov>, including any personal information you provide. Using the search function of our docket Web site, anyone can find and read the comments received into any of our dockets, including the name of the individual sending the comment (or signing the comment for an association, business, labor union, etc.). You may review DOT's complete Privacy Act Statement in the **Federal Register** published on April 11, 2000 (65 FR 19477-78).

Docket: To read background documents or comments received, go to

<http://www.regulations.gov> at any time or to the Docket Management Facility in Room W12-140 of the West Building Ground Floor at 1200 New Jersey Avenue, SE., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Frances Shaver, ARM-207, (202) 267-4059, FAA, Office of Rulemaking, 800 Independence Ave., SW., Washington, DC 20591 or Walter Binkley, (405) 954-3284, FAA, Aircraft Registration Branch, PO Box 25504, Oklahoma City, OK 73125.

This notice is published pursuant to 14 CFR 11.85.

Issued in Washington, DC, on October 19, 2011.

Dennis R. Pratte,

Acting Director, Office of Rulemaking.

Petition for Exemption

Docket No.: FAA-2011-1029.

Petitioner: Maryland State Police Aviation Command.

Section of 14 CFR Affected: § 47.15(b).

Description of Relief Sought:

Maryland State Police Aviation Command requests relief from § 47.15(b). If granted, an exemption would allow Maryland State Police Aviation Command to use registration numbers "N1MSP" through "N11MSP" for its new AW139 medevac fleet.

[FR Doc. 2011-27432 Filed 10-21-11; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[Docket No. FAA-2010-0109]

Petition for Waiver of the Terms of the Order Limiting Scheduled Operations at LaGuardia Airport; Procedures for the Reallocation of Slots at Ronald Reagan Washington National Airport and LaGuardia Airport

AGENCY: Department of Transportation, Federal Aviation Administration (FAA).

ACTION: Notice of procedures for the reallocation of slots at Ronald Reagan Washington National Airport and LaGuardia Airport.

SUMMARY: Under this notice, the FAA announces the procedures for the reallocation of slots at Ronald Reagan Washington National Airport and LaGuardia Airport, which are being divested by Delta Air Lines, Inc. and US Airways, Inc. resulting from a grant of waiver to them.

SUPPLEMENTARY INFORMATION: On October 7, 2011, the Secretary of

Transportation and the Administrator of the Federal Aviation Administration (FAA) granted with conditions a joint waiver request by Delta Air Lines, Inc. (Delta) and US Airways, Inc. (US Airways) from the prohibition on purchasing operating authorizations (slots) at LaGuardia Airport (LGA). 76 FR 63702 (Oct. 13, 2011) (the Waiver). The Waiver permitted Delta and US Airways 30 days to accept the terms of the Waiver. They accepted by joint letter on October 12, 2011.

Among the conditions of the Waiver, the Secretary and the Administrator require Delta and US Airways collectively to dispose of 16 slots at Ronald Reagan Washington National Airport (DCA) and 32 slots at LGA. Those divested slots will be reallocated in one slot bundle for DCA and two slot bundles (of 16 slots each) for LGA to eligible new entrant and limited incumbent carriers. The following discussion describes the procedures and timelines for that reallocation.

Registration for the Slot Reallocation

The Waiver establishes that new entrant and limited incumbent carriers with less than five percent of the total slot holdings at DCA or LGA, and which do not code share to or from DCA or LGA with any carrier that has five percent or more of the total slot holdings, may participate in the reallocation at the respective airport. Eligible participating carriers also may not be subsidiaries, either partially or wholly owned, of a company whose combined slot holdings are equal to or greater than five percent of the total slot holdings at DCA or LGA respectively, with the exception of Frontier Airlines as noted in the Waiver.

Because the identities of slot bidders are undisclosed during the bidding period, the FAA is requiring registration by eligible carriers to participate in the reallocation process. Eligible carriers may register by e-mail to 7-awa-slotadmin@faa.gov between October 19 and October 28, 2011. Please include "DCA/LGA Slot Reallocation" in the email subject line. An eligible carrier must register as an individual carrier and may not submit a joint bid with another carrier. The registering carrier must indicate whether it intends to bid on slot bundles at DCA or LGA or both airports. The registering carrier must state whether there is common ownership or control of, by, or with any other carrier at the respective airport. Finally, the registering carrier must certify that it will disclose no purchase offer information to any person other than its agent.

The FAA will confirm eligibility and respond by email with a bidder identification number for each slot bundle no later than November 10, 2011.

Slot Bundles

The Waiver requires the divested slots to be reallocated in bundles. For DCA slots, there is one bundle of 16 slots (DCA Bundle). For LGA slots, there are two bundles of 16 slots each (LGA Bundle A and LGA Bundle B). The contents of the slot bundles are included in an appendix to this document.

Bidding on Slot Bundles

The Waiver permits a bidding period of seven business days. Accordingly, the bidding period will open at 9 a.m., Eastern time, on November 14, 2011, and it will close at 5 p.m., Eastern time, on November 22, 2011. Registered bidders may submit cash-only bids at any time during that bidding period and may submit multiple bids during the bidding period. The FAA will construe the latest received bid as that bidder's final bid.

Registered bidders may submit bids via email to 7-awa-slotadmin@faa.gov. Please include "DCA/LGA Slot Reallocation" in the e-mail subject line. The FAA requests the following format for required bid information in the body of the email:

Bidder Identification Number, Slot Bundle, Preference Ranking, Bid Price

The preference ranking applies only to the LGA slot bundles, and the FAA will use it only if one bidder submits the highest bid for both bundles. This preference ranking should be either a "1" (first priority) or a "2" (second priority).

The FAA will reject any bid that does not contain all required bid information. The FAA also will reject any bid received after 5 p.m., Eastern time, on November 22, 2011. The FAA will use its email system time stamp as the submission time of the bid. Bids are effective upon receipt, and the FAA will not permit the withdrawal of any bid.

The FAA will post a running tally of bids for each slot bundle at http://www.faa.gov/about/office_org/headquarters_offices/agc/ReAllocation. That tally will include the required bid information and time stamp of the bid. The FAA will post bids at approximately 9 a.m., 12 p.m., and 4 p.m., Eastern time, on each business day of the bidding period (for bids received by 8 a.m., 11 a.m., and 3 p.m., Eastern time, respectively). On November 22, the FAA will post bids each hour from

9 a.m. through 4 p.m., Eastern time, for bids received prior to the previous half hour (e.g., at 10 a.m. for all bids received by 9:30 a.m.). On the following day, November 23, 2011, the FAA will post bids received during the last hour of bidding.

Completing the Slot Reallocation Transaction

On November 23, 2011, the FAA will notify the divesting carrier and the winning bidder for each bundle of the winning bid and contact information for completing the transaction. The Waiver requires the divesting carrier and each winning bidder to enter into a binding agreement with respect to the sale of the divested slots within five business days from the FAA’s notice of the winning bid. Accordingly, the FAA expects the carriers will notify the FAA that they have entered into binding agreements with respect to the sale of the divested slots, via e-mail to 7-awa-slotadmin@faa.gov, no later than

December 1, 2011. That notification must certify that only monetary consideration will be or has been exchanged for the slots.

Posting Bid Information

After the FAA receives notice of the binding agreement between the divesting carrier and the winning bidder, it will post the winning bid and identity of the winning bidder at http://www.faa.gov/about/office_org/headquarters_offices/agc/ReAllocation. The FAA also will post all other bid information with the name of the respective bidders.

In the unlikely event that no bids are received for a particular slot bundle, those slots would revert to the FAA. The FAA would post notice if no bids were received at http://www.faa.gov/about/office_org/headquarters_offices/agc/ReAllocation.

DATES: Registration by eligible carriers must be completed by October 28, 2011. The bidding period for registered bidders will open at 9 a.m., Eastern

time, on November 14, 2011, and will close at 5 p.m., Eastern time, on November 22, 2011.

ADDRESSES: Requests for registration and bids may be submitted by e-mail to the Slot Administration Office at 7-AWA-slotadmin@faa.gov. Information regarding the slot reallocation may be found at: http://www.faa.gov/about/office_org/headquarters_offices/agc/ReAllocation.

FOR FURTHER INFORMATION CONTACT: Robert Hawks, Office of the Chief Counsel, Federal Aviation Administration, 800 Independence Avenue, SW., Washington, DC 20591; telephone number: 202-267-7143; fax number: 202-267-7971; e-mail: rob.hawks@faa.gov.

Issued in Washington, DC, on October 18, 2011.

Rebecca B. MacPherson,
Assistant Chief Counsel for Regulations.

Appendix

The DCA Bundle consists of:

Slot ID	Time	Frequency
1147	0700	X67
1132	0800	Daily
1150	0800	Daily
1056	0900	Daily
1030	1000	Daily
1083	1000	Daily
1223	1100	Daily
1027	1200	Daily
1142	1300	Daily
1109	1400	Daily
1389	1600	Daily
1238	1700	Daily
1401	1800	Daily
1515	1800	Daily
1308	2000	X6
1065	2100	X6

The LGA Bundle A consists of:

Slot ID	Time	Arr./Dep.	Frequency
3197	0600	Departure	X67
3183	0630	Departure	X67
2138	0730	Arrival	X67
2202	0830	Departure	X67
3003	0830	Arrival	X67
3230	0930	Departure	X67
3636	1100	Arrival	X67
3430	1230	Departure	X6
3415	1300	Arrival	X6
2160	1400	Departure	X6
2188	1500	Arrival	X6
3089	1600	Departure	X6
3606	1700	Arrival	X6
3015	1830	Departure	X6
3848	2000	Arrival	X6
3110	2100	Arrival	X6

The LGA Bundle B consists of:

Slot ID	Time	Arr./Dep.	Frequency
3326	0630	Departure	X67
2201	0700	Departure	X67
2108	0800	Arrival	X67
3318	0930	Departure	X67
2072	1000	Arrival	X67
2182	1030	Departure	X67
3093	1230	Arrival	X6
3075	1330	Departure	X6
3098	1430	Arrival	X6
3569	1600	Departure	X6
2004	1630	Arrival	X6
2129	1730	Departure	X6
2007	1830	Arrival	X6
2038	1930	Departure	X6
3104	2030	Arrival	X6
3054	2130	Arrival	X6

[FR Doc. 2011-27434 Filed 10-21-11; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION

Federal Highway Administration

Environmental Impact Statement: Harris County, Texas

AGENCY: Federal Highway Administration (FHWA), DOT.

ACTION: Notice of Intent (NOI).

SUMMARY: Pursuant to 40 CFR 1508.22 and 43 TAC § 2.5(e)(2), the FHWA and the Texas Department of Transportation (TxDOT) are issuing this notice to advise the public that an environmental impact statement (EIS) will be prepared for the proposed North Houston Highway Improvement Project, in Harris County, Texas. The proposed project and study limits begin at interchange of United States Highway (US) 59 and State Highway (SH) 288 and follow northward along IH 45 to the interchange of IH 45 and Beltway 8 North, a distance of approximately 16 miles. The proposed project area also includes portions of IH 10, IH 610, US 59, SH 288 near the downtown area, and the Hardy Toll Road located north of downtown Houston. The proposed project will be developed in compliance with Section 6002 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) and the National Environmental Policy Act (NEPA).

FOR FURTHER INFORMATION CONTACT: Gregory Punske, P.E., District Engineer, Federal Highway Administration—Texas Division, 300 East 8th Street, Room 826, Austin, Texas 78701. Telephone: 512-536-5960.

SUPPLEMENTARY INFORMATION: The North-Hardy Planning Studies: Alternative Analysis Report (Highway

Component) was completed in November 2005. The report evaluated the alternatives for transportation improvements within the study corridor and recommended a locally preferred alternative to meet the corridor's highway transportation needs, while minimizing impacts to the surrounding environment.

Projected increases in population and employment in the Houston metropolitan area will contribute to additional IH 45 congestion, which is already serious to severe. The proposed project is needed to address the serious to severe congestion and to accommodate existing and anticipated future traffic. Additionally the project is needed to bring the roadway up to current design standards, which would improve safety and provide for more efficient movement of people and goods. Additional efficiency is also needed to aid in evacuation events. The purpose of the proposed project is to manage the traffic congestion in the IH 45 corridor, improve mobility, provide expanded transit and carpool opportunities, bring the roadway facility up to current design standards to improve safety and operations, and expand capacity for emergency evacuations.

The EIS will evaluate potential impacts from construction as well as routine operations of the proposed project, including, but not limited to the following: Impacts or potential displacements to residents and businesses; impacts to air and noise; impacts to water quality; impacts to waters of the United States; impacts to historic and archeological resources; impacts to hazardous materials; impacts to floodplains; impacts to socio-economic resources (including environmental justice and limited English proficiency populations); indirect impacts; cumulative impacts; impacts to land use; impacts to vegetation; and impacts to wildlife.

A Project Coordination Plan will be provided in accordance with Public Law 109-59, Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Title VI, Subsection 6002, Efficient Environmental Reviews for Project Decision Making, August 10, 2005, to facilitate and document the lead agencies, structure interaction with the public and other agencies, and to inform the public and other agencies of how the coordination will be accomplished. The Project Coordination Plan will promote early and continuous involvement from stakeholders, agencies, and the public as well as describe the proposed project, the roles of the agencies and the public, the project need and purpose, schedule, level of detail for alternatives analysis, methods to be used in the environmental analysis, and the proposed process for coordination and communication.

The Project Coordination Plan is designed to be part of a flexible and adaptable process. The Project Coordination Plan will be available for public review, input, and comment at public meetings, including scoping meetings and hearings, held in accordance with the National Environmental Policy Act (NEPA) through the evaluation process. Pursuant to 23 U.S.C. Chapter 1, Subchapter 1, Section 139 of SAFETEA-LU, cooperating agencies, participating agencies and the public will be given an opportunity for input in the development of the project. The first of a series of public scoping meetings, conducted in an open house format, is planned to be held in the fall of 2011. As part of the NEPA process, this meeting will be the first in a series of meetings to solicit public comments throughout the planning process.

A scoping meeting is an opportunity for participating agencies, cooperating agencies and the public to be involved

mailing address is U.S. Department of State, SA-5, L/DP, Fifth Floor (Suite 5H03), Washington, DC 20522-0505.

Dated: October 7, 2011.

J. Adam Erelí,

Principal Deputy Assistant Secretary, Bureau of Educational and Cultural Affairs, Department of State.

[FR Doc. 2011-26518 Filed 10-12-11; 8:45 am]

BILLING CODE 4710-05-P

DEPARTMENT OF STATE

[Public Notice: 7645]

Culturally Significant Objects Imported for Exhibition Determinations: “Aphrodite and the Gods of Love”

SUMMARY: Notice is hereby given of the following determinations: Pursuant to the authority vested in me by the Act of October 19, 1965 (79 Stat. 985; 22 U.S.C. 2459), Executive Order 12047 of March 27, 1978, the Foreign Affairs Reform and Restructuring Act of 1998 (112 Stat. 2681, *et seq.*; 22 U.S.C. 6501 note, *et seq.*), Delegation of Authority No. 234 of October 1, 1999, Delegation of Authority No. 236-3 of August 28, 2000 (and, as appropriate, Delegation of Authority No. 257 of April 15, 2003), I hereby determine that the objects to be included in the exhibition “Aphrodite and the Gods of Love,” imported from abroad for temporary exhibition within the United States, are of cultural significance. The objects are imported pursuant to loan agreements with the foreign owners or custodians. I also determine that the exhibition or display of the exhibit objects at the Museum of Fine Arts, Boston, MA, from on or about October 26, 2011, until on or about February 20, 2012; at the J. Paul Getty Museum at the Getty Villa, Pacific Palisades, CA, from on or about March 28, 2012, until on or about July 9, 2012; at the San Antonio Museum of Art, San Antonio, TX, from on or about September 15, 2012, until on or about February 17, 2013, and at possible additional exhibitions or venues yet to be determined, is in the national interest. I have ordered that Public Notice of these Determinations be published in the **Federal Register**.

FOR FURTHER INFORMATION CONTACT: For further information, including a list of the exhibit objects, contact Julie Simpson, Attorney-Adviser, Office of the Legal Adviser, U.S. Department of State (telephone: 202-632-6467). The mailing address is U.S. Department of State, SA-5, L/DP, Fifth Floor (Suite 5H03), Washington, DC 20522-0505.

Dated: October 6, 2011.

J. Adam Erelí,

Principal Deputy Assistant Secretary, Bureau of Educational and Cultural Affairs, Department of State.

[FR Doc. 2011-26519 Filed 10-11-11; 8:45 am]

BILLING CODE 4710-05-P

DEPARTMENT OF STATE

[Public Notice: 7643]

In the Matter of the Designation of Conspiracy of Fire Nuclei, aka Conspiracy of the Nuclei of Fire, aka Conspiracy of Cells of Fire, aka Synomosia of Pynon Tis Fotias, aka Thessaloniki-Athens Fire Nuclei Conspiracy, as a Specially Designated Global Terrorist Pursuant to Section 1(b) of Executive Order 13224, as Amended

Acting under the authority of and in accordance with section 1(b) of Executive Order 13224 of September 23, 2001, as amended by Executive Order 13268 of July 2, 2002, and Executive Order 13284 of January 23, 2003, I hereby determine that the organization known as Conspiracy of Fire Nuclei, also known as Conspiracy of the Nuclei of Fire, also known as Conspiracy of Cells of Fire, also known as Synomosia of Pynon Tis Fotias, also known as Thessaloniki-Athens Fire Nuclei Conspiracy, has committed, or poses a significant risk of committing, acts of terrorism that threaten the security of U.S. nationals or the national security, foreign policy, or economy of the United States.

Consistent with the determination in section 10 of Executive Order 13224 that “prior notice to persons determined to be subject to the Order who might have a constitutional presence in the United States would render ineffectual the blocking and other measures authorized in the Order because of the ability to transfer funds instantaneously,” I determine that no prior notice needs to be provided to any person subject to this determination who might have a constitutional presence in the United States, because to do so would render ineffectual the measures authorized in the Order.

This notice shall be published in the **Federal Register**.

Dated: September 28, 2011.

Hillary Rodham Clinton,

Secretary of State.

[FR Doc. 2011-26367 Filed 10-12-11; 8:45 am]

BILLING CODE 4710-10-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[Docket No. FAA-2010-0109]

Petition for Waiver of the Terms of the Order Limiting Scheduled Operations at LaGuardia Airport

ACTION: Notice of grant of petition with conditions.

SUMMARY: The Secretary and the Federal Aviation Administration (FAA) are granting the joint waiver request of Delta Air Lines, Inc. (Delta) and US Airways, Inc. (US Airways) (together, the Joint Applicants or the carriers) from the prohibition on purchasing operating authorizations (slots) at LaGuardia Airport (LGA). The waiver permits the carriers to consummate a transaction in which US Airways would transfer to Delta 132 slot pairs (265 slots) at LGA. In exchange, Delta would transfer to US Airways 42 slot pairs (84 slots) at Ronald Reagan Washington National Airport (DCA), convey route authority to operate certain flights to São Paulo, Brazil, and make a cash payment to US Airways. The waiver is subject to a number of conditions, including that the carriers dispose of 16 slots at DCA and 32 slots at LGA to eligible new entrant and limited incumbent carriers, pursuant to procedures set out in this Notice, and achieve a mutually satisfactory agreement regarding gates and associated facilities with any such purchaser.

DATES: The waiver is effective October 13, 2011.

FOR FURTHER INFORMATION CONTACT: Rebecca MacPherson, Assistant Chief Counsel for Regulations, by telephone at (202) 267-3073 or by electronic mail at rebecca.macpherson@faa.gov.

SUPPLEMENTARY INFORMATION:

The Proposed Transaction and the Waiver Request

The FAA limits the number of scheduled and unscheduled operations during peak hours at LGA pursuant to an Order that was originally published in December 2006 and that has been extended several times since (the Order).¹ The Order allocates operating

¹ Operating Limitations at New York LaGuardia Airport, 71 FR 77,854 (Dec. 27, 2006); 72 FR 63,224 (Nov. 8, 2007) (transfer, minimum usage, and withdrawal amendments); 72 FR 48,428 (Aug. 19, 2008) (reducing the reservations available for unscheduled operations); 74 FR 845 (Jan. 8, 2009) (extending the expiration date through Oct. 24, 2009); 74 FR 2,646 (Jan. 15, 2009) (reducing the peak-hour cap on scheduled operations to 71); 74 FR 51,653 (Oct. 7, 2009) (extending the expiration date through Oct. 29, 2011); 76 FR 18,616 (Apr. 4,

authorizations (commonly known as slots) to carriers and establishes rules for the use and operation of slots. The Order allows temporary leases and trades of slots between carriers, provided that they do not extend beyond the duration of the Order.² Most importantly for purposes of this waiver request, the Order does not permit the purchase and sale of slots at LGA. The only way for a carrier to sell or purchase a slot at LGA is through a waiver of the Order.

A different legal regime governing slots exists at DCA. The High Density Rule (HDR)³ limits scheduled and unscheduled operations there. The HDR permits carriers to sell or purchase slots at DCA freely with only FAA confirmation of the transaction.

On May 23, 2011, the Joint Applicants submitted a joint request for a limited waiver from the prohibition on purchasing slots at LGA. The carriers requested the waiver to allow them to consummate a transaction in which US Airways would transfer to Delta 132 slot pairs (265 slots) at LGA, and Delta would transfer to US Airways 42 pairs (84 slots) at DCA, together with route authority to operate certain flights to São Paulo, Brazil, and make a cash payment to US Airways.

FAA's Tentative Determination

On July 21, 2011 the FAA issued a Notice of petition for waiver and solicited comments on the proposed grant of the petition with conditions, through August 29 in this Docket. 76 FR 45,313 (July 28, 2011). In that notice, we tentatively approved the proposed transaction subject to certain conditions (July 2011 Notice).⁴ At that time, we tentatively found that the proposed transaction offered important benefits to the public. At the same time, we were concerned that the proposed transaction could have an adverse impact on competition because of the reduction in competition between the two carriers and their increased market share at the two airports, among other factors.⁵ We evaluated the public interest in this transaction, examining both the benefits

that were likely to be attained and the possible adverse consequences that could result from the proposed transaction, and tentatively concluded that the waiver should be granted with certain conditions.

To mitigate the competitive harms that may accrue from the transaction, we proposed conditions that included the divestiture of 32 slots at LGA (16 arrival and 16 departure) and 16 slots at DCA, by a blind, cash-only sale through an FAA-managed Web site, to limited incumbent and new entrant carriers having fewer than five percent of the total slot holdings at DCA and LGA respectively, and that do not code share to or from DCA or LGA with any carrier that has five percent or more slot holdings. We also proposed that carriers eligible to purchase the divested slots not be subsidiaries, either partially or wholly owned, of a company whose combined slot holdings are equal to or greater than five percent at DCA or LGA respectively.⁶

We proposed that the carriers notify the FAA as to whether they intend to proceed with the transaction and, if they do, that they provide certain information regarding the slots to be divested. We also proposed that the FAA would post a notice of the available slot bundles on a Web site and provide for eligible carriers to register to purchase the slot bundles. The FAA would assign each registered bidder a random number, so no information identifying the bidder would be available to the seller or public. A bidder would be allowed to indicate its preference ranking for each slot bundle as part of its offer. The FAA would specify a bid closing date and time. All offers to purchase slot bundles would be sent to the FAA electronically; offers would have to include the prospective purchaser's assigned number, the monetary amount, and the preference ranking for that slot bundle. The FAA would review the offers for each bundle and would post all offers on the Web site as soon as practicable after they are received. Each purchaser would be able to submit multiple offers until the closing date and time.

Additionally, to allow the new entrant and limited incumbent carriers purchasing the divested slots to establish competitive service, we proposed to prohibit both Delta and US Airways from operating any of the newly acquired slots during the first 90

days after the closing date of the sale of the divested slots and from operating more than 50 percent of the total number of slots included in the Joint Applicants' Agreement between the 91st and the 210th day following the close date of the sale of the divested slots, after which time the transferee would be free to operate the remainder of the slots.

To enable purchasing carriers to achieve a critical mass of slots, we also proposed to package the slots into bundles of 8 slot pairs. (Thus, there would be two slot bundles at LaGuardia of 8 pairs each, and one slot bundle at Reagan National consisting of 8 pairs.) An eligible carrier may, under our proposal, purchase only one slot bundle at each airport (while indicating preference ranking for each slot bundle as part of its offer). However, should one carrier make the highest bid on both bundles at LaGuardia, we proposed that the seller would have the option of accepting both high bids, thus overriding the one bundle per carrier proposal.

We further proposed that the slots purchased in the auction would be subject to the same minimum usage requirements as provided in the LGA Order and HDR, that is, 80% over a two-month reporting period. The minimum usage would be waived, however, for six months following purchase to allow the purchaser to begin service in new markets or add service to existing markets. Additionally, we proposed that the purchaser may lease the acquired slots to the seller until the purchaser is ready to initiate service to maximize operations at the airports. However, we would require that the slots not be sold or leased to other carriers during the 12 months following purchase because the purchaser must hold and use the acquired slots.

The July 2011 Notice invited interested parties to submit their comments by August 29, 2011. The comments we received are summarized in the Appendix. We grant all motions for leave to file late comments, and all comments to date were accepted into the docket.

2009 Proposed Transaction and Waiver Request

This petition for waiver follows a prior joint waiver request by the same Joint Applicants.

On August 24, 2009, US Airways and Delta requested a waiver of the Order to allow a similar transaction to proceed. We responded to that petition in a

2011) (extending the expiration date until the effective date of the final Congestion Management Rule for LaGuardia Airport, John F. Kennedy International Airport, and Newark Liberty International Airport, but not later than Oct. 26, 2013).

² As previously noted, the Order expires upon the effective date of the final Congestion Management Rule at LaGuardia Airport, John F. Kennedy International Airport, and Newark Liberty International Airport, but not later than October 26, 2013.

³ 14 CFR part 93, subparts K and S.

⁴ 76 FR 45313.

⁵ 76 FR at 45315.

⁶ We proposed an exception from the subsidiaries rule for Frontier Airlines, which while wholly-owned by Republic has a discretely different low-cost carrier business plan, and whose operations were confirmed to be consistent with LCC yields. 76 FR at 45328.

February 2010 Notice,⁷ in which we tentatively found that the transaction should not proceed unless the Joint Applicants made more slots available for new entrants. Based on our analysis of competitive factors present at that time, we proposed to approve the transaction subject to the Joint Applicants disposing of 20 slot pairs (40 slots) at LGA and 14 pairs (28 slots) at DCA. Extensive comments were received, including from the Joint Applicants. After review of the comments, we granted the waiver request in a Notice dated May 11, 2010 (May 2010 Notice), subject to the conditions set forth in the February 2010 Notice.⁸ Delta and US Airways did not choose to go forward with the transaction subject to our proposed conditions, but instead appealed our decision to the U.S. Court of Appeals for the D.C. Circuit.⁹

2011 Proposed Transaction

The transaction as now proposed by the carriers is structurally similar to the transaction proposed in 2009. The carriers have presented the Department with an analysis of the benefits they assert will accrue from the transaction, and claimed that changes in the economy and structure of the aviation industry at DCA and LGA since 2010 have dramatically reduced the economic harms that we viewed as potential adverse consequences of the original transaction.

Among those changes are the market penetration of low-cost carriers (LCCs) at both DCA and LGA. The carriers state that JetBlue, AirTran, and Frontier have increased the number of LCC slots at DCA by 46, thereby increasing the LCC slots at that airport from 3.3% to 8.6%, exceeding the 6.5% share that would have been obtained under the divestiture terms of our May 2010 Notice. At LGA, the carriers point out that Frontier, AirTran, and Southwest recently acquired slots, for a net increase of 18 LCC slots, increasing the LCC slot share from 6.8% to 8.5%, closer to the 10.3% LCC slot share sought in our May 2010 Notice. The carriers also state that the Southwest/AirTran merger will intensify competition in these markets.

⁷ Notice of a Petition for Waiver of the Terms of the Order Limiting Scheduled Operations at LaGuardia, 75 FR 7306 (Feb. 18, 2010).

⁸ Notice on Petition for Waiver of the Terms of the Order Limiting Scheduled Operations at LaGuardia Airport, 75 FR 26,322 (May 11, 2010).

⁹ *Delta Air Lines and US Airways v. FAA and U.S. Dep't of Trans.*, Case #10-1153 (D.C. Cir. filed Jul. 2, 2010). On May 25, 2011, the U.S. Court of Appeals dismissed this suit by mutual agreement of the parties.

Furthermore, the carriers assert that the recent United/Continental merger enhanced United's competitive profile at both Newark Liberty International Airport (EWR) and Washington Dulles International Airport, as well as at LGA and DCA. Delta also states that this transaction will allow it to establish a hub at LGA and address the competitive advantage secured by American Airlines/British Airways through their antitrust immunity alliance.

Statutory Authority To Grant Waiver Subject to Slot Divestitures

The Secretary and the Administrator have authority to grant the requested waiver of the LaGuardia Order, and to grant the waiver subject to certain conditions.¹⁰ The FAA is authorized to grant an exemption when the Administrator determines the "exemption is in the public interest." 49 U.S.C. 40109. The Administrator may "modify or revoke an assignment [of the use of airspace]" when required in the public interest. 49 U.S.C. 40103(b)(1). Courts have upheld the conditions an agency may place on its approval of a transaction to meet public interest standards.¹¹

Our decision to subject the Joint Applicants' waiver request to certain slot divestitures is consistent with, and carries out, the Department's Section 40101(a) pro-competitive public interest factors.¹² It also complies with the FAA's public interest goals and objectives. Congress did not preclude the FAA Administrator from considering the "public interest" to include factors beyond "safety," "national defense" and "security." Rather, Congress expressly directed the FAA Administrator to consider those matters "among others." Accordingly, as we articulated in our February 2010, May 2010, and July 2011 Notices, the

¹⁰ Petition for Waiver of the Terms of the Order Limiting Scheduled Operations at LaGuardia Airport, 75 FR at 7307; 75 FR at 26,324-25; 76 FR at 45,313-14. The Order was issued under the FAA's authority to "develop plans and policy for the use of the navigable airspace and assign by regulation or order the use of the airspace necessary to ensure the safety of aircraft and the efficient use of airspace." 49 U.S.C. 40103(b)(1).

¹¹ See *South Dakota v. Dole*, 483 U.S. 203, 208 (1987) ("The Federal Government may establish and impose reasonable conditions relevant to Federal interest * * * and to the over-all objectives thereto"); *N.Y. Cent. Sec. Corp. v. United States*, 287 U.S. 12 (1932) (upholding Interstate Commerce Commission order approving the acquisition of the "Big Four" railroad companies by N.Y. Central upon the condition that it also acquire short line railroads on certain terms).

¹² Neither the Joint Applicants nor other carriers arguing against the waiver conditions cite any cases prohibiting the Secretary or Administrator from considering pro-competitive objectives as being in the public interest.

FAA may validly consider, as being in the "public interest," "other factors" including the fostering of competition in the context of the slot program. The "public interest" includes policies furthering airline competition, as provided in 49 U.S.C. 40101(a)(4), (6), (9), (10), (12)-(13) and (d). These goals have been public policy since at least the time of adoption of the Airline Deregulation Act of 1978, Public Law 95-504 (92 Stat. 1705), and they include (among others) maximizing reliance on competitive market forces; avoiding unreasonable industry concentration and excessive market domination; and encouraging entry into air transportation markets by new carriers.

The Proposed Transaction Serves the Overall Public Interest, Although Divestitures Remain Necessary To Remedy Prospective Harms

In the context of our public interest analysis here, we evaluate the prospective economic benefits of the transaction together with any potential resulting adverse economic consequences. We have not determined that no economic harm would result from the transaction, but rather that the adverse consequences that could otherwise result can be sufficiently mitigated such that overall benefits can be realized.

As noted above, the Joint Applicants contend that approval of the slot swap would enable both carriers to more efficiently operate at the airports and permit more passengers and destinations to be served, thus creating tangible benefits to consumers. They argue that efficiencies will occur through upgauging of aircraft size at both LGA and DCA, thereby increasing throughput and competition while reducing congestion and delay. In addition, they contend that the facilities transfer will enable Delta to create a seamless hub at LGA, expand competition and capacity, and preserve and enhance small community access at both LGA and DCA.

Most commenters did not object to the Joint Applicants' overall transaction *per se*, and a number supported it as proposed by the carriers. For example, the New York Travel Advisory Bureau and a number of travel agents and corporate travel managers doing business in New York expressed support for the Joint Applicants' waiver request, generally citing the potential for greater benefits to the economy of New York, the benefit of improvements proposed for the infrastructure at LaGuardia, and prospects for improved tourism and travel opportunities.

However, other comments, especially from other air carriers, point to the potential adverse competitive impacts of increased hub operations at DCA and LGA. In particular, Southwest Airlines Co., citing a report prepared for it by Campbell-Hill Aviation Group, LLC, argues that the transaction would permit Delta and US Airways to “squander public resources” by using their larger slot holdings to establish hubs at LGA and DCA that will be dependent on an even larger number of small regional aircraft feeder flights to establish and maintain hub operations.¹³ Southwest maintains that hub development at these slot-controlled airports would only reinforce the inefficient slot utilization already in place that could best be remedied by supporting divestitures to carriers that would efficiently operate slots with large aircraft to support and benefit local Washington and New York passengers. Moreover, Southwest contends that the consequences for the public of this proposed reallocation of markets would be higher fares, less competition, and fewer service options at both airports.¹⁴

While we acknowledge Southwest’s claims regarding potential inefficiencies resulting from hub development at slot controlled airports, we must consider both potential operating inefficiencies and expected network benefits typically resulting from hub development or expansion. The Joint Applicants claim that numerous benefits will accrue to consumers as a result of their transaction. Among the more compelling benefits that they articulate, we are most convinced by their arguments that development of a LGA hub will lead to enhanced service to small communities (even with the small aircraft that Southwest contends would be used) and improved competition versus other east coast hubs, including United’s Newark hub and US Airways’ hub in Philadelphia.

In terms of preserving and enhancing small community access at LGA and DCA, the Dane County Regional Airport, serving Madison, WI, expresses support for the overall transaction, but maintains concern that the nonstop service from Madison to LGA and DCA, currently provided by Delta, could be discontinued if Delta were required to divest some of its slots to other carriers. In addition, a number of Virginia interests express concern about the overall transaction, focusing on the possibility of losing established nonstop

Roanoke-LaGuardia service and other reductions in travel options at Virginia airports. Mayor Bowers of Roanoke, and various other businesses, educational institutions, and private citizens note that US Airways currently serves Roanoke from LaGuardia with three daily roundtrips, service that could be eliminated if the transaction were allowed to proceed.

We agree that grant of the waiver will lead to some alterations in the Delta and US Airways service patterns and capacity per departure, or average throughput. However, the carriers have asserted that primary benefits of the transaction will include enhanced service to smaller communities on an overall basis.

In evaluating the public interest in this waiver petition, we have carefully assessed the benefits and possible adverse consequences of the transaction, seeking a balanced and proportional approach to maintain or enhance access to small communities and to provide greater efficiencies for Delta and US Airways that they will in turn pass on to consumers. As we acknowledged in the Final Notice concerning the Joint Applicants’ initial proposal, the transaction does raise concerns as to levels of airport concentration, the number of monopoly or dominant markets in which increased pricing power can be exercised, and the potential for use of the transferred slots in an anticompetitive manner.¹⁵ However, as we believed then, the appropriate remedy for us to adopt is not to deny the petition but rather to require divestitures that address those concerns. We believe the transaction’s promised benefits for the public—particularly in light of the increased penetration of low cost carriers at the airports since the time of our last review—are sufficient for us to conclude that grant of the requested waiver with specified remedies is in the public interest.

Adequacy of These Divestitures To Address the Transaction’s Prospective Harms

The Department’s July 2011 Notice, proposing to grant Delta’s and US Airways’ renewed request for a waiver subject to the condition that, among other things, the carriers divest 16 slot pairs at LGA and 8 slot pairs at DCA, was premised on the view that circumstances had in fact changed at the affected airports since the time of our initial review.¹⁶ Several airlines in competition with the Joint Applicants

argue that circumstances have not changed substantially enough to merit approval of the waiver request, and that, in any event, the Department was aware of these circumstances when it issued the July 2011 Notice. Believing the proposed slot remedy to be inadequate, some commenters—including Southwest, Jet Blue, Frontier, and Spirit, as well as ACAA—further urge us to require the divestiture of roughly 30% more slots, as we did under different circumstances in our initial review.

In our initial review of the proposed 2009 transaction, we concluded that the concern about anti-competitive effects was compounded by the fact that LCCs—which create the most competitive impact by their ability to dramatically lower fares and increase the volume of passengers in a market—had only a limited presence at the affected airports. The Department’s May 2010 Notice, and the divestitures it would have required, were premised on data recited in the Notice finding that collectively, LCCs had only 3.3% of slot interest holdings at DCA and 6.8% at LGA.¹⁷ The Department was aware at that time of JetBlue’s transaction with American Airlines to acquire its first DCA slots,¹⁸ but JetBlue’s service was not initiated until November of 2010,¹⁹ six months after the Final Notice was issued. Our review and assessment of the needed number of divestitures was focused on actual, not planned, service, recognizing the fact that agreements can be modified and plans can change.

Southwest also argued that DOT must have been “fully aware” at the time of the Final Notice of the “Republic to Frontier” transaction, involving 18 slots at DCA and 13 at LGA.²⁰ However, the announcement was not made until mid-April 2010 that Midwest Airlines (which had been acquired by Republic) would begin flying under the Republic name, with the Midwest brand being phased out in 2011.²¹ And, regardless of the announcement, it was uncertain at that time whether the Midwest operations assumed by Frontier would be marketed with yields consistent with LCC operations, so it would have been premature to then count Frontier’s new slots as representing LCC slot increases.

The third major change in circumstances was the AirTran-

¹⁷ 75 FR 26,323.

¹⁸ See 75 FR 26,323, n. 11, and 76 FR 45,315–45,316.

¹⁹ See Comments of JetBlue, FAA Docket 2010–0109, Aug. 30, 2011 at 6.

²⁰ See Comments of Southwest Airlines, FAA Docket 2010–0109 at p. 6.

²¹ See, e.g., Milwaukee Sentinel-Journal, “JOnline,” <http://www.jsonline.com/business/90750954.html>, April 13, 2010.

¹³ Comments of Southwest Airlines Co., FAA Docket 2010–0109 at pp. 13–14 and Exhibit WN–115.

¹⁴ *Id.*, at 4–8.

¹⁵ 75 FR at 26,324 (May 11, 2010).

¹⁶ 76 FR 45,315.

Southwest merger, which was not announced until the Fall of 2010, well after the May 2010 issuance of the Final Notice. Given the size of the transaction and its potential to introduce Southwest's brand, passenger loyalty, and route network to a broader array of customers, this merger is an important changed circumstance that could not have been considered in May 2010 but must be considered now.²²

In our subsequent review, the Department focused on actual LCC penetration and determined that the LCC shares at the affected airports had increased markedly. At DCA it had gone from a *de minimis* share of 3.3% to 8.5%; at LGA it increased modestly from 6.9% to 8.2%.²³ These changes in LCC holdings, notably the addition of a new competitor at DCA in JetBlue and the larger portfolio of a merged Southwest/AirTran, portend a gradual shift in the competitive dynamics. While the changed circumstances between our initial and subsequent reviews fall well short of addressing all concerns at the affected airports, they are significant and cannot be overlooked. The changes show that LCCs have gained a competitive beach head at DCA and LGA that is not likely to be reclaimed any time soon.

Aside from the timing of the events, the Department also considered the magnitude of the changed circumstances. We supplied evidence to show that our reliance on LCC penetration to discipline fares justified a departure from the initial decision. For example, in the July 28, 2011 Notice, we determined that average weighted yields, used as a proxy for fares, had decreased in the DCA-BOS market as a result of JetBlue's entry in 2010, and had continued to decrease in the LGA-IND market following AirTran's entry in 2009.²⁴ At DCA, we

²² Southwest argued as well that a few smaller transactions affecting LCC presence at Reagan National or LaGuardia had occurred prior to the May 4, 2010 Final Notice that the Department must have known about but did not raise until the July 2011 Notice was issued in connection with the Joint Applicants' revised proposal. The largest of these was a trade of slots between Continental and AirTran: AirTran operated the slots but Continental remained the holder. We generally looked at holdings in the Final Notice but subsequently refined our analysis to include operations as appropriate in the July 2011 Notice. In any event, the Department clearly specified in the Tables in the July 2011 Notice the distribution of slots actually considered in the May 2010 Notice and the origin for each change that was reported. See Table 5 at 76 FR 45,323 and Table 6 at 76 FR 45,325.

²³ See 76 FR 45323-45325. See also 76 FR 45327. Due to minor inconsistencies in rounding, the May 11, 2010 Notice indicated that the pre-transaction LCC share at LGA was 6.8%, while the July 28, 2011 Notice indicated a 6.9% share.

²⁴ See 76 FR 45,327.

supplied data and analysis to show that fares across all markets had fallen.²⁵ The commenters do not challenge these data. Their opposition to the remedy now being proposed focuses on the number of LCC holdings as a percentage of total holdings. However, we view the increasing levels of LCC penetration and the associated favorable effects on fares across a number of markets as more significant, and these important developments support our decision to allow the slot swap to proceed so long as there is an appropriate divestiture of slots auctioned in sufficient numbers to qualified new entrants or limited incumbents to mitigate the potential competitive harm resulting from the transaction.

A number of commenters contend that we could do more to enhance competition at both these airports than we proposed last July, by requiring more slots to be divested. However, in the particular circumstances of this case, we believe it appropriate for us to proceed with a remedy that reallocates only the number of slots necessary to address the competitive harm caused by the transaction, while still preserving the benefits of the transaction.

Our approach focuses on the incremental competitive change and the potentially strong effect of new entrant competition that is possible with a critical mass of slots. It does not address pre-existing conditions that affect competition at the airports and, in all likelihood, would continue to affect competition even if we required 30% more slots to be divested. Stated another way, our objective has not been to add as much new service by new entrants and limited incumbents as possible but rather to rely to the maximum extent on the introduction of a critical mass of new services, anticipating that those services will have an oversized effect on competition across a number of markets sufficient to address the potential competitive harm resulting from the transaction. The Department laid a foundation for this approach by emphasizing the effect of new entrant/LCC services on prices across a number of markets. That foundation is not in dispute. Seen in this light, the final slot remedy need not necessarily be mathematically congruent with the increased LCC penetration, as commenters suggest. The remedy is proportional and effective to address the possible adverse consequences of the transaction, while still preserving its public benefits.

Southwest asserts that the remedy must be larger because the transaction

will "permanently lock out" low-fare competition.²⁶ Southwest claims that it will be virtually impossible for LCCs to expand at these airports because already-scarce slots will become even less available, and after the transaction is consummated, Delta and US Airways will become the most logical high bidders for any slots that may come on the market.²⁷ Southwest's assertions do not take into account the full competitive landscape. While it is true that Delta and US Airways will significantly increase their presence at LGA and DCA, respectively, they will not be the only carriers with the resources to acquire new slots, which are still likely to become available over time, as they have thus far. Southwest and other carriers have cash on hand, as well as developed route networks and other assets that can be leveraged for greater access to LGA and DCA.

In summary, we believe the approach taken in the July 28 Notice remains appropriate under the current circumstances, and is justified by recent changes in the competitive and operating environments at DCA and LGA.

Carrier Eligibility for the Divested Slots

Some commenters, including JetBlue and Virgin America, assert that we may not direct the Joint Applicants to divest certain DCA and LGA slots to new entrant and limited incumbent carriers having fewer than five percent of the total slot holdings at the respective airports, because the "below five percent" threshold is contrary to statutory definitions of limited incumbents or otherwise outside the scope of the FAA's statutory authority. We disagree. As an initial matter, the FAA routinely imposes special conditions that must be met in order to either assure an equivalent level of safety (not an issue in this case) or to ensure that the public interest is met. Nothing in the Administrator's authority to issue exemptions prevents the FAA from tailoring those conditions to the circumstances surrounding the exemption request. In the context of the July 2011 Notice, we used the term "limited incumbent" in a generic sense to mean an airline with a limited, or small, presence at the airport. We intend, of course, to provide opportunities for competition and low-fare service at DCA and LGA by allowing such carriers, as well as new entrant airlines, to purchase divested slots.

²⁶ Comments of Southwest Airlines Co., Docket 2010-0109 at 4 (Aug. 29, 2011).

²⁷ *Id.*, at 6.

²⁵ See 76 FR 45,327.

We are not obliged to confine the category of air carriers eligible to purchase slots to those “limited incumbent air carriers” holding or operating “fewer than 20” slots or slot exemptions, as JetBlue suggests. Rather, that statutory definition of “limited incumbent” (49 U.S.C. 41714(h)(5)) applies only to specific circumstances not relevant here.²⁸ The “limited incumbent” definition applies, for example, to the Secretary’s criteria for awarding within-perimeter slot exemptions at DCA. 49 U.S.C. 41718(b)(1). The definition also applies to the FAA’s High Density Rule (HDR) protocols for withdrawing slots and distributing slots in a lottery at DCA. 14 CFR 93.213(a)(5), 93.223(c)(3), 93.225(h). Neither the statutory nor regulatory definitions of “limited incumbent” cabin the Department’s authority to promote the public interest. The Department has determined that fashioning a reasonable class of carriers that may purchase divested slots for purposes of providing competition at congested airports is an appropriate and proportionate remedy in these circumstances.

Moreover, Congress’ directive to the Secretary to grant certain slot exemptions to new entrant or limited incumbent carriers at LGA and JFK expired upon the January 1, 2007 statutory termination of the HDR at those airports. 49 U.S.C. 41716(b), 41715(a)(2). The Department is under no statutory or regulatory directive to apply the “fewer than 20” threshold to determine the class of carriers eligible to purchase the divested slots in this proceeding.

In the Department’s February 2010 Notice, in connection with the Joint Applicant’s initial request, we proposed the use of a five percent threshold, because carriers having slot holdings above that point provide a minimum level of competitive service sufficient to affect pricing in the market.²⁹ Restricting eligibility to new and smaller carriers below that threshold would help attract carriers that offered the prospect of increased efficiencies and innovations, as well as the ability to increase throughput at the airports, so long as they had a sufficient number of slots to establish sustainable patterns of

service.³⁰ Moreover, use of a 5% standard, rather than setting the threshold at a lower level, would enlarge the number of potential competitors for the divested slots, creating a more robust market for them and a greater likelihood that the awarded slots would be utilized in an efficient and effective manner.

The “five percent rule” is the same as that adopted in the May 2010 Notice in which we granted the joint waiver request of the carriers conditioned on divesting certain LGA and DCA slots to eligible new entrant and limited incumbent carriers, which we defined as those:

having fewer than five percent of total slot holdings at DCA and/or LGA, do not code share to or from DCA or LGA with any carrier that has five percent or more slot holdings, and are not subsidiaries, either partially or wholly owned, of a company whose combined slot interest holdings are equal to or greater than five percent at LGA and/or DCA.

75 FR at 26,337.

JetBlue also states that our definition of carriers eligible to purchase divested LGA slots unlawfully ignores a purported statutory mandate to make up to 20 LGA slot exemptions available to new entrants and limited incumbents.³¹ In making this argument, JetBlue claims that the “interim slot rules at New York airports,” enacted by Congress in the Wendell H. Ford Aviation Investment Reform Act of 2000 (AIR–21), entitled all new entrant and limited incumbent carriers to receive up to 20 LGA slot exemptions. 49 U.S.C. 41716(b). JetBlue suggests that the divestiture must first favor those carriers with less than 20 slots before offering an opportunity for those with more than 20 slots to purchase the divested slots.

AIR–21 expired at LGA along with the HDR. Any articulation of Congressional purpose in enacting AIR–21 simply no longer applies at LGA. Thus, we reject JetBlue’s argument for the reasons set forth above. In addition, JetBlue’s reading of Section 41716(b) is overly generous to the new entrant/limited incumbents. This provision did not entitle each applicant to 20 LGA slot exemptions, as JetBlue claims. Rather, it directed the Secretary, subject to procedures set out in Section 41714(i), to grant slot exemptions to new entrants or limited incumbents at LGA “if the number [] granted * * * does not exceed 20 * * *.” 49 U.S.C. 41716(b). In other words, it prohibited the Secretary from granting the LGA slot

exemptions described in Section 41716(a) to any carrier whose LGA slots and slot exemptions would total more than 20.

JetBlue and Virgin America also comment on Frontier’s eligibility. Our July 2011 Notice tentatively found that Frontier, a carrier with limited holdings at DCA and LGA, would qualify as an eligible bidder for slots.³² We explained that it was appropriate for Frontier to bid even though it was wholly-owned by Republic, which holds more than 5% of slots at DCA. The Department noted that Frontier has a unique business plan and relationship in the Republic structure, and confirmed that its yields have remained consistent with those of LCCs.

JetBlue and Virgin America contend that Frontier should not be eligible. JetBlue’s argument centered on the assertion that the Department must restrict bidding to carriers with 20 or fewer slots, and that Frontier is owned by a carrier whose slot holdings far exceed the “20 or fewer” threshold.³³ The “20 or fewer” issue was addressed above. Virgin America also cites Frontier’s ownership as a concern, but suggests that it would be too difficult for the Department to monitor whether Frontier’s business plan was, in fact, delivering lower fares as intended.³⁴

However, Frontier’s inclusion in the pool of eligible bidders is consistent with our objective of crafting a remedy to mitigate the loss of competition associated with the Delta/US Airways slot swap. Frontier operates as a separate business within the Republic corporate structure, with a low-cost carrier business plan and yields consistent with low-cost operations. Republic’s other slots are pledged for use on a long term basis by Republic’s other business, which operates regional aircraft on behalf of mainline carriers, and the slots are therefore not available to exert competitive discipline on incumbent carriers. Should Frontier be successful in bidding on the slots being divested here, the approval to operate them will be conditioned upon its maintaining a low-cost carrier business plan and operating the divested slots with yields consistent with LCC operations for the duration of the five-year minimum hold requirement.

A final eligibility issue concerns Southwest Airlines and AirTran. In the July 2011 Notice, the Department recognized the merger of Southwest and

²⁸ 49 U.S.C. 41714 (h) provides that the definitions set forth in that section, including the definition of “Limited incumbent carrier,” only apply “[i]n this section and sections 41715–41718 and 41734(h) * * *.”

²⁹ See, e.g., Gimeno, 20(2) “Reciprocal Threats in Multimarket Rivalry: Staking out ‘Spheres of Influence’ in the U.S. Airline Industry,” *Strategic Management Journal* 101 at 110.

³⁰ 75 FR at 7310–11.

³¹ Comments of JetBlue Airways, FAA–2010–0109, at 19–22 (Aug. 29, 2011).

³² 76 FR 45,330, n. 40.

³³ Comments of JetBlue at 13 (Aug. 29, 2011); Reply Comments of JetBlue at 3 (Sept. 13, 2011).

³⁴ Comments of Virgin America at 11–12 (Aug. 29, 2011).

AirTran,³⁵ but Westjet and Spirit seek clarification of Southwest/AirTran's status as potential bidders for divested slots.³⁶ Southwest and AirTran are merging, and therefore have every incentive and—unlike Frontier—ability to combine their assets to exert competitive influence in the market. Southwest and AirTran thus will be required to bid as a single unit; they are eligible to do so because their combined holdings do not exceed 5% at either airport.

Slot Bundles of Eight Pairs Will Best Promote Competitive Discipline at DCA and LGA

In the Department's earlier analysis, we expressed concern over increased levels of airport concentration, which together with (1) an increase in the number of monopoly or dominant markets in which increased pricing power could be exercised, (2) the prospect for higher fares in some markets, and (3) the potential for use of transferred slots in an anti-competitive manner, warranted conditioning approval on the carriers' agreement to divest a number of slots. Given all of these concerns, we asserted that limited divestitures at both airports would lead to an injection of additional competition from other carriers, which may effectively mitigate these prospective harms.

In our May 2010 Notice we said that an effective remedy must (1) provide a sufficient number of slots to allow other carriers to mount an effective competitive response, (2) define the pool of eligible carriers to include those with the greatest economic incentive to use the slots as intensively as possible and exert competitive discipline, and (3) ensure that the bundles of divested slots are suitable for a commercially viable service pattern and structured proportionate to the slots that are part of the slot swap.

Working from these criteria, we proposed to bundle the slots in 8-pair units at each airport, meaning that there would be one bundle at DCA and two at LGA. In the May 2010 Notice, we expressed our tentative belief that this approach would maintain high competitive discipline levels and would be preferable to dividing the slots into smaller packages that could cause underutilizations or inefficiencies.

In response, several carriers that would be designated as new entrants/limited incumbents filed comments regarding slot bundles. Allegiant

proposes smaller bundles to allow the largest number of carriers with different types of operations to participate. JetBlue argues that new LCC entry at DCA makes it no longer necessary for bundles of slots to be spread throughout the day. Instead, JetBlue states that eligible carriers should be able to bid on individual slot pairs to complement their existing schedules. Virgin America claims that the bundles are unnecessarily large and would likely increase market concentration and impair competition. Sun Country contends that it would be unable to utilize all of the slots in a given bundle and that the price for the large bundles would be prohibitive. West Jet proposes that smaller bundles would lead to increased participation by smaller LCCs. Spirit, in its most recent filing, seeks a free distribution of slots "into sets of usable pairs."³⁷ Finally, Frontier states that it, along with every other LCC filing comments with the exception of Southwest, supports smaller bundles, maintaining that such a structure would expand the pool of LCCs and destinations gaining new or enhanced access to DCA and LGA and would reduce the relative concentration of slot holdings among just a few carriers.

Southwest contends that packaging slots into large bundles for allocation would be the most effective competitive response to the larger Delta and US Airways positions at LGA and DCA, especially if the divested slots are concentrated in the hands of a single strong competitor at both airports. Southwest maintains that the Department should avoid trying to "keep everyone happy" by placing arbitrary restrictions on the allocation process that will only result in slots being under-used or even forfeited by carriers operating insufficient frequencies and therefore unable to mount an effective response and provide meaningful price discipline to the strengthened Delta and US Airways. Southwest cites the Campbell-Hill report appended to its comments that "splitting the slots arbitrarily among multiple carriers would only dilute the impact of the new service vis-à-vis the incumbents and provide fewer competitive benefits to the public."³⁸ Finally, Southwest concludes that dividing the small number of divested slots among several low-cost, low-fare carriers, as Frontier supports, would be counter-productive, as the modified bundles would generate only weak and

diffuse competition, thus benefiting the Joint Applicants, and wasting a rare opportunity to inject strong and sustainable low-fare competition at airports that desperately need it.

After reviewing the competing arguments, we have concluded that there is likely to be greater overall public benefit if the larger (*i.e.*, 8 slot pair) bundles are retained. Under their proposal, Delta and US Airways are not committed to any particular markets for defined periods. Each carrier would be free to discontinue any of the proposed routes and initiate others. With that flexibility, they could choose to use their increased slot holdings to target carriers with more limited slot holdings, for example by increasing their roundtrips in competitive markets and "sandwiching" competitor flights. A restructured remedy consisting of smaller bundles of slots to more carriers, as proposed by Spirit, JetBlue, Allegiant, WestJet and Virgin America could make certain new entrants highly vulnerable to such scheduling changes and frustrate the competitive responsiveness we are seeking.

Under the approach we take by this Notice, the bulk of the benefits derived from the divestitures required as a condition to this waiver will be from new entrant or limited incumbent carriers using the divested slots, and in order to be effective the bundles of remedied slots must be structured in such a way to enhance the likelihood of sustainable service. Diminishing the size and extensive time of day coverage of remedied bundles, an approach promoted by Spirit, JetBlue, Allegiant, WestJet, and Virgin America, will not create the degree of competitive impact required to compensate for the expected harm to be generated from this transaction.

We find that establishing bundles of slots for sale will enable an eligible carrier to purchase a sufficient array of slots to operate and maintain competitive service throughout the day. Bundling will assist the purchasing carrier in initiating or increasing service in an operationally efficient and pro-competitive manner. Packaging more slots in fewer bundles is the best approach to optimize competitive discipline. Furthermore, bundling eight slot pairs at DCA and two bundles of eight slot pairs each at LGA will help to avoid underutilization and inefficiencies of resources, including facilities, aircraft and staffing, that may result from more bundles containing fewer slot pairs.

³⁵ 76 FR 45,316.

³⁶ Comments of WestJet at 2, 9 (Aug. 29, 2011); Comments of Spirit at 14, n. 23 (Aug. 29, 2011).

³⁷ Comments of Spirit Airlines, Inc., Docket No. 2010-0109, at 5 (Aug. 29, 2011).

³⁸ Comments of Southwest Airlines Co., Docket No. 2010-0109, App. at 15 (Aug. 29, 2011).

Procedures for Transferring Divested Slots

In connection with the proposed auction mechanics for the purchase by eligible carriers of the divested slots, Southwest objected to the imposition of a deadline for bids. It believes that a deadline such as the one we proposed creates disincentives for early bidding and is subject to manipulation through last-minute bidding. It proposes a different approach, with features like minimum increases between offers and time limits on submitting a higher offer following the most recent offer.

We disagree. In order to allow the sale to be completed, there must be some closing time for offers. Southwest's system would create a moving deadline based on how much time has elapsed since the previous bid. Different buyers will have different strategies, and submitting an offer at the last minute is just one such strategy. For example, a bidder might equally attempt a high preemptive "shut out" offer. We cannot predict the various strategies, and, therefore, choose not to depart from our proposal, which will be easier for the FAA to manage.

Once the sales period closes, the FAA will determine the highest offer for each bundle. If each bundle receives only a single offer, the FAA would notify the seller by forwarding the purchaser's identification. If one eligible carrier had made the highest purchase offer on multiple bundles at LGA, the FAA would determine which offer is valid based on preference ranking. The successful bid for the other LGA bundle will be the next-highest offer from a carrier that remains eligible to purchase the slots. This information will be forwarded to the respective seller. The FAA will notify the selling and purchasing carriers to allow them to carry out the transaction, including any gate and ground facilities arrangements. The full amount of the proceeds could be retained by the selling carrier. The seller and purchaser will be required to notify the FAA that the transaction has been completed and certify that only monetary consideration will be or has been exchanged for the slots.

In the July 2011 Notice, we had proposed that if the highest bidder for both LGA bundles was the same eligible carrier, the amounts of the offers would be communicated to the seller and the seller could choose to accept both highest offers instead of the highest offers of two different eligible bidders as identified by the FAA. In its comments, the Port Authority of New York and New Jersey (Port Authority) would allow more than one bundle there to go

to a single purchaser, and Southwest argued that we should dispense with the proposed restriction that an eligible carrier may purchase no more than one of the LGA bundles. However, JetBlue asserted that our procedures should not enable one carrier to purchase all of the available slots, but rather should enhance the competitive benefits to the public by giving greater opportunities to new entrants and limited incumbents in light of the new and different services they provide. Frontier offered similar comments. In response, the Joint Applicants afforded "deference to the Department on how it chooses to conduct the slot auction."³⁹

Upon further reflection, we believe that having two carriers receive slots at LGA achieves the better result, as it will appropriately balance our goal of a remedy introducing additional competition at the airports with our belief that the number of slots obtained by each carrier must be sufficient to assure that they can be used effectively to stimulate competition. Thus, we will modify the position on this issue that we had taken earlier and require that the carriers package the divested slot pairs at LGA into two bundles which must be sold to two separate eligible carriers, as further discussed below.

In the unlikely event that there are no offers for a slot interest, the slot interests will revert automatically to the FAA. If necessary, the FAA may announce at a later date a means for disposing of a slot interest that attracts no purchase offer. Alternatively, under the Order, the FAA could simply retire the slot as a congestion mitigation measure. We do not expect that this need will arise.

We have adopted our proposal to conduct sales by a cash-only, FAA "blind" web site. A blind-only mechanism has the capability of maximizing the competitive potential of the divestiture packages, as that sale method would target the potential competitors with the greatest economic incentive to use slots as intensively and efficiently as possible.

Retention of the Sale Proceeds by the Joint Applicants

A number of commenters, including several air carriers, question our proposal to allow the Joint Applicants to retain the proceeds from the slot sales we are requiring as a condition to this waiver. These, and some others, argued that the current owners received the slots from the FAA without payment, are not the owners of slots, and that any divestitures should serve to benefit

³⁹ Response of Joint Applicants to Show Cause Order, FAA-2010-0109, at 3 (August 29, 2011).

parties other than the carriers.⁴⁰ Additionally, Spirit asserts that limited incumbent airlines are entitled to the divested slots at no cost under the pro-competitive policies in Section 40101(a) and the prohibition on purchases or sales of slots in the LGA Order. Spirit also expresses concern that the Joint Applicants could enjoy a "financial windfall" by being able to retain the proceeds of a sale, citing a 2007 FAA Notice regarding operating limitations at LGA indicating that rights held under slot rules would end on December 31, 2006.⁴¹

The Joint Applicants respond that their application does not contemplate that slots would be divested without compensation, and that they would not have offered to divest any slots if they believed that would be required.

Allowing the Joint Applicants to retain the proceeds from the sale of the divested slots in this case is within our authority. Since 1985, the FAA has permitted carriers to purchase, lease, sell, and otherwise transfer slots for consideration under the HDR's Buy-Sell Rule.⁴² The FAA's regulatory permission to buy and sell slots is consistent with the complementary HDR provision that slots do not represent a property "right" but a privilege subject to FAA control and encumbrances.⁴³ Furthermore, a secondary market in slots conforms to the pro-competitive policies of the Airline Deregulation Act by, among other things, relying on "competitive market forces" and "encouraging entry into air transportation markets by new and existing carriers." 49 U.S.C. 40101(a)(6), (12). Accordingly, the FAA is under no statutory obligation to have the divested slots allocated to eligible carriers free of charge. Additionally, a sale of the slots is not a financial windfall but allows the Joint Applicants to maximize the value of their slots as originally intended as part of the larger transaction. 75 FR at

⁴⁰ The Airports Council International (ACI-NA) argued that slots should be treated as community assets that should be used to benefit the communities and airports, rather than carriers, and the Consumer Travel Alliance argued that the slots contemplated in the transaction are not assets of the air carriers and should be treated as property of the American public. These commenters commonly referred to FAA's regulations that state that "[s]lots do not represent a property right but represent an operating privilege subject to absolute FAA control." 14 CFR 93.223(a).

⁴¹ Comments of Spirit Airlines, FAA-2010-0109, at 4, 10 (Aug. 29, 2011), referencing FAA's Notice of Order on Operating Limitations at New York LaGuardia Airport, 71 FR 77854, 77857 (Dec. 27, 2007).

⁴² 50 FR 52195 (Dec. 20, 1985); 14 CFR 93.221.

⁴³ 14 CFR 93.223.

7311.⁴⁴ Finally, the purchasers of the LGA slots will receive the same interest that current slot holders at LGA have. This interest is comparable to that which Delta will receive in connection with its purchase of the US Airways' LGA slots. Our waiver of the LGA Order transfers to Delta the same interests that US Airways currently holds under the terms of that Order.

After review of these comments, we remain persuaded that both our earlier position on these issues and our approach in granting the petition with divestitures are the correct ones.

Implementation in Tranches

In the July 2011 Notice, the Department proposed to prohibit each transferee Joint Applicant from operating any of the newly acquired slots during the first 90 days after the closing date of the sale of the divested slots. We further proposed to prohibit them from operating more than 50 percent of the total number of slots included in the Joint Applicants' Agreement between the 91st and the 210th day following the close date of the sale of the divested slots. After that time, we would allow the transferee to operate the remainder of the slots. The purpose of these prohibitions was to allow the new entrant and limited incumbent carriers that purchased the divested slots a sufficient period to establish competitive service, without interference from new operations of the Joint Applicants.

The Joint Applicants have not objected to this proposal, nor have others contended that it is unfair or impractical. We will therefore finalize this aspect of the waiver as it had been proposed.

Availability of Facilities to Purchasing Carriers

Our Notice proposed to require the selling carrier to make airport facilities available to the purchaser under reasonable conditions only if the purchasing carrier lacks access to facilities and is unable to obtain such access from the airport operator. We see no need to change this proposal or, as suggested by Southwest, to waive the use-or-lose period until such time as the

purchasing carrier actually occupies the airport facilities. Nor do we agree with the Port Authority's suggestion to extend the proposed six-month use-or-lose waiver due to potential difficulties with arranging facilities for requesting carriers.

Rather, we fully expect both the Port Authority, as the operator of LGA, a large hub, and the Metropolitan Washington Airports Authority (MWAA), as the operator of DCA, also a large hub, to make facilities available, with reasonable dispatch, to requesting carriers and within the six-month period after the purchase of the divested slots. The Port Authority and MWAA each are bound by DOT federal grant assurances to provide reasonable and competitive access at their respective airport facilities to requesting airlines and airlines wishing to expand service at their airports. They must file competition disclosure reports with the FAA if they fail to do so. Additionally, they have each taken action, under their airport competition plans, to reduce barriers to entry and enhance competitive access at their airports. Furthermore, the Department and the FAA are available to facilitate access at appropriate airport facilities if necessary.

Additionally, we note that Airports Council International—North America (ACI-NA) comments that the grant of this waiver, subject to the conditions specified in the initial Notice, would “unlawfully * * * usurp the proprietary right of the Port Authority and the Metropolitan Washington Airports Authority to control how their facilities at LGA and DCA were used.”⁴⁵ Under 49 U.S.C. Section 40103(b)(1), however, it is the FAA, not the airports, that has the authority “to develop plans and policy for the use of the navigable airspace and assign by regulation or order the use of the airspace necessary to ensure the safety of aircraft and the efficient use of airspace.” This power includes the authority to limit flight operations at congested airports and to distribute and allocate landing and takeoff reservations (slots) to designated air carriers at controlled airports. Further, because the airports are under federal obligations to make facilities available, on a reasonable basis, to requesting carriers, we fully expect the airports to work with the carriers as they have in the past, in providing accommodation to requesting carriers.

Finally, WestJet filed comments urging that Customs and Border Protection pre-clearance procedures be made available at the applicable Canadian airport in the event that any successful bidder intends to use its slots for service to Canada, or in the alternative that FAA extend the six-month startup grace period in order to allow the bidder to obtain the necessary pre-clearance privileges. The granting of such privileges is within the purview of the Department of Homeland Security (DHS), not FAA, and WestJet or any other interested party may make appropriate inquiries on this issue with DHS. Should there be extenuating circumstances with preclearance matters in connection with compliance with the six-month startup provision, the Department will be available to work with the carrier and other appropriate parties as noted above.

Other Issues Raised by Commenters

Among its other comments, Virgin America, Inc. urges the Department to create a “strategic slot reserve,” with the divested slots, so that if (1) the available slots were not purchased by eligible participants in the divestiture process, (2) the purchasers did not meet minimum utilization requirements in operating the slots, or (3) the purchasers no longer met new entrant or limited incumbent eligibility requirements, the slots would be reserved for allocation to only eligible new entrants and limited incumbents.

The Department had already proposed certain alienation limitations in the Notice to ensure that the divestiture process did not enable or result in transactions that undermined the pro-competitive purpose of the proposal. Under our tentative proposal, the successful bidders would not be permitted to sell or lease the slots for 12 months following purchase, although one-for-one trades for operational purposes would be permitted. The slots could, after the initial 12 months, be sold, traded, or leased to any carrier that, at the time of the sale, trade, or lease, qualified as a new entrant or limited incumbent, for four years thereafter, with all restrictions on alienation thus ending five years following the initial sale. If by some chance slots went unsold, they would revert to the FAA and, if appropriate, it would announce at a later date whether it would retire them to reduce congestion or make them available to other carriers.

After considering Virgin America's comment, DOT believes the July 2011 Notice's approach better implements a pro-competitive market environment at

⁴⁴ Spirit and the Air Carrier Association of America contend that the Joint Applicants did not seek compensation for the divested slots. Comments of Air Carrier Ass'n of Am., FAA-2010-0109, at 3 (July 1, 2011); Comments of Spirit Airlines, FAA-2010-0109, at 2 (June 24, 2011). The Joint Applicants dispute this allegation, and state that “[t]hey would not have offered to divest slots if they had believed that they would be withdrawn and reallocated without compensation.” Response of Joint Applicants to Show Cause Order, FAA-2010-0109, at 4 (Aug. 29, 2011).

⁴⁵ Comments of Airports Council Int'l—N. Am., FAA-2010-0109, at 4 (Aug. 30, 2011). We note that neither the Port Authority nor MWAA has made this assertion on their own behalf.

the airports and better balances competing objectives in the bidding process. Virgin America's proposal does not address sale, trade or lease issues, and after review of other comments we are confident both that the bidding process will attract robust competition for the slots, and that the successful bidders will be highly motivated to maintain high utilization rates. Moreover, creating permanent encumbrances on the slots with "in perpetuity" restrictions would likely generate greater caution by carriers in bidding, and produce greater burdens in administering the slot rules.

San Francisco International Airport expresses concern that the grant of this waiver to the Joint Applicants would create an incentive for carriers to create congestion at other airports that are not currently slot-constrained, so as to cause those airports to become slot-constrained, and allow those carriers to benefit from the sale of the newly-created slots.⁴⁶ We do not believe this concern is well-founded. Carriers that intentionally over-schedule their operations at an airport incur significant costs and delays in their own operations. If the FAA is forced to reduce schedules, carriers should not expect the FAA to accept any flights that perpetuate congestion. Moreover, under the Buy-Sell rule, carriers have enjoyed the ability to sell slots and retain the sales proceeds at certain slot-controlled airports (and still enjoy that ability at DCA), and that has not resulted in any effort by carriers to create other slot-controlled airports. Finally, our decision in this case should not be viewed as a policy statement or rulemaking with far-reaching effect; to the contrary, it is a waiver based on the specific facts before us and the circumstances are unlikely to be replicated at other airports.

In addition, Virgin America urges the Department to fulfill its intention to establish and implement a rule to manage congestion issues at Newark Liberty, John F. Kennedy, and LaGuardia airports. It also comments that carriers that obtain LaGuardia slots in this process should be able to seek to use those slots at other congested airports (such as Newark Liberty, where Virgin America asserts that monopoly conditions exist). While we appreciate these points, they are beyond the scope of this proceeding. As Virgin America's own comments acknowledge, a comprehensive rule to manage

congestion at the three airports is under development in a different rulemaking process, and comments to this docket cannot serve as a substitute for participation in the correct proceeding.

Terms of the Final Waiver Notice

Accordingly, we will grant the waiver requested by the Joint Applicants, conditioned on: the divestiture of 32 slots at LGA (16 arrival and 16 departure) and 16 slots at DCA, through a blind, cash-only sale through an FAA-managed Web site to limited incumbent and new entrant carriers having fewer than five percent of the total slot holdings at DCA and LGA respectively, and that do not code share to or from DCA or LGA with any carrier that has five percent or more slot holdings. We also require that, to be eligible to bid on the divested slots, carriers not be subsidiaries, either partially or wholly owned, of a company whose combined slot holdings are equal to or greater than five percent at DCA or LGA respectively, with the exception of Frontier Airlines for the reasons noted above.

To enable purchasing carriers to achieve a critical mass of slots, the divested slots shall, as proposed, be bundled into eight slot pairs at each airport, with two such bundles at LGA and one at DCA. An eligible carrier may, under our proposal, purchase only one slot bundle at each airport (while indicating preference ranking for each slot bundle as part of its offer). For the reasons outlined above, we are not adopting our earlier proposal to allow the seller to opt to accept both bids of the same purchasing carrier at LaGuardia. The selling carriers may retain, in full, the proceeds of the sale of these slots.

More specifically, as outlined in the July 2011 Notice, the single bundle at DCA would include the following slots: 0700, 0800, 0800, 0900, 1000, 1000, 1100, 1200, 1300, 1400, 1600, 1700, 1800, 1800, 2000, and 2100.

At LGA, Bundle A would include slots at 0600D, 0630D, 0730A, 0830D, 0830A, 0930D, 1100A, 1230D, 1300A, 1400D, 1500A, 1600D, 1700A, 1830D, 2000A, and 2100A. Bundle B would consist of slots at 0630D, 0700D, 0800A, 0930D, 1000A, 1030D, 1230A, 1330D, 1430A, 1600D, 1630A, 1730D, 1830A, 1930D, 2030A, and 2130A.

Within 30 days of this grant of waiver, Delta and US Airways must notify in writing to the FAA whether they intend to proceed with the slot transfer transaction. If they intend to consummate the slot transfer transaction subject to this waiver, that notice must

provide the following information for the divested slots:

- (1) Operating Authorization number (LGA) or slot number (DCA) and time;
- (2) Frequency;
- (3) Effective Date(s);
- (4) Other pertinent information, if applicable; and
- (5) Carrier's authorized representative.

The FAA will post a notice of the available slot bundles on the FAA Web site at <http://www.faa.gov> shortly after receiving all required information from the sellers and, if practicable, will publish the notice in the **Federal Register**. The notice will provide seven business days for purchase offers to be received and will specify a bid closing date and time. Eligible carriers may register to purchase the slot bundles via e-mail to 7-awa-slotadmin@faa.gov. Registration must be received 15 days prior to the start of the offer period and must state whether there is any common ownership or control of, by, or with any other carrier and certify that no purchase offer information will be disclosed to any person other than its agent.

The FAA will specify a bid closing date and time. The bidders' identities will not be revealed. An eligible carrier will register for each slot bundle it wishes to buy, and the FAA will assign it a random number for each registration, so no information identifying the bidder will be available to the seller or public. A bidder will be allowed to indicate its preference ranking for each slot bundle as part of its offer. Finally, the FAA will review the offers for each bundle in order. All offers to purchase slot bundles will be sent to the FAA electronically, via the e-mail address above, by the closing date and time. The offer must include the prospective purchaser's assigned number, the monetary amount, and the preference ranking for that slot bundle. No extensions of time will be granted, and late offers will not be considered. The FAA will post all offers on the Web site as soon as practicable after they are received. Each purchaser would be able to submit multiple offers until the closing date and time.

Once the sales period closes, the FAA will determine the highest offer for each bundle. If each bundle receives only a single offer, the FAA will notify the seller by forwarding the purchaser's identification. If one eligible carrier had made the highest purchase offer on multiple bundles at LGA, the FAA will determine which offer is valid based on preference ranking. The successful bid for the other LGA bundle will be the next-highest offer from a carrier that remains eligible to purchase the slots.

⁴⁶ Comments of San Francisco Int'l Airport, FAA-2010-0109 (Aug. 29, 2010); see also Comments of Airports Council Int'l—N. Am., FAA-2010-0109, at 4 (Aug. 30, 2010).

This information will be forwarded to the respective seller. The FAA will notify the selling and purchasing carriers to allow them to carry out the transaction, including any gate and ground facilities arrangements. The full amount of the proceeds may be retained by the selling carrier. The seller and purchaser will be required to notify the FAA that they have entered into a binding agreement with respect to the sale of the slots and certify that only monetary consideration will be or has been exchanged for the slots. This notification must occur within five business days of notification by the FAA of the winning offer. The FAA then will approve the transaction and will maintain and make publicly available a record of the offers received, the identity of the seller and purchaser, and the winning price.

Additionally, to allow the new entrant and limited incumbent carriers purchasing the divested slots to establish competitive service, we shall prohibit each transferee Joint Applicant from operating any of the slots acquired by virtue of this waiver during the first 90 days after the closing date of the sale of the divested slots and from operating more than 50 percent of the total number of slots included in the Joint Applicants' Agreement between the 91st and the 210th day following the close date of the sale of the divested slots, after which time the transferee will be free to operate the remainder of the slots.

As discussed above and as proposed, if the purchasing carrier lacks access to gates and ground facilities and is unable to obtain such access from either the Port Authority, the operator of LGA, or from MWAA, the operator of DCA, the selling carrier must make these available to the purchaser under reasonable terms and rates. We also direct the Joint Applicants to cooperate fully with the purchasing carrier and the respective airports to enable the startup operations to begin within six months after purchase.

Slots obtained through this procedure will be subject to the same minimum usage requirements as provided in the LGA Order and HDR. However, we will waive the respective use or lose provisions of the LGA Order and HDR for slots operated by the purchaser for six months following purchase to allow the purchaser to begin service in new markets or add service to existing markets. The purchaser must initiate service no later than six months following purchase.

The purchaser may lease the acquired slots to the seller until the purchaser is ready to initiate service to maximize

operations at the airports. As proposed, however, slots may not be sold or leased to other carriers during the 12 months following purchase, because the purchaser must hold and use the acquired slots.

Purchasers could engage in one-for-one trades of these slots for operational needs. The limitations would attach to any slot acquired by an eligible carrier in a one-for-one trade. Any one-for-one trades are subject to the FAA notice requirements in the LGA Order and HDR. Any trades or leases of LGA slots may not exceed the duration of the LGA Order.

After the initial 12 months, and for four years thereafter, the slots may be sold, traded, or leased (as authorized by the HDR at DCA and as otherwise authorized at LGA) to any carrier that at the time of the sale, trade, or lease would have met the eligibility requirements to make an offer for the divested slots under this waiver. These alienation restrictions will increase the likelihood that the divested slots are used and operated by carriers that will enhance competition at LGA and DCA, lower fares, and benefit the traveling public. We recognize, however, that restrictions on alienation of these slots may depress their value for the carriers holding them. Accordingly, the alienation restrictions on the divested slots will terminate five years after initial sale. This will balance the need and desire of those carriers to maximize the value of the divested slots with the Department's desire to afford the traveling public a broad array of competitive service.

In the unlikely event that there are no offers for the slots, they will revert automatically to the FAA. If necessary, the FAA may retire the slots or announce at a later date a means for disposing of a slot bundle that attracts no purchase offer. We do not expect that this need will arise.

The grant of waiver becomes effective upon the issuance of this Notice. Failure by the Joint Applicants to comply with the terms and conditions contained in this Notice may result in partial or complete withdrawal of the waiver or other penalties.

Issued in Washington, DC, on October 7, 2011.

Ray LaHood,
Secretary.

J. Randolph Babbitt,
Administrator, Federal Aviation Administration.

Appendix

Summary of Comments

We received comments from numerous commenters, which are summarized below.

Southwest Airlines Co. argues that FAA should require divestitures that are, at a minimum, in-line with DOT's May, 2010 Order, which was 20 slot pairs at LGA and 14 slot pairs at DCA. Southwest urges FAA to eliminate the possibility of the Joint Applicants playing a role in the selection process, to use a true market-based auction where the highest cash bid on each slot bundle wins, and to remove the restriction that an eligible air carrier may only purchase one LGA slot bundle. Other options have the potential of manipulation in that the seller may have the ability to choose the weakest competitor and thereby the ability to act in an anti-competitive manner. FAA should also amend its order to require that the air carriers selling the divested slots should work with the respective airport authorities to make airport facilities available on no less favorable terms than those now afforded to the Joint Applicants and that airport ground equipment is made available on reasonable terms.

JetBlue Airways Corp. commented on June 15, 2011, before our Notice on the Joint Applicants' revised Petition was issued, and again on August 30, 2011. JetBlue suggests that the Department structure the auction so that the Joint Applicants have no ability to select the winning bidders. Further, JetBlue argues that the Department should make minor adjustments to the procedures defined in its May, 2010 Final order. Specifically, DOT should: (1) Clarify the rights associated with the divested slots; (2) auction off the divested slots in pairs rather than bundles; (3) limit participation in the auction to "new entrant and limited incumbents" in accordance with 49 U.S.C. 41714(h)(5), *i.e.*, generally, to carriers having fewer than 20 slots and slot exemptions at the respective airport; and (4) limit participants in the auction to purchasing two slot pairs in the first round of bidding.

Frontier Airlines, Inc. submitted initial comments urging the Department to require divestitures consistent with our May, 2010 Notice, of no less than 28 DCA slots (14 slot pairs) and 40 LGA slots (20 slot pairs). In order to maximize the number and geographic diversity of LCC's, Frontier urged the Department to reallocate the slots in bundles of no more than eight slots (or four slot pairs) in each bundle. Frontier is supportive of the Department's determination of its eligibility for the auction process, but suggested a few modifications to that process. Specifically, DOT should use a single round of bidding and require eligible air carriers to submit their best and final offer, or establish a multi-bid process with set deadlines for each round of bids and require that bidders

participate in each round of bidding in order to be eligible to participate in the final round of bidding. Additionally, FAA should be the sole entity controlling the selection of the winning bidders. Frontier encourages the Department to treat Southwest and AirTran as one single air carrier for the purpose of the auction, and urges the Department to publicly disclose the winning bidder and amount of each winning bid.

Spirit Airlines, Inc. is supportive of the divestment of slots, but urges the Department to modify the transaction process. Spirit discourages the Department from using an auction based approach to reallocate the divested slots, and proposes that FAA reallocate the slots, without requiring compensation, to LCC incumbents that operate less than five percent of the slots at DCA and LGA. Spirit takes the position that the Joint Applicants have not sought payment and according to 49 U.S.C. 40101(a), US Airways and Delta are prohibited from selling such slots. Further, Spirit claims that the Joint Applicants did not pay for the slots contemplated in the proposed transaction; rather, those slots were allocated to the Joint Applicants through AIR-21, and therefore the Joint Applicants should not reap financial benefit at the expense of LCCs. Additionally, Spirit claims that it is in the public's best interest to distribute the divested slots without charge, and forcing eligible LCCs to purchase the divested slots will result in higher fares for passengers.

Spirit further urges the Department to group the divested slots into four bundles of four slot pairs each at LGA, and four bundles of two slot pairs each at DCA. Spirit states that the proposed auction method puts it at a disadvantage, and that the carriers with the "deepest pockets" could acquire all of the available slots. The air carrier claims it is 80% smaller than JetBlue and 95% smaller than Southwest/AirTran, and urges the Department to adopt the limited incumbent definition proposed in the Department's Final Notice of May 2010.

The Air Carrier Association of America ("ACAA") supports Spirit's proposal to distribute the divested slots without charge. ACAA urges the Department to impose divestitures of 40 slots at LGA and 28 slots at DCA, and to allocate those slots to LCCs with less than five percent of the slots at DCA/LGA. ACAA asserts that there has been no change in the level of competition at LGA or DCA since the Department issued its previous Final Notice of May 2010.

Allegiant Air asserts that it is eligible to acquire a portion of the LGA slots, and encourages the Department to re-bundle the divested slots into smaller groups.

WestJet encourages the Department to modify the proposed requirements that allow air carriers to bid on a minimum of eight slot pairs. Additionally, in the event that LGA slots are obtained by carriers proposing service to Canada, WestJet urges the Department to assist in their obtaining authority to pre-clear passengers through U.S. Customs and Border Protection at applicable Canadian airports.

Virgin America, Inc. urged the Department to mandate a greater number of slots to be divested, and encourages the Department to

establish and implement congestion mitigation strategy at the major airports in and around New York City. Additionally, Virgin suggests that the Department modify its conditions in the following ways: (1) Lower the definition of limited incumbent from fewer than five percent; (2) not exempt Frontier Airlines from the "no subsidiaries" requirement; (3) modify the number of bundles, which are "unnecessarily" large; (4) establish a "strategic slot reserve" as detailed in its comments in the docket; and (5) allow air carriers to use the divested slots at other congested New York airports such as Newark Liberty International Airport ("EWR").

Sun Country Airlines urges the Department to allow air carriers the ability to purchase individual slots rather than bundles of slots, and proposes that half of the divested slots should be returned to the Department and subsequently reallocated to new entrants or limited incumbents through a lottery system without charge.

San Francisco International Airport commented to express concerns about (1) the future use and sale of slots at congested airports, and (2) possible negative repercussions of allowing air carriers to reap financial reward from the sale of slots.

The Port Authority of New York and New Jersey offered a number of suggestions regarding the proposed transaction: (1) Certain aspects of the sale mechanism should be changed to increase competition and reduce collusive behavior; (2) a six-month deadline to commence use of the divested slots is unreasonable; and (3) the Department should not allow any of the divested slots to be retired in the unlikely event that no air carriers assumes control of the divested slots.

Airport Council International ("ACI-NA") discourages the Department from granting the waiver petition. ACI-NA urges the Department to treat the divested slots as property of the community and not assets of air carriers. ACI-NA contends that the Joint Applicants should not be allowed to receive payment from the divestment of slots, which potentially has negative repercussions.

The City of Tallahassee, Florida encourages the Department to move through the divestment process as expeditiously as possible.

Dane County Regional Airport (Madison, Wisconsin) is supportive of the transaction, but is concerned about possible loss of service.

The New York Travel Advisory Bureau, and various travel agents and corporate travel managers expressed support for the Joint Applicants' proposed transaction, generally citing the potential for greater benefits to the economy of New York, the benefit of improvements proposed for the infrastructure at LaGuardia, and prospects for improved tourism and travel opportunities.

The Honorable Jeff Miller, Representative of the First District of Florida, expressed support for the proposed transaction as potentially leading to more air transportation connectivity between Northwest Florida and DCA.

Mayor Bowers of Roanoke, Virginia, and various other businesses, educational institutions, and private citizens in and around Roanoke, expressed strong concern

about the potential loss of nonstop service to LGA from their community.

The Consumer Travel Alliance ("CTA") urges the Department to reexamine the proposed transaction from the taxpayers' point of view. CTA argues that the slots contemplated in the transaction are not assets of the air carriers and should be treated as property of the American public. CTA has concerns about the repercussions of incentivizing air carriers by allowing airlines to reap financial reward in exchange for scarce slots. CTA urges the Department to reallocate the divested slots to those air carriers that propose to operate large aircraft with those slots, and to air carriers willing to invest in equipping their fleet with NextGen technology. Additionally, CTA urges the Department to consider the difficult task of reallocating the limited airport facilities to the winning bidders.

Supplemental and Responsive Pleadings

The Joint Applicants submitted responsive comments in the docket, and assert that they take no issue with JetBlue's position on the subject of the Joint Applicants' role in the selection of recipients of the divested slots. Furthermore, the Joint Applicants take no position with comments regarding modifications to the auction process. Delta and US Airways assert that they did not contemplate divesting the slots without monetary compensation, and would not have offered to divest such slots had they believed the slots would be withdrawn and reallocated without compensation. The Joint Applicants claim they have the authority to sell slots, and argue that divestiture of 32 slots at LGA and 16 slots at DCA is consistent with the public interest standard. The Joint Applicants further argue that Frontier is not eligible to participate in the auction without special dispensations.

Spirit submitted additional comments in the docket on August 30, 2011, in which it opposes the transaction unless an additional four slot pairs are divested. Spirit claims that 16 slot pairs at LGA will not be an adequate number of divested slots to counter-balance the anti-competitive impact of Delta's newly acquired LGA slots. Spirit strongly opposes an action process that results in the Joint Applicants receiving monetary compensation in exchange for the divested slots. Spirit contends that Congress has defined "limited incumbents" as air carriers holding fewer than 20 slots, and the Department should adopt this definition.

In its responsive submission, ACAA urges the Department to require more divested slots than 16 slot pairs at LGA and 8 slot pairs at DCA. ACAA argues that the Joint Applicants obtained control of the slots contemplated in the transaction without payment and therefore should not receive a financial windfall from low cost carriers in exchange for the slots. ACAA encourages the Department to promote competition at DCA and LGA by divesting slots to air carriers that hold less than five percent of the slots at the respective airports and proposes to use those slots to operate aircraft with at least 110 seats.

Frontier Airlines encourages the Department to define "limited incumbents"

as those air carriers that operate fewer than five percent of the slots at DCA and LGA. Frontier urges the Department to allocate the divested slots into smaller bundles than what was proposed in the Notice of the revised Petition and prohibit an air carrier from acquiring all of the slots. Additionally, Frontier argues that divested LGA slots should not be transferable to EWR, and that exempting Frontier from the “no subsidiaries” requirement is fully justified and in the public interest.

Southwest submitted responsive comments supporting the Department’s definition of “limited incumbent” in this proceeding, pointing out that any other definition would be inconsistent with the May 2010 Notice regarding the previous, similar transaction, and arguing that the proposed definition ensures that the divested slots are “put to their best competitive use * * * to produce the maximum public benefits and partially offset the anticompetitive effects of the slot swap.” Southwest further argues that this definition is justified in order to ensure that the transaction is in the public interest. It also claimed that smaller bundles of slots would provide only “weak and diffuse” competition by low-fare carriers. Southwest also supported a simple auction format in which the highest bidder won each bundle of slots.

Continental Airlines, Inc. and United Air Lines, Inc. submitted responsive comments opposing Virgin America’s suggestion that divested LGA slots should be transferable to EWR.

In a September 13, 2011 submission, JetBlue reiterated its position that additional slot divestitures are required to ameliorate the anticompetitive effects of the proposed transaction. It also continued to argue that “limited incumbent” was defined in statute by the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21), and that implementation of AIR-21 is the core issue in this proceeding.

CAA responded to these comments in a September 21, 2011 filing, and restated the benefits it believes accrue to the public from allowing carriers with more than five percent of the slots at either airport to participate in the auction.

[FR Doc. 2011-26465 Filed 10-11-11; 4:15 pm]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Technical Standard Order (TSO)-C129a, Airborne Supplemental Navigation Equipment Using the Global Positioning System (GPS)

AGENCY: Federal Aviation Administration (FAA), DOT

ACTION: Notice of cancellation of TSO-C129a, *Airborne Supplemental Navigation Equipment Using the Global Positioning System (GPS)*.

SUMMARY: This notice announces the FAA’s cancellation of TSO-C129a,

Airborne Supplemental Navigation Equipment Using the Global Positioning System (GPS) effective October 21, 2011. TSO cancellation will not affect production according to an existing TSO authorization (TSOA). Articles produced under an existing TSOA can still be installed according to existing airworthiness approvals and applications for new airworthiness approvals will still be processed.

The effect of the cancelled TSO will result in no new TSO-C129a design or production approvals. However, we will accept applications for new TSO-C129a TSO Authorizations (TSOA) until October 21, 2012 if we know that you were working toward a TSO-C129a approval prior to October 21, 2011.

DATES: Comments must be received on or before October 20, 2011.

FOR FURTHER INFORMATION CONTACT: Mr. Kevin Bridges, AIR-130, Federal Aviation Administration, 470 L’Enfant Plaza, Suite 4102, Washington, DC 20024. Telephone (202) 385-4627, fax (202) 385-4651, e-mail to: kevin.bridges@faa.gov.

SUPPLEMENTARY INFORMATION: The FAA published a **Federal Register** notice on August 16, 2011 (76 FR 50808) describing our intent to cancel TSO-C129a to solicit feedback. We received a total of six comments from three parties with questions or concerns about the cancellation. For example, there was a comment to provide a transition period for applicants working toward a TSO-C129a approval prior to the cancellation date. The FAA agreed with this comment and has included a transition period in this notice. Another comment expressed concern regarding how an existing TSO-C129a technical standard order authorization (TSOA) would be addressed on an article with multiple TSOAs that has a change not affecting TSO-C129a. The FAA agrees to address this issue through a policy revision and/or policy memo. However, none of the parties providing comments expressed an objection to TSO-C129a being cancelled or provided reasons to not cancel the TSO.

Comments Invited

You are invited to comment on the cancellation of the TSO by submitting written data, views, or arguments to the above address on or before October 14, 2011. The Director, Aircraft Certification Service, will consider all comments post-marked or received before the TSO cancellation date.

Background

On September 21, 2009, the FAA published TSO-C196, Airborne

Supplemental Navigation Sensors for Global Positioning System Equipment Using Aircraft-Based Augmentation; an updated minimum performance standard for GPS sensors not augmented by satellite-based or ground-based systems (*i.e.*, TSO-C129a Class B and Class C). The FAA has also published two TSOs for GPS augmented by the satellite-based augmentation system (TSO-C145c, Airborne Navigation Sensors Using the Global Positioning System Augmented by the Satellite-Based Augmentation System; and, TSO-C146c, Stand-Alone Navigation Equipment Using the Global Positioning System Augmented by the Satellite-Based Augmentation System).

TSO-C145c, TSO-C146c, and TSO-C196 incorporate more stringent standards and testing requirements that make the GPS equipment more accurate and robust than sensors built to the minimum requirements in TSO-C129a. Two examples of these improvements are: (1) A requirement for the receiver to properly account for satellite range error if it is reflected in the User Range Accuracy index (commonly referred to as being “Selective Availability aware”); and, (2) requirements to ensure performance is not degraded due to an increasing radio frequency noise environment as other satellite systems become available.

Since 2005, there has only been one application for a TSO-C129a TSOA on a new article. Many manufacturers informally indicate they are transitioning, or planning to transition, their product lines to the new TSOs. Therefore, we believe cancelling TSO-C129a is an appropriate way to assist the natural phase-out/upgrade cycle given the eventual obsolescence of TSO-C129a equipment and industry’s lack of interest in new TSO-C129a designs.

Issued in Washington, DC, on October 7, 2011.

Susan J.M. Cabler,

Assistant Manager, Aircraft Engineering Division, Aircraft Certification Service.

[FR Doc. 2011-26449 Filed 10-12-11; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35553]

Big Spring Rail System, Inc.; Operation Exemption; Transport Handling Specialists, Inc.

Big Spring Rail System, Inc. (BSRS), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to

Dated: October 17, 2011.

Jamice M. Clayton,

Administrative Assistant, U.S. Department of State.

[FR Doc. 2011-27732 Filed 10-25-11; 8:45 am]

BILLING CODE 4710-11-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Agency Information Collection Activities; Requests for Comments: Clearance of Renewed Approval of Information Collection; Organization Designation Authorization

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice and request for comments.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, FAA invites public comments about our intention to request the Office of Management and Budget (OMB) approval to renew an information collection. The **Federal Register** Notice with a 60-day comment period soliciting comments on the following collection of information was published on August 24, 2011, vol. 76, no. 164, page 53023-53024. This collection involves organizations applying to perform certification functions on behalf of the FAA, including approving data and issuing various aircraft and organization certificates.

DATES: Written comments should be submitted by November 25, 2011.

FOR FURTHER INFORMATION CONTACT: Kathy DePaepe at (405) 954-9362, or by e-mail at: *Kathy A. DePaepe @faa.gov*.

SUPPLEMENTARY INFORMATION:

OMB Control Number: 2120-0704.

Title: Organization Designation Authorization.

Form Numbers: FAA Forms 8100-11, 8100-12, 8100-13.

Type of Review: Renewal of an information collection.

Background: Subpart D to part 183 allows the FAA to appoint organizations as representatives of the administrator. As authorized, these organizations perform certification functions on behalf of the FAA. Applications are submitted to the appropriate FAA office and are reviewed by the FAA to determine whether the applicant meets the requirements necessary to be authorized as a representative of the Administrator. Procedures manuals are submitted and approved by the FAA as a means to ensure that the correct processes are utilized when performing functions on behalf of the FAA. These requirements

are necessary to manage the various approvals issued by the organization and to document approvals issued and must be maintained in order to address potential future safety issues.

Respondents: Approximately 83 applicants.

Frequency: Information is collected on occasion.

Estimated Average Burden per Response: 41.7 hours.

Estimated Total Annual Burden: 5,158 hours.

ADDRESSES: Interested persons are invited to submit written comments on the proposed information collection to the Office of Information and Regulatory Affairs, Office of Management and Budget. Comments should be addressed to the attention of the Desk Officer, Department of Transportation/FAA, and sent via electronic mail to *oira_submission@omb.eop.gov*, or faxed to (202) 395-6974, or mailed to the Office of Information and Regulatory Affairs, Office of Management and Budget, Docket Library, Room 10102, 725 17th Street, NW., Washington, DC 20503.

Public Comments Invited: You are asked to comment on any aspect of this information collection, including (a) Whether the proposed collection of information is necessary for FAA's performance; (b) the accuracy of the estimated burden; (c) ways for FAA to enhance the quality, utility and clarity of the information collection; and (d) ways that the burden could be minimized without reducing the quality of the collected information. The agency will summarize and/or include your comments in the request for OMB's clearance of this information collection.

Issued in Washington, DC, on October 20, 2011.

Albert R. Spence,

FAA Assistant Information Collection Clearance Officer, IT Enterprises Business Services Division, AES-200.

[FR Doc. 2011-27712 Filed 10-25-11; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Agency Information Collection Activities; Requests for Comments: Clearance of Renewed Approval of Information Collection; General Aviation and Air Taxi Activity and Avionics Survey

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice and request for comments.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, FAA invites public comments about our intention to request the Office of Management and Budget (OMB) approval to renew an information collection. Respondents to this survey are owners of general aviation aircraft. This information is used by FAA, NTSB, and other government agencies, the aviation industry, and others for safety assessment, planning, forecasting, cost/benefit analysis, and to target areas for research.

DATES: Written comments should be submitted by December 27, 2011.

FOR FURTHER INFORMATION CONTACT: Kathy DePaepe at (405) 954-9362, or by e-mail at: *Kathy A. DePaepe @faa.gov*.

SUPPLEMENTARY INFORMATION:

OMB Control Number: 2120-0060.

Title: General Aviation and Air Taxi Activity and Avionics Survey.

Form Numbers: There are no FAA forms associated with this collection.

Type of Review: Renewal of an information collection.

Background: Title 49, United States Code, empowers the Secretary of Transportation to collect and disseminate information relative to civil aeronautics, to study the possibilities for development of air commerce and the aeronautical industries, and to make long-range plans for, and formulate policy with respect to, the orderly development and use of the navigable airspace, radar installations and all other aids for air navigation. Respondents to this survey are owners of general aviation aircraft. This information is used by FAA, NTSB, and other government agencies, the aviation industry, and others for safety assessment, planning, forecasting, cost/benefit analysis, and to target areas for research.

Respondents: Approximately 83,500 owners of general aviation aircraft.

Frequency: Information is collected annually.

Estimated Average Burden per Response: 20 minutes.

Estimated Total Annual Burden: 13,000 hours.

ADDRESSES: Send comments to the FAA at the following address: Ms. Kathy DePaepe, Room 126B, Federal Aviation Administration, AES-200, 6500 S. MacArthur Blvd, Oklahoma City, OK 73169.

Public Comments Invited: You are asked to comment on any aspect of this information collection, including (a) Whether the proposed collection of information is necessary for FAA's performance; (b) the accuracy of the estimated burden; (c) ways for FAA to

enhance the quality, utility and clarity of the information collection; and (d) ways that the burden could be minimized without reducing the quality of the collected information. The agency will summarize and/or include your comments in the request for OMB's clearance of this information collection.

Issued in Washington, DC on October 20, 2011.

Albert R. Spence,

FAA Assistant Information Collection Clearance Officer, IT Enterprises Business Services Division, AES-200.

[FR Doc. 2011-27628 Filed 10-25-11; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Agency Information Collection Activities; Requests for Comments: Clearance of Renewed Approval of Information Collection; Type Certification Procedures for Changed Products

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice and request for comments.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, FAA invites public comments about our intention to request the Office of Management and Budget (OMB) approval to renew an information collection. 14 CFR part 21 may require applicants to demonstrate compliance with the latest regulations in effect on the date of application for amended Type Certificates (TC) or Supplemental TCs for aeronautical products.

DATES: Written comments should be submitted by December 27, 2011.

FOR FURTHER INFORMATION CONTACT: Kathy DePaepe at (405) 954-9362, or by e-mail at: *Kathy A. DePaepe@faa.gov*.

SUPPLEMENTARY INFORMATION:

OMB Control Number: 2120-0657.

Title: Type Certification Procedures for Changed Products.

Form Numbers: There are no FAA forms associated with this collection.

Type of Review: Renewal of an information collection.

Background: 14 CFR part 21 requires that, with certain exceptions, all aviation product changes comply with the latest airworthiness standards when determining the certification basis for aeronautical products. This process is intended to increase safety by applying the latest regulations where practicable. A certification application request, in letter form, and a supporting data

package is made to the appropriate Federal Aviation Administration (FAA) Aircraft Certification Office by an aircraft/product manufacturer/modifier.

Respondents: Approximately 2,558 manufacturers/modifiers.

Frequency: Information is collected on occasion.

Estimated Average Burden per

Response: 7.35 hours.

Estimated Total Annual Burden: 18,815 hours.

ADDRESSES: Send comments to the FAA at the following address: Ms. Kathy DePaepe, Room 126B, Federal Aviation Administration, AES-200, 6500 S. MacArthur Blvd., Oklahoma City, OK 73169.

Public Comments Invited: You are asked to comment on any aspect of this information collection, including (a) Whether the proposed collection of information is necessary for FAA's performance; (b) the accuracy of the estimated burden; (c) ways for FAA to enhance the quality, utility and clarity of the information collection; and (d) ways that the burden could be minimized without reducing the quality of the collected information. The agency will summarize and/or include your comments in the request for OMB's clearance of this information collection.

Issued in Washington, DC on October 19, 2011.

Albert R. Spence,

FAA Assistant Information Collection Clearance Officer, IT Enterprises Business Services Division, AES-200.

[FR Doc. 2011-27635 Filed 10-25-11; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Agency Information Collection Activities; Requests for Comments: Clearance of Renewed Approval of Information Collection; Hazardous Materials Training Requirements

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice and request for comments.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, FAA invites public comments about our intention to request the Office of Management and Budget (OMB) approval to renew an information collection. The **Federal Register** Notice with a 60-day comment period soliciting comments on the following collection of information was published on August 24, 2011, vol. 76, no. 164, page 53024-

53025. The collection involves requirements for certain repair stations to provide documentation showing that persons handling hazmat for transportation have been trained following DOT guidelines.

DATES: Written comments should be submitted by November 25, 2011.

FOR FURTHER INFORMATION CONTACT:

Kathy DePaepe at (405) 954-9362, or by e-mail at: *Kathy A. DePaepe@faa.gov*.

SUPPLEMENTARY INFORMATION:

OMB Control Number: 2120-0705.

Title: Hazardous Materials Training Requirements.

Form Numbers: There are no FAA forms associated with this collection.

Type of Review: Renewal of an information collection.

Background: The FAA, as prescribed in 14 CFR parts 121 and 135, requires certificate holders to submit manuals and hazmat training programs, or revisions to an approved hazmat training program to obtain initial and final approval as part of the FAA certification process. Original certification is completed in accordance with 14 CFR part 119. Continuing certification is completed in accordance with part 121 and part 135. The FAA uses the approval process to determine compliance of the hazmat training programs with the applicable regulations, national policies and safe operating practices. The FAA must ensure that the documents adequately establish safe operating procedures.

Respondents: Approximately 2,772 operators.

Frequency: Information is collected on occasion.

Estimated Average Burden per

Response: 7 hours.

Estimated Total Annual Burden:

6,900 hours.

ADDRESSES: Interested persons are invited to submit written comments on the proposed information collection to the Office of Information and Regulatory Affairs, Office of Management and Budget. Comments should be addressed to the attention of the Desk Officer, Department of Transportation/FAA, and sent via electronic mail to *oira_submission@omb.eop.gov*, or faxed to (202) 395-6974, or mailed to the Office of Information and Regulatory Affairs, Office of Management and Budget, Docket Library, Room 10102, 725 17th Street, NW., Washington, DC 20503.

Public Comments Invited: You are asked to comment on any aspect of this information collection, including (a) Whether the proposed collection of information is necessary for FAA's performance; (b) the accuracy of the estimated burden; (c) ways for FAA to

National And International News Articles

From:
Sent: Monday, November 21, 2011 12:07 PM
To:
Subject: FAA Authorization Bill passes

\$12.5 billion FAA appropriations bill passes BARR program restored; \$2 million for avgas research

By Dan Namowitz

[51](#)

Congress has passed a Transportation, Housing and Urban Development appropriations bill that provides \$12.5 billion in FAA funding for Fiscal Year 2012, makes some reductions in Airport Improvement Program spending levels, and allocates \$2 million for [unleaded avgas research](#). The overall increase in FAA appropriations amounted to \$137 million over Fiscal Year 2011. The bill now heads to President Barack Obama for his signature.

A provision of the bill restores the Block Aircraft Registration Request program, which had been drastically curtailed by the FAA effective Aug. 2 in an action [under challenge by AOPA and the National Business Aviation Association in federal court](#). The case that focused on the right to privacy of general aviation flights is scheduled for a hearing Dec. 2.

Spending levels reflected the efforts of a House-Senate conference committee, with numerous line items roughly splitting the difference between proposed appropriations in the two chambers, with \$9.65 billion appropriated for FAA operations, \$2.73 billion for Facilities and Equipment and \$167.5 million for research and development.

The bill limits the FAA's ability to obligate spending from the Airport Improvement Program to \$3.35 billion, down from the \$3.51 billion level at which it has been frozen for the past six years.

Facilities and Equipment funding for Wide Augmentation System (WAAS) infrastructure came in at a compromise figure of \$95 million.

"We commend Congress for passing this bill, which includes an important provision restoring BARR and provides critical funding for avgas," said Lorraine Howerton, AOPA vice president of legislative affairs.

In other provisions, no additional funding was included for NextGen's [En Route Automation Modernization](#) (ERAM) Operations; however, the bill directs the FAA to pay for ERAM activities from Facilities and Equipment budgets in accordance with past management practice.

The bill also orders a progress report from the FAA to the House and Senate Appropriations Committees in 60 days after passage, on establishing special-use airspace for research related to unmanned aerial systems, especially focused on detection of small unmanned aerial vehicles, said a summary of the bill.

The agreement provides \$29.2 million for [performance based navigation](#), as proposed by the House, including \$3 million more than requested for a demonstration project to design, deploy, and maintain required navigation performance (RNP) procedures at five mid-sized airports where aircraft flying RNP arrivals would achieve "measurable benefit," it said.

[51](#)



Wednesday, Oct 12, 2011

Posted on Mon, Oct. 10, 2011

Ideas for plane efficiency taking flight at Cal Poly

Nick Wilson

A Cal Poly aerospace team is working toward the creation of future commercial planes that are quieter and quicker to take off and that use shorter runways and less fuel.

Aerospace engineering professor David Marshall is the university's principal investigator on a \$4.5 million grant from NASA to devise a plane that would improve commercial air travel.

The four-year grant, now in its last year, is the largest that the university has ever received for a research project, according to Xenia Bixler, Cal Poly's director of grants development.

NASA is best known for space missions. But it also has programs that are intended to improve aircraft travel to benefit the public more directly.

"NASA's motivation is that they want us to improve efficiency with how airspace is used," Marshall said.

Next month, Cal Poly's new model will start 12 weeks of testing in a wind tunnel at the NASA Ames Research Center at Moffett Field in the Bay Area. The model will be one-eleventh the size of an actual plane.

The Cal Poly model is made in the likeness of a 100-passenger plane, which is comparable to regional aircraft flown by commercial airlines.

The innovative design envisions the engines on top of the wings for lower noise output.

The plane also has slots in the wings that allow air to pass through and more quickly lift the plane off the ground. The slots can be closed when the plane is in the air for better wind resistance.

The concepts haven't been used on commercial airplanes that are flying now. They involve careful engineering and technological constructions, Marshall said.

He said the new planes could make airport traffic more efficient because they would need only about two-thirds of the runway space to take off and land.

Marshall chuckled when mentioning the project's long name — the Advanced Model for Extreme Lift and Improved Aeroacoustics. But there's a good reason for it: The acronym AMELIA shares the name of his daughter.

The Cal Poly team working on AMELIA has included about 40 undergraduate and graduate students.

They have collaborated with acoustics experts at the Georgia Tech Research Institute to come up with the plane's quiet design. The team will use acoustical instruments in Moffett Field's wind tunnel to measure noise. No airplane production company or individual has any plan yet to build an aircraft with the new design.

But the information will be made public on a website once the work is completed, Marshall said.


Cal Poly aerospace students Eric Paciano and Jonathan Lichtwardt are preparing for the model's wind tunnel test.

"Without a doubt, the things I have learned on this project will be invaluable to me throughout my career as an engineer," Lichtwardt said. "Working on such a large-scale project at such a young age is something that most people don't get to encounter at any point in their careers."

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High Cost Makes Aviation Biofuel Slow to Take Off

By [Jason Paur](#)  November 10, 2011 | 6:55 pm | Categories: [Air Travel](#), [Alt Fuel](#)

[@jasonpaur](#)

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Biofuel-powered airliners shuttled passengers across the United States for the first time this week, carrying with them the dream of more sustainable aviation fuel. But so far the promise of greener aviation remains elusive, and the industry concedes it is years away from making a significant dent in the billions of gallons airlines consume each year.

It is perhaps no accident that Alaska Airlines chose Washington D.C. as the destination for Wednesday's flight from Seattle, the first of what the airline promises will be 75 flights made using a 20 percent blend of biofuel. The flight was largely symbolic, as biofuel remains far too expensive to be practical — which is why many are looking to Uncle Sam for help.

The good news, for the industry, anyway, is just about every corner of the country has, or is developing, a sustainable source of biofuel feedstock. That could ensure greater political will to support the alternative fuel.

“The economics is going to drive it,” says Secretary of Agriculture Tom Vilsack. “I think the capacity of each individual region in the country to economically produce the feedstock is what’s going to drive this.”



There have been many biofuel demonstration flights in recent years, with everything from [fighter jets](#) to [747s burning the stuff](#). But they've typically been demonstration flights without passengers. That's changing as airlines begin regularly scheduled flights. [Lufthansa has flown several flights](#) in Europe using a biofuel blend, and United Airlines made a biofuel passenger flight Monday, a first for a domestic carrier.

But Alaska is going further with a plan to make [75 biofuel-powered flights this month](#). The biofuel is produced by Dynamic Fuels in Louisiana using feedstock derived from used cooking oil and the byproducts from meat production.

The biofuel meets the same standards as normal jet fuel, and it can be used without any modifications to the airplane. The problem is it's frightfully expensive. Alaska Airlines paid \$16 a gallon for the biofuel, compared to about \$3.15 a gallon for Jet A. The airline readily admits the high price means biofuels won't replace jet fuel anytime soon.

Vilsack says a collaborative effort between the departments of Agriculture and Energy and the Navy to invest in advanced biofuels will help bring costs down. The funding is going toward the development of a "drop in fuel" the Navy can use in place of both diesel and jet fuel (the two are close chemical cousins).

Under the initiative, announced in August, the three agencies will [invest as much as \\$510 million](#) over three years to help the private sector create homegrown alternative fuels for the military and, eventually, commercial transportation. Vilsack notes the investment is aimed at providing fuel security for the Navy, but also will help commercial carriers in the long run.

"It will allow commercial aviation to be competitive with international flights as regions of the world begin to regulate greenhouse gas emissions from air traffic," he said.

Vilsack is referring to the upcoming carbon tax the European Union will levy on airlines, charging them for a percentage of the carbon they emit flying in and out of the continent. Airlines from outside the EU oppose the idea in part because they will be charged according to the total length of the flight, not just the portion within Europe. A flight from New York to London would be charged more than a flight from Rome to London, even though the European flight emits more carbon over the continent.

It's regulation like this that will push the industry to embrace biofuel, says Richard Gritta, an expert on aviation finance at the University of Portland in Oregon.

"I think the pressure is going to come from the EU carbon taxes and from the public," Gritta says. "On the other side you're going to see the price, when they start producing in large quantities, drop dramatically."

But the price will have to come down significantly before biofuels make a meaningful dent in the amount of fuel the airline industry uses. A recent story in *Aviation Week & Space Technology* notes it is far [cheaper for airlines to buy carbon credits](#) than buy alternative fuels that may or may not ultimately reduce their carbon footprint.

"[T]he air transport industry may be deluding itself if it believes biofuels are the panacea for carbon footprint reduction, at least for this decade and possibly beyond," the publication writes. "High fuel costs as well as competing demand make it unlikely that biojet will deliver the promised carbon dioxide reductions within a desired timeframe."

Some in the industry believe that's the wrong attitude for the long term. Billy Glover, Boeing's managing director of environmental strategy, says buying carbon credits doesn't address the issue of reducing an airline's carbon emissions.

"It has to be a longer-term business decision rather than some policy that may go away in a year or five years," Glover says. "The business decisions are being made on a longer term than a lot of the policy decisions."

Glover adds the industry believes there is money to be made with renewable fuels, and that will be the ultimate reason production grows. The fuel also can be made with a wide range of feedstocks that can come from throughout the country, providing greater incentive for investment and helping achieve greater energy independence.

"It's an opportunity for us to use natural resources," Vilsack says. "Whether its woody biomass in the northwest part of the country or perennial grasses that are grown in great abundance in the southeast part of the country or agricultural waste that is available from crop production in the midwest."

Gritta believes the industry is eight to 10 years away from widespread use of biofuels, but others in the industry say it will be far longer. But with the airlines willing to spend the money now, even those with a longer view believe broader use of sustainable fuels will happen eventually.

Photo: Jason Paur/Wired.com

Tags: [Air Travel](#), [Aviation](#), [Biofuel](#)
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J J

I bet once it gets under production, today's "environmentalists" will start protesting against it because it provides a way for life to continue as is for the public even after gas prices go through the roof.

[5 days ago](#) [4 Likes](#)

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CommonSense033

In other words, steal more money from the taxpayers to subsidize another boondoogle of a noneconomical fuel.

Ethanol 2.0

[5 days ago](#) [3 Likes](#)

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Arturo

Most probable. the CO2 market will reach trillions of dollars in just a few years... It will be the next "economic bubble". (Selling "THE hot air")

If commercial aviation really wants to produce biojet fuel massively and cheap, agave is the energy crop to use: On an annual basis, one hectare of agave yields up to 10 times the sugar of one hectare of sugarcane, in Brazil, meaning: Ten times more biojet fuel per hectare than sugarcane! Besides, agave lignocellulosic fibres are ideal for liquid biofuels production: 2.4% lignin content and 62% cellulose content. (Wood is ~30% and <50%, repectively).

Arturo

agaveproject@gmail.com

[4 days ago](#) [in reply to CommonSense033](#)

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DocScience

But the greenies demand it NOW.

Over time, alternatives can make sense and save money too



Like nuclear instead of coal for electricity (not high priced and unreliable wind or solar)

We should not be burning valuable (because it's portable) natural gas in large fixed power plants, but instead be using it for home heating and industrial uses, and compressed for trucks, buses and cars to supplement petroleum.

Let's talk about alternatives where they make sense FIRST, then get to the crazy stuff like aviation biofuels at 4x the cost.

[5 days ago](#) [3 Likes](#)

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CommonSense033

Ships switched from coal to oil to diesel when it made economic sense for the owners to upgrade the engines, because the fuel was cheaper due to MARKET FORCES.

Not government meddling that always ends in a disaster.

[5 days ago](#) [in reply to DocScience](#) [2 Likes](#)

[Like](#) [Reply](#)



Arturo

Yes!!! Gov't has to stop subsidizing oil.

Gov't's hands out of energy, now!

[4 days ago](#) [in reply to CommonSense033](#)

[Like](#) [Reply](#)



ElyasM

The irony of the EU's policy of charging a carbon tax for the entire length of a flight from the US is that it will encourage travelers to add a dogleg to their trip and land in a third country like Morocco, so that they only have to pay the tax on the shorter hop across the Med, as it will work out to be cheaper that way despite the fact that it will add more carbon to the atmosphere than the original direct flight.

[5 days ago](#) [2 Likes](#)

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Arturo

I forgot to mention that there are currently over one hundred million tonnes of agave under production, at commercial plantations, in the 5 continents, with ~10 million tonnes ready for harvesting this very same year. Doubling that amount is feasible.

Agave thrives on marginal dryland, needs neither irrigation nor agrochemicals, can be irrigated w/sea water and its cost of production is amongst the lowests, among energy crops.



Under natural conditions, agave yields an annual average of 42 tonnes of dry biomass per hectare. Irrigation and fertilization increase the yield/hectare exponentially.

[4 days ago](#)

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Bizzaro Stormy

telepresence is whats going to drive up the price of flights, as fewer and fewer business people take them.

[5 days ago](#)

[Like](#) [Reply](#)



CommonSense033

They've been saying that since the 80's. And it's not true.

People will still fly to meet customers because that's often the only way to close a big sale.

Smart people will realize that they have to be in the one IN the office with the eye contact and firm handshake, because the telecommuter will be the first one to be rounded off to trim the budget...it doesn't affect office morale when they're out of sight and out of mind.

That's reality.

[4 days ago](#) [in reply to Bizzaro Stormy](#) [1 Like](#)

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Arturo

Nothing like the real thing, though...

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Reactions





Posted on Wed, Nov. 09, 2011

This FAA rule no longer flies

The Federal Aviation Administration says that money-losing, business-lacking airports like St. Clair County's MidAmerica can't be closed without reimbursing the federal government for the airport's fair market value. It's a rule.

Wonder when that rule was enacted? It obviously was before 9/11, which severely damaged the aviation industry. It was before American Airlines abandoned St. Louis and turned the once bustling Lambert Airport into a ghost of itself, it's billion-dollar second runway seldom used. It was before the Great Recession and the big bank bailouts and nearly double-digit unemployment.

The FAA and Transportation Secretary Ray LaHood act as if MidAmerica's troubles are temporary, and that all will be well once our nation's economy gets through some rough times. If they believe that, they're fooling themselves.

Experts say it would take an act of Congress to close an airport. Fine. U.S. Rep. Jerry Costello, of Belleville, is the ranking Democrat on the House Aviation Subcommittee, which oversees the FAA. He and his fellow lawmakers need to address the plight of white elephant airports like MidAmerica. We're sure that St. Clair County taxpayers are not the only ones faced with the choice of spending millions of dollars each year to keep an airport open or spending even more to close it.

Times have changed, and it's time to change the antiquated FAA rule so that taxpayers can cut their losses.


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<http://www.news-journalonline.com/news/local/east-volusia/2011/11/08/mica-bill-to-update-nations-air-traffic-control-system-moving-forward.html>

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Mica: Bill to update nation's air traffic control system moving forward

By LINDA TRIMBLE, Education Writer 



Jayson Buterbaugh, right, and Abbayu Hussein display systems used on the virtual tower display during the opening of the Florida NextGen Test bed facility Monday in Daytona Beach. (N-J | Nigel Cook)



U.S. Rep. John Mica gestures as he chairs a public congressional hearing of the House Committee on Transportation and Infrastructure Monday at Embry-Riddle Aeronautical University. (N-J | David Tucker)

MORE: [Next Generation Air Transportation System \(NextGen\)](#)

DAYTONA BEACH -- A bill that would advance an Embry-Riddle Aeronautical University research project to help transform the nation's air traffic control system could be ready for the president's signature by Christmas, U.S. Rep. John Mica said Monday.

The Winter Park Republican made the prediction at a hearing of the House Committee on Transportation and Infrastructure, which he chairs. The panel met at Embry-Riddle on Monday morning and members then participated in a ribbon-cutting ceremony for the newly renovated NextGen Test Bed at Daytona Beach International Airport.

Embry-Riddle operates that facility through a partnership with the Federal Aviation Administration and about 15 private companies.

It's one of three such facilities in the nation where new technology is developed and tested, aimed at replacing the ground-based radar air traffic control system developed in the 1950s with a satellite-based surveillance and navigation system similar to GPS in a car.

The FAA reauthorization bill Mica mentioned Monday would provide a four-year blueprint for development of the Next Generation Air Transportation System, known as NextGen for short. Mica said it will include deadlines, incentives to attract private companies to invest in the project and a streamlining of FAA procedures for certification of new technology.

"It takes money. It also takes milestones that have to be met," Mica said at a press conference after the hearing. "You can't fall behind when it comes to safety."

The initial price tag for NextGen was estimated at \$40 billion, but some studies have said it could cost as much as \$160 billion for full implementation.

Supporters say it will improve flight safety and cut delays because air traffic controllers and pilots will have more accurate information on plane locations and weather conditions.

The FAA estimates about 1.4 billion gallons of aviation fuel could be saved by the time the system is partly operational in 2018 because planes will spend less time flying in holding patterns and sitting on the tarmac. That also would cut carbon dioxide emissions by 14 million tons, according to the agency.

"I don't think there's any question about the cost benefit of NextGen," said Marion Blakely, president and CEO of the Aerospace Industries Association, who testified at Monday's hearing.

"NextGen will be more convenient, more dependable and it will improve safety and efficiency all at the same time," said FAA Administrator Randy Babbitt, another hearing witness.

Besides those benefits, Mica said the United States stands to reap huge economic rewards if it gets its modernized air traffic system up and running before the Europeans put the one they're developing into operation.

"This is a global race," he said. "Whoever sets the protocols, software and systems also wins the world market."

Several witnesses at Monday's hearing told the committee they believe the United States is currently ahead of the Europeans in that race.

"Europe is having similar problems as the U.S. in bringing it altogether," said Gerald Dillingham, director of physical infrastructure for the Government Accountability Office. The Europeans started developing their system through public-private partnerships, he said, but the United States has now caught up in that arena.

"This is an opportune time to go forward," Dillingham said. "The airlines, avionics manufacturers and the FAA are all at the table."

Embry-Riddle President John Johnson also testified the country "has an edge" in development of the new system because of the "genius of our private industry and universities" who are NextGen partners and their collaborative approach with the FAA.

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Hot spots lead price leap

November 01, 2011 | By Josh Noel, Tribune Newspapers

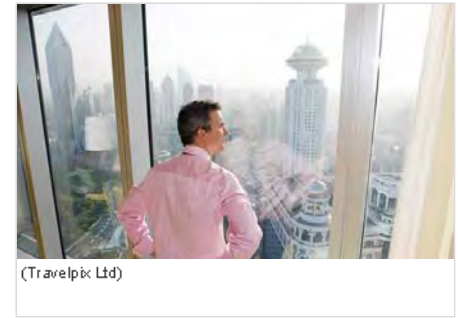
One of the oldest and most comprehensive [business](#) travel forecasts predicts that the cost of doing business on the road will rise in 2012, but, in general, modestly.

American Express' annual Global Business Travel Global Forecast says airfares and hotel costs will rise more than the cost of rental [cars](#) (no surprise there), as will doing business in Asia and Latin America as opposed to North America and Europe.

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Despite a series of fragile economies, costs are expected to rise mostly as a result of classic supply and demand: More [businesses](#) are likely to send employees on the road while air carriers, in particular, keep availability restricted. Report highlights:

North America airfare

Expect "low to middle single-digit growth" in airline prices, with the highest increases on shorter flights. The most significant increases will be in [business class](#), again particularly on shorter flights (short-flight business-class seats are expected to have the single highest growth, at 5 to 7 percent increases).

North America hotels

Hotels saw "low single-digit gains" in 2011 and may push for more in 2012 as they "seek to reach pre-recession room rate levels." Midrange hotels are expected to rise 2.5 to 6.5 percent while upper-range hotels go up 1.5 to 5.5 percent. Especially interesting, American Express forecasts that hotels will follow the model that has won no favor in the airline [industry](#): ancillary fees.

North American car rental

As usual, car-rental rates are expected to remain flat due to an always competitive market and — polar opposite of the airline industry — excess capacity.

Europe, Middle East and Africa airfare and hotels

Increases are expected to be modest on airfares, but long-haul business will see the biggest leap as "European business people go abroad to Asia and Latin America to capitalize on growth opportunities in emerging markets." Hotel rates are likely to see moderate increases also, but countries in economic turmoil, such as Spain and Greece, could be better values.

Latin American airfare and hotels

Strong Latin American economies and increasing consolidation among airlines likely will boost costs — between 3 and 6 percent for economy seats and 5 to 9 percent in business class.

Hotels will be impacted similarly, with "moderate" increases among mid- and upper-tier locations. Business hubs will be particularly affected.

Asia-Pacific

This region is the jewel of business travel at the moment and a "relative bright spot in an otherwise uncertain economic picture." Asia is "expected to lead in business travel demand." Airfare is expected to increase significantly, with leaps as high as 10 percent on long-haul business routes.

More travelers also will mean higher hotel rates. But some cities, such as Shanghai, have enough capacity to offer cheaper rates than elsewhere in the region.

Do you have ideas for Business Class about the latest in business travel? Write to [Josh Noel](mailto:jbnoel@tribune.com) at jbnoel@tribune.com. Include "Business Class" in the subject line.

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Fuel costs hurt airline profit but travel strong, carriers say

October 28, 2011 | By Linda Loyd, Inquirer Staff Writer

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US Airways Group Inc. and United Continental Holdings said third-quarter profits were hurt by high jet-fuel costs, but passenger travel remained strong.

Philadelphia's dominant airline, US Airways, earned \$76 million, down 68 percent from last year's \$240 million third-quarter profit.

Revenue rose 8.1 percent to \$3.4 billion, up from \$3.1 billion in the same period in 2010.

The Tempe, Ariz.-based carrier said fuel costs jumped 44 percent in the quarter, and cost \$356 million more.

"Everyone continues to talk about economic weakness and uncertainty. We haven't seen it," said US Airways CEO Doug Parker on a conference call.

Excluding one-time costs, US Airways earned 51 cents a share, which beat analysts' consensus estimate of 48 cents a share.



US Airways, the dominant airline in Philadelphia, reported its second-quarter profit... (ELISE AMENDOLA / Associated Press)



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United and Continental, which merged last year, reported a profit of \$653 million, down 23 percent from \$852 million a year earlier. Revenues rose 8.7 percent to \$10.2 billion.

United Continental, based in Chicago, said it spent \$120 million on integration costs and \$1 billion more on jet fuel in the quarter, excluding the impact of fuel hedges. Excluding some items, United earned \$773 million, or \$2 a share, compared with analysts' average estimate of \$2.08.

"Despite the concerns we all read about, we are not currently seeing a reduction in business demand," said United chief executive Jeffery Smisek.

"We are really comfortable with our holiday bookings," said United's chief financial officer Zane Rowe. "Demand is looking good over the holidays, particularly the peak days."

Robust passenger traffic, higher airfares, and fees helped airlines' financial results. U.S. airlines collected a total of \$1.5 billion from baggage fees and reservation change fees in the second quarter this year, according to the Bureau of Transportation Statistics.

"We don't see any evidence of the revenue environment slowing," US Airways president Scott Kirby said. "We've seen consistently strong demand from both leisure and business customers."

"Our corporate revenues were up 22 percent year-over-year in the third quarter," Kirby said. "The outlook going forward, we haven't seen any change. Demand and pricing remain strong."

With expectations for continued sluggish economic growth in 2012, United said it would keep seat capacity and flights flat for a second year in a row, "effectively keeping United the same size it was in 2010," Smisek told investors.

US Airways ended the September quarter with \$2.1 billion in unrestricted cash.

"We view that amount as adequate but not ample," wrote analyst James Higgins, of Ticonderoga Securities, in a client note. A potential risk for US Airways is "labor cost inflation" with several labor contracts still unresolved. "Additionally, US Airways' decision not to hedge fuel makes it more vulnerable than other carriers to price increases," Higgins wrote.

Contact staff writer Linda Loyd at 215-854-2831 or lloyd@phillynews.com.

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Lieberman to hold aviation security hearing

By Keith Laing - 10/27/11 04:08 PM ET

A Senate committee will look at the state of aviation security 10 years after the Sept. 11, 2001, terrorist attacks, the office of Senate Homeland Security and Governmental Affairs Committee Chairman Joe Lieberman announced Thursday.

The committee will hold a hearing Nov. 2 titled "Ten Years After 9/11: The Next Wave in Aviation." The meeting will be chaired by Lieberman (I-Conn.) and ranking Republican on the Homeland Security panel Sen. Susan Collins (R-Maine).

The hearing comes as the Transportation Security Administration, which was created after the 9/11 attacks in New York and Washington, D.C. is [under fire](#) for a sexual note left in a passenger's bag. The agency has been criticized broadly for its airport security practices, including pat-down hand searches and body scans.

Lieberman's office said Thursday the hearing would "examine the development of new technologies used in screening airline passengers, detecting suspicious cargo, and uncovering potential terrorist threats."

"This is the last in a series of hearings the Committee has held to examine the country's improved preparedness since 9/11 and what vulnerabilities still remain," Lieberman's office said in the announcement.

The hearing will take place next Wednesday at 9:30 a.m. in the Dirksen Senate Office Building.

Source:

<http://thehill.com/blogs/transportation-report/aviation/190299-sen-liebermann-to-hold-aviation-security-hearing>

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LaHood does not 'get' pointing lasers at airplanes

By Keith Laing - 10/27/11 01:51 PM ET

Transportation Secretary Ray LaHood said Thursday that he does not "get" why people point lasers at airplanes, as transportation officials ramped up an effort to slow down the trend.

A pair of transportation groups, the Airline Pilots Association and the Air Transport Association, are holding a meeting Thursday in Washington to discuss the threat they say is posed to commercial planes by lasers pointed at them from the ground.

Pilots can become distracted or temporarily blinded by bright light even at high altitudes, they argue, which is why they say it's a bad idea to point lasers at airplanes.

LaHood agreed, saying Thursday as he announced a new Federal Aviation Administration website dedicated to the problem, www.faa.gov/go/laserinfo, that he did not understand why people wanted to do it in the first place.

"I just don't get it; it's very dangerous," he wrote on this Twitter account. "Why shine a laser at an aircraft?"

"Fact: pointing a laser at an aircraft compromises safety of pilots, crew, and passengers. #thismuststop," he wrote in a separate Twitter message.

In a post on his [blog](#) on the Department of Transportation's website, LaHood expounded on the problem further.

"Look, quite simply, pointing a laser into the cockpit of an aircraft threatens lives," he wrote. "As FAA Administrator Randy Babbitt said, 'As a former commercial airline pilot, I can tell you that shining a laser into the cockpit of an aircraft is a serious safety risk. Lasers can distract or temporarily blind pilots who are trying to fly safely to their destinations and could compromise the safety of hundreds of passengers.'"

LaHood said there have been 2,795 reports of lasers being pointed at airplanes this year, and he said both the FAA and police takes this "seriously."

"Portable laser pointing devices are less expensive, more powerful and more readily available than ever," he wrote. "And people seem unable to resist the very dangerous temptation to shine them at aircraft."

But he quickly said that resisting is exactly what they should do.

"Safety is our absolute number one priority, and we will do everything we can to get the word out about how dangerous it is to point a laser at an aircraft," he wrote. "These incidents must stop."

Source:

<http://thehill.com/blogs/transportation-report/aviation/190249-lahood-does-not-get-pointing-lasers-at-airplanes>

How to save your airport: Lessons from Oceano Airport [<http://www.generalaviationnews.com/2011/10/26/how-to-save-your-airport-lessons-from-oceano-airport/>]

Meg Godlewski [<http://www.generalaviationnews.com/author/meggodlewski/>]

News [<http://www.generalaviationnews.com/category/news/>]

| October 26, 2011

If you want to protect your airport from the threat of closure, you need to show the community how valuable it is.

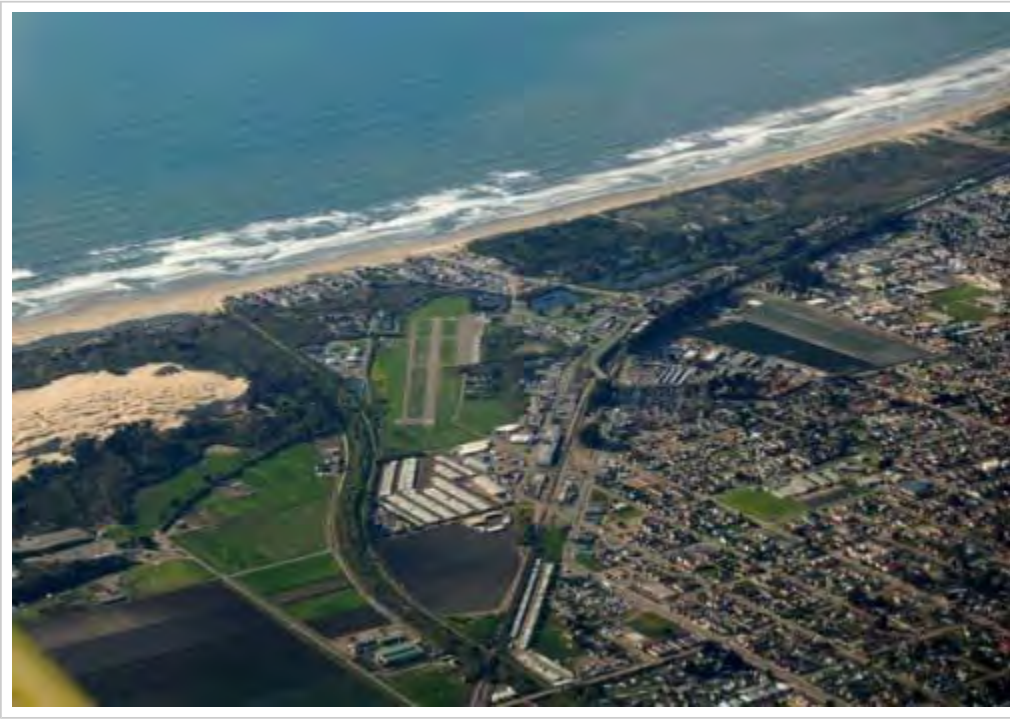
That's the message from Jolie Lucas and Mitch Latting. The husband and wife team are the founders of the Mooney Ambassadors group and members of Friends of Oceano Airport (L52). The pair are staunch advocates of general aviation and last spring they were instrumental in the campaign to save California's Oceano Airport from a developer.



The important thing, they say, is to promote general aviation and protect general aviation airports and, to that end, they've created a powerpoint presentation, known as PGA-Squared, and plan to "take it on the road," as Latting says.

Oceano Airport is a county-run facility sitting on 58 acres along the coast of Central California in San Luis Obispo County. The airport, one of two in California within walking distance to the beach, sports a 2,325-foot runway. There is camping, kite flying, and ATV riding on the dunes.

In March 2010, Jeff Edwards, a land developer from Los Osos, Calif., tried to persuade the county Board of Supervisors, as well as the local citizens, that the airport had outlived its usefulness and the land would better serve the community if it was redeveloped. Edwards announced plans to conduct six public meetings to get input on plans for redevelopment.



In an interview with General Aviation News, Edwards stated that the airport was “functionally obsolete” and that the pilots and aircraft owners should relocate to San Luis Obispo Regional Airport (SBP), which is eight nautical miles from San Luis Obispo.

“San Luis Obispo Airport is a real airport. It has a control tower,” he said. “Oceano does not. San Luis Obispo has several businesses there. At Oceano they have self-serve fuel that is always locked up.”

According to Lucas, the pilots at Oceano Airport weren’t going to take any chances with the possibility of losing their “little slice of paradise” and the word quickly went out to the aviation community that the airport was being looked at for redevelopment.

“We reached out to as many pilots organizations as we could, including the [Aircraft Owners and Pilots Association](http://www.aopa.org) [<http://www.aopa.org>] (AOPA),” said Lucas. “Bill Dunn, AOPA’s Airport VP, helped us out as we reached out to type groups, etc., and got everybody we could to be informed about what could potentially happen at Oceano Airport.”

Because so many pilots showed up at the first meeting, the second one had to be moved to a larger venue.

“Mr. Edwards planned six meetings. After the second meeting I think we put up such a protest that he canceled the rest of the meetings,” said Latting. “Honestly, there was virtually no support in the community to do what he was proposing to do.”

Reaching the pilots wasn’t the hard part, said Lucas, it was getting in touch with the non-aviation community that required creativity. Volunteers from the Friends of Oceano Airport, armed with video cameras, conducted man on the street interviews with the local citizenry, asking the question, “What is general aviation?”

“We got some very surprising answers,” said Lucas.

More than one person answered “I don’t know,” but other answers ranged from “Like Southwest Airlines” to “everybody who flies all the big airplanes.” Another person said “homegrown pilots,” while one man said “Like a general in the army, a general that flies.”

The information gleaned from the interviews is what led to the creation of PGA Squared. The mission is to “articulate, educate, and promote” GA.

During this summer's AirVenture, Lucas gave a multimedia presentation about the program, which is designed to give ideas, encouragement and motivation to let others know about the benefits of general aviation to the community at large, and show them how the community benefits from general aviation.

"We want to show people the value of general aviation," Latting explained. "We want them to know the sheriff uses aviation, there are Angel Flights, and firefighting, we want them to know that aviation is not just the military and commercial flights."

In addition to education, PGA Squared helps show the recreational side of the airport.

For that, social networking through the Internet is key, said Lucas.

"We used our website and Twitter and particularly Facebook to reach people," said Lucas. "Facebook, in particular, is a lovely way to get photos and videos up and announcements of events. It's a great medium."

Among the events open to the public at Oceano Airport are a fly-in movie night where family-friendly movies are shown in the camp grounds. Other popular events are Airport Appreciation Day, which is held during the second weekend in May, and a Toys for Tots drive held in December.

"Many of the events are geared toward school-age children," said Latting. "We figure if we get the kids to the airport they will probably bring their parents."

"We are bringing the fun back to the airport," Lucas continued. "During our Oceano Airport Celebration Day, we had a salute to veterans. We had children's events, live music and a young aviator camp sponsored by the YMCA."

The strides made at Oceano Airport have not gone unnoticed by the aviation community. Lucas was last year's winner of AOPA's Joseph Crotti Award for service to general aviation. In addition, the PGA Squared program is being adopted by airports around the country.

Meanwhile, efforts to not only preserve, but promote the airport continue to expand at L52. Among the activities now being implemented are the recruitment of volunteers to help clean up the airport, doing everything from picking up trash and planting drought-resistant plants to painting buildings. Pilots are also being recruited to speak at civic groups such as the Rotary Club and make age-appropriate presentations at schools on basic aspects of flight, such as aerodynamics.

These efforts make the airport more public friendly, and therefore increase the likelihood that the neighbors will side with the airport, if another threat comes along, Latting and Lucas say.

It is a never-ending battle, the couple adds, because threats to the airport often do not completely go away, they just change form.

"Mr. Edwards is not going away," said Lucas. "In December there was flooding in the Oceano area. It has flooded in the area for decades, if not longer, but Mr. Edwards decided that the airport itself was the reason for the flooding, saying the sheeting of the water off the runway into the 100 feet of sand somehow caused the dumping of millions of gallons of raw sewage into the ocean. He has appeared in the local newspaper and is trying to insinuate himself into the Oceano community services district. He is trying to get hired there to attend the meetings and write reports. He is not going away."

Threats can happen at any airport, say Latting and Lucas, and pilots have to be ready to act.

"The biggest concern is the statement, 'that will never happen here!' Latting said. "That is apathy."

“With our presentation we try to make folks enthusiastic about aviation,” he continued. “We try to give them ideas about how to engage their community. There needs to be a sense of fun at the airport. It’s necessary to have that. When an airport is in trouble, you need to get the community involved.”

For more information: [FriendsOfOceanoAirport.com \[http://www.FriendsOfOceanoAirport.com\]](http://www.FriendsOfOceanoAirport.com), [OceanoAirport.com \[http://www.OceanoAirport.com\]](http://www.OceanoAirport.com)

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Holiday flights more costly, more crowded

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October 26, 2011 | By Linda Loyd, INQUIRER STAFF WRITER

If you are flying to Uncle Fred's for turkey, football and pumpkin pie, it's going to cost more this Thanksgiving.

Airlines have raised ticket prices nine times since the beginning of the year, and fares are up 7 percent to 11 percent - or more - on some U.S. routes, say airline analysts and the airfare tracker, FareCompare.com.

United and Continental Airlines raised fares \$2 to \$5 one-way on domestic routes on Monday, and US Airways Group Inc., Delta Air Lines and American Airlines all matched the \$4 to \$10 round-trip hikes across most of their routes.

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"There have been two fare hikes attempts in the last few days," said Citi airline analyst Will Randow. "With the latest moves, fares on average would be up \$80 this year." The fare hikes are in response to high fuel prices.

Bob McAdoo, airline analyst with Avondale Partners L.L.C., said passengers are paying on average 11 percent more this year than last, and probably more during peak holiday flying.

"On some routes it can be ridiculously high, especially for nonstops," said Rick Seaney, CEO of FareCompare.com. The highest fares are on nonstop flights and on days people most want to travel.

The Sunday after Thanksgiving is the most expensive day of the year to fly. One of the cheapest days to fly is Thanksgiving Day.

"The trick is to leave Thanksgiving morning, and come back on the Friday or Saturday after Thanksgiving," said George Hobica, founder of Airfarewatchdog.com. "That's when you can save money."

On US Airways' website, the cost of a nonstop Philadelphia flight to Kansas City, departing Wednesday Nov. 23 and returning Sunday Nov. 27, was \$644, as of Wednesday. If the traveler returned on a 7:15 a.m. flight on Friday Nov. 25, the round-trip tab dropped to \$334.

Nonstops at Christmas - departing Dec. 23 for Kansas City and returning Dec. 25 were \$449. The same flights for the last weekend in January cost \$278.

"Airlines change fares all the time; there are many fare classes," Hobica said. "Don't be discouraged. Keep checking. Fares fluctuate almost daily, if not hourly."

Planes will be even more crowded this season, as airlines continue to cut capacity through the end of the year and into next.

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Ads add up for airlines, but some fliers say it's too much

Videos you may be i

By Gary Stoller, USA TODAY

Updated 10/19/2011 2:25 AM

221

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233

148



Smokin' Joe Frazier dies at 67

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For a cool \$14 million, you can advertise for a year on the exterior of every Spirit Airlines jet.

If that's too steep, consider plunking down \$196,000 for three months of ads on the overhead bins in Spirit's planes, \$119,000 for ads on the tray tables or \$18,500 for ads on air-sickness bags.

Spirit, along with Europe's leading cut-rate airline Ryanair, are unashamed industry leaders at generating ancillary revenue by seemingly renting every inch of in-flight display space to advertisers.

But they're just leading the way. A growing number of U.S. airlines — perhaps emboldened by billions of dollars of extra revenue collected annually for bag fees — are reaching out to advertisers, too.

Ads are appearing not only on overhead bins, seat backs and tray tables but on flight attendants' aprons, snack boxes and napkins.

And in announcements by flight crews and even in safety videos.

That's sacrilege to some fliers who view a plane — and a few hours alone in the air without a cellphone or other

By Andrew Itkoff, for USA TODAY

Cynthia Torres, 19, and Michael Contreras, 18, who work for Alpha-Tech, install ads for Las Vegas on a Spirit Airlines jet at the Fort Lauderdale airport.

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[YouTube.com/MyBusinessStory](https://www.youtube.com/MyBusinessStory)

interruption — as a respite from life on the ground, the office, home or even the airport. To and from the boarding gate, travelers face ads in taxis, at ticket kiosks, on airport walls, billboards and digital screens, in jetways and on baggage carousels.

"I get aggravated by advertising during the flight," says Memphis-based frequent flier Trey Block, the chief financial officer of a chemical distribution company. "Anywhere inside a cabin is inappropriate."

Block and frequent business traveler Michael Sommer, of Jacksonville, say they were annoyed by a Lincoln automobile commercial that was shown before [Delta Air Lines'](#) pre-flight safety video.

"Safety should be the primary concern, and if it's Delta's priority, then why distract someone's attention from the video screen?" says Sommer, who works as a consultant. "As soon as I see the advertisement, I look away and go back to what I was doing."

This month, Delta added a welcome by CEO Richard Anderson and began running the Lincoln commercial after the safety demonstration. That doesn't appease Sommer.

"I pay for a ticket to get from point A to point B safely," he says. "If they want to bombard me with advertising, then give me a discount."

A discount isn't likely. Nobody has exact figures on how much airlines make selling advertising. Airlines don't divulge it. But the revenue is large enough that no marketing expert foresees a rollback.

Airlines realize airfares cannot be the sole source of revenue and are constantly looking for new sources, says Michael Houston, an associate dean at the [University of Minnesota's](#) Carlson School of Management.

"If they can attract more advertising revenue, they will be in a better position to keep airfares from going up too rapidly," he says.

Backlash at ads?

Some marketing experts warn that the airlines may be going too far.

Marketing consultant Bruce Silverman, a former creative director at three of the largest ad agencies, says many frequent fliers "regard their in-flight experience as their private time, when they can hold normal intrusions of the outside world at bay."

The growth of in-flight advertising "is repellent to these passengers" — an "insult" to paying customers, he says.

"There is already too much advertising clutter in the world," Silverman says. "I truly believe advertisers who choose to intrude on airline passengers are likely to lose — not gain — customers."

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Tobe Berkovitz, an associate professor of advertising at [Boston University](#), likens the aircraft cabin to a movie theater and says "airplanes have become one of many environments where advertising clutter has proliferated."

He says moviegoers years ago complained about having to watch commercials after buying tickets, but theater owners didn't stop reaching for the extra revenue.

"It's the same for airlines," Berkovitz says. "At least you could walk out of a movie. Good luck walking out of an airplane."

Some business travelers say magazines — in which readers can choose whether to look at ads — should be the only place for them in cabins.

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"I would like to see the advertising restricted to the airline's magazine," says Robert Milk, a management consultant in [Glen Allen](#), Va. "The remainder is garish and a turnoff."

Houston, of the University of Minnesota, says too much advertising aimed at fliers "could certainly backfire," but it is unclear whether an airline's image would suffer.

"The backlash could be against the advertiser," he says.

Always seeking revenue

Neither the airlines nor advertisers seem concerned about any pushback.

If anything, airlines are looking for more ways to sell ads, because they like the revenue, and advertisers like their captive audience.

Revenue from airline tickets, advertising and other sources such as fees doesn't cover airlines' operating costs, says Steve Lott, a spokesman for the Air Transport Association of America, which represents U.S. airlines.

"Airlines need to be sustainably profitable to be able to invest in their people, their product and continue to serve markets," he says. "As with other modes of transportation and other industries, including sports and entertainment, advertising revenue helps offset the high costs faced by the airline industry."

Carol Thiel, [American Airlines'](#) managing director of marketing solutions, says the carrier's in-flight advertising "is a win for everyone."

Passengers receive special offers, such as free in-flight Wi-Fi or bonus frequent-flier miles, and advertisers can share information on their products and brands, she says. "And the airline benefits from having a customer that is more engaged, while generating some incremental revenue."

In-flight advertising is effective because the traveler is captive on the plane and there are "limited distractions," says Ryan Matway, president of Air Advertainment. His company provides the snack boxes with display ads that [US Airways](#) gives, free, to passengers.

Matway says the snack boxes create goodwill, because passengers don't have to pay for them. They're more effective than a quick 15-second commercial, because they may sit for 15 minutes in front of a passenger, he says.

GuestLogix, which provides airlines with handheld credit card readers, last year launched a service that prints advertisements on receipts issued to passengers.

"Airline passengers are among the greatest consumers in the world," the company says. "They are focused shoppers with a strong appetite to purchase."

Advertising in aircraft "is a unique way to reach a very affluent customer and allows a brand to differentiate its delivery channel over a competitor," Thiel says. "For advertisers, an aircraft can be an effective medium, because it allows them to inform the public about their products at the right time in a relatively uncluttered medium."

Spirit Airlines spokeswoman Misty Pinson says on-board ads have the highest ad recall rate of all media.

"These results are unachievable with traditional advertising mediums," she says. "We provide an environment where cellphones are turned off and the consumer is stationary with the ability to focus on nothing but your brand for an average of three hours."

On Nov. 1, the Las Vegas Convention & Visitors Authority will begin six months of advertising in Spirit jets on overhead bins, middle-seat tray tables, bulkheads, boarding passes and ticket jackets.

Nasdaq will advertise on the aisle and window tray tables for the next three months. The Colombian region of Quindío begins advertising on seat back inserts next month, and flight attendants are wearing aprons advertising the Colombian beach-resort city Cartagena de Indias.

Setting limits on ads

Still, some airlines say they're conscious about not bombarding passengers. And some are careful about who they let advertise.

Southwest tries "not to hit customers with too many advertising messages," says spokeswoman Ashley Dillon. "Our goal is to keep the messages travel-related and focused on Southwest products."

The airline has a long-term partnership with SeaWorld, and three airplanes painted with Shamu, a killer whale. In the past, Southwest painted a Slam Dunk One aircraft for the [National Basketball Association](#) and other aircraft for states it served.

JetBlue has planes painted for business partner DirecTV and two sports teams it sponsors, the [New York Jets](#) football team and the Utah-based soccer team [Real Salt Lake](#).

Southwest and JetBlue say their planes are painted only for marketing partners and sponsors, and no ad space is for sale on the exterior of their jets.

Other companies' advertising on JetBlue's in-seat TV and seat-back cards enables the airline to provide passengers with free amenities, including 36 channels of in-seat TV and name-brand snacks and drinks, says spokeswoman Allison Steinberg.

"Advertising helps us invest our funds into the product, so we get a better experience for the customer," she says.

US Airways, which has planes painted for four [NFL](#) teams it sponsors, says advertising is "an important source of revenue" that can be found, among other places, on tray tables and boarding passes.

Such advertisers as Verizon, Samsung, Yoplait, Mercedes-Benz and the [History Channel](#) have displayed ads on the airline's tables.

Jan Slater, a professor of advertising at the University of Illinois College of Media, says airports "have long been a prime advertising opportunity," but advertisers have to be more cautious about linking up with airlines.

"The advertiser is immediately aligning itself with the airline brand — and that is not always advantageous," says Slater, who is an interim dean at the university's College of Media.

"If the airline does not provide good service, has long delays, has a history of safety violations, charges for every single thing — these may be elements that another brand does not want to be associated with," Slater says.

Though many business travelers say they're bothered by the growing amount of advertising aimed at them, others aren't.

Mitch Fong of Mill Valley, Calif., says he's "not opposed to any of the advertising" he has seen, and he doesn't mind advertising on the carry-on baggage storage bins.

"The only objection I could foresee is the signage at an airport getting so cluttered I couldn't find the necessary information," says Fong, a vice president in the financial services industry.

Frequent flier Steven Gordon of Virginia Beach, has no problem with airport ads or some in-flight ads.

"Hey, isn't everything for sale to advertisers in this country?" he says.

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148 comments

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[jawsfan](#)

2:18 AM on October 19, 2011

Score: 23

Take a Sharpie on board with you. Express your displeasure.

[Report Abuse](#)

[6 replies](#)



[workhard5](#)

6:18 AM on October 19, 2011

Score: -10

I refuse to fly any longer

[Report Abuse](#)

[2 replies](#)



[patriot00](#)

6:21 AM on October 19, 2011

Score: 11

"Safety should be the primary concern, and if it's Delta's priority, then why distract someone's attention from the video screen?"

[Report Abuse](#)

If that was true they wouldn't contract their heavy maintenance out to third world countries. You should really play close attention to those safety videos sooner or later many of these A/C being worked by unlicensed, untrained mechanics will become lawn darts !



[Aztec](#)

6:23 AM on October 19, 2011

Score: 31

When they serve me a free hot meal sponsored by Verizon or BMW, then I will like advertising on aircraft. Otherwise, just charge me a few dollars more not to look at them and have a serene flight.

[Report Abuse](#)

[1 reply](#)



Gboddy

6:29 AM on October 19, 2011

Score: 37

If it keeps costs down, they can advertise on the toilet tissue for all I care.

[Report Abuse](#)

[2 replies](#)



CardsFanJax

6:33 AM on October 19, 2011

Score: 41

A flight is designed to get you from A to B. Why do travelers think this time and space is so sacred? And I love it when people say "I refuse to fly anymore". I've never flown in a plane for the airlines' sake - I want to get somewhere for my own sake. It's just a means to an end. Keep your eye on the prize and suck it up.

[Report Abuse](#)

[1 reply](#)



bigpicture

6:35 AM on October 19, 2011

Score: 19

We all grew up with TV and watched "free" TV.

At the expense of watching the advertisements, we had "free" TV.

Hopefully, this will result in FREE flights.

[Report Abuse](#)



AveragePerson

6:36 AM on October 19, 2011

Score: 38

Advertising has gotten completely out of control. Safety announcements brought to you by a sponsor? Rubbish ...they are required to do the announcement and it will tune people off. But who cares about passenger safety when you can make a few extra bucks.

But it's not just the airlines. Try TV. I have DirectTV and I truly believe more than half of the content being broadcast is advertisements.

Infomercials galore, even at times in lieu of programming on say, SPIKE. 12 at a time during the evening news.

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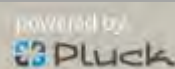
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The Miami Herald

Posted on Tue, Oct. 18, 2011

Fort Lauderdale-Hollywood airport neighbors face daunting decision

By Alysha Khan



Marsha Halper / Miami Herald Staff

Rae Sandler stands near a faded "No Airport Expansion" sign in her parents' yard in Melaleuca Gardens, a Dania Beach community of 376 homes. Sandler lives a few houses down the same street in the neighborhood, directly south of Griffin Road and Fort Lauderdale-Hollywood International Airport. After 18 years, the fight between Dania Beach residents and Fort Lauderdale-Hollywood International Airport over a proposed runway is over; the south runway will be extended and elevated. Sandler is shown Friday, October 15, 2011. The sign has been in her parents' front yard for 20 years.

At the end of the cul-de-sac, the weathered sign in the yard has a simple message: No Runway Expansion.

"It's one of the last ones left in the neighborhood," said Rae Sandler, a Dania Beach resident who lives near Fort Lauderdale-Hollywood International Airport and is president of the Melaleuca Gardens Homeowners Association.

After more than 18 years of fighting the expansion of the south runway at the airport, it's all over — except for making one last choice.

This past week, the Dania Beach City Commission unanimously accepted a settlement deal that would allow affected homeowners to sign up for sales assistance that may take years, accept a payoff in exchange for waiving their right to sue, or accept monetary assistance to soundproof their homes.

For Sandler, fighting the expansion project has been a family tradition. Her mother, Beulah Lair, also lives in Melaleuca Gardens, a mostly waterfront community on Griffin Road just across from the future runway. Less than a quarter of a mile will separate the homes from the runway.

Lair, 87, put up the "No Runway Expansion" sign two decades ago.

"They had really been fighting the airport for 20 years and my mother bought her home 21 years ago. That's how she got involved," Sandler said. "She was a real spitfire. She attended every meeting, she would rally the troops. She would literally knock on people's door until they came to the door, and then tell them they had to be at that meeting."

But a stroke has kept Lair from the most recent battles.

Sandler took up the fight soon after her mother began her initial crusade back in the 1990s. In 2010, she traveled to Washington, D.C. to witness a pivotal appeal court ruling. The ruling found in favor of the Federal Aviation Administration and Broward County, disappointing Dania Beach and its homeowners.

Dania Beach had been fighting with Broward County in court over the runway since 1993. The city signed an interlocal agreement in 1995 that required the county to consult with the city before making decisions involving noise mitigation and placed operational restrictions on the airport.

Over the years, Dania Beach's main tactic had been to challenge the environmental impact statements generated by Broward County. After that tactic hit a dead end in December 2010, the city then began considering a payout deal from the County Commission and the FAA.

All of this — the lawsuits, the haggling over every detail from noise levels to financial compensation — seems so far removed from the neighborhood Sandler fell in love with when she bought her home on Northwest Seventh Avenue Street in 1978.

"I moved [to Dania Beach] because it was a quiet little town," Sandler said. "It was very quiet, like a small town feel. The city hasn't changed, but Broward County has. It's overdeveloped. So now we feel the crunch here."

The \$790 million runway, 65 feet above current ground level and parallel to Griffin Road, is scheduled to be open for big commercial jets in 2014. It is expected to increase the number of take-offs and landings that can occur at the airport, thereby bolstering the local economy.

Not all Dania Beach residents will be eligible for compensation. The FAA used a computer model to determine the average amount of noise that would occur at various points over a 24-hour period and used the result to determine which residents will get benefits.

Those who live in areas that will receive over 65 decibels of noise, on average, over a 24-hour period are eligible for the payoff and the sales assistance. This option is available for about 857 homes.

Those who live in slightly less-noisy areas — about 1,700 homes — are eligible for soundproofing at the cost of \$80,000. This includes approximately 1,700 homeowners.

The plan is complicated enough that next-door neighbors are receiving different benefit options.

"Garbage in, garbage out," said Dania Beach Commissioner Anne Castro. "They put in data on the front end that says here are the anticipated flights, kind of aircraft, time of day, whatever other variables they have. Then, based on that information, it generates what it believes those aircrafts will create noise-wise."

According to the FAA website, 65 decibels is roughly equal to an average conversation or the low hum of street traffic. A jet engine that is near a person can measure at anywhere from 130 to 160 decibels — loud enough to rupture an eardrum.

Most of the homes in question belong to middle-class families who have embraced an outdoor lifestyle: swimming, gardening, and boating.

Among them, Richard and Betty Sokol.

Their home is on Perimeter Road, which runs directly across from the airport, so the Sokols are eligible for the maximum benefits.

Richard Sokel, 78, said moving is out of the question.

"I'm not going nowhere," he said. "I got my pool. I can't build my house anywhere else."

The Sokols have lived in their current home since 1999 and have extensively renovated it. They have redone the pool and the back deck, added flowers and a palm tree, repainted the whole house, and installed French doors.

Sokol said he is considering soundproofing his home. But that's hardly compensation for what he expects to lose.

"I'm not an inside person," Sokol said. "I'm going to have to live with it if I go outside. When you're talking to people, you can't hear them. You say wait a minute, wait a minute until this plane goes by. Then you can talk to me."

Sandler, as well, said she will stay put. Although her neighbors across the street have been deemed eligible for the maximum, because her home is just outside the area defined to be most impacted by the noise and other runway issues, she qualifies only for soundproofing.

Sandler said she won't take the money. It comes with too high a price.

"You have to sign over too much of your rights," Sandler said. "You're giving up your right to sue."

Christopher Johnston, a commercial airline pilot, moved to Dania Beach in 2006.

"It's a tropical paradise," Johnston said. "I love the people, the climate."

Like Sandler, Johnston is eligible only for soundproofing assistance. But he wants to experience firsthand the noise and other impacts of the runway expansion before making his decision to stay or move.

"I will stay in the property a year or two to see if it's tolerable," he said. "If it's tolerable, sure I'll stay. It's a nice area. It's nice and convenient to the Intracoastal Waterway. Even though I don't have a boat, it's hard to replace ocean-access property."

Indeed, Johnston's biggest concern isn't the settlement, but the lack of a timeline for soundproofing the homes.

"I would like to see them held to a specific time-frame for soundproofing," he said. "It's just a verbal agreement now to do 400 homes a year. I don't know what their purpose is, either dangling a carrot or giving false hope to some of these people."



Airline lobby: Aviation industry united in opposition to flight tax proposal

By Keith Laing - 10/18/11 02:59 PM ET

President Obama's proposal to increase taxes and fees on flights has united the normally fractious aviation industry, Air Transport Association President Nicholas Calio said Tuesday.

In a speech to the Aero Club of Washington, Calio said Obama's suggestion that a per-takeoff fee on flights that could run as high as \$100 be included in a plan to reduce the federal deficit has brought together segments of the aviation industry that are often diametrically opposed.

"These tax proposals have accomplished what everyone in this room knows is near impossible: unite the entire industry," he said. "The airlines, the unions, employees, airports and our customers are aligned in opposition to these tax increases."



The proposal is a part of recommendations Obama made recently to the supercommittee of lawmakers that is tasked with recommending \$1.5 trillion or more in cuts from the federal deficit by Thanksgiving. The president is also recommending a \$7.50 increase in the security taxes passengers pay each way on trips.

The airline industry has said the proposal would cost it \$36 billion, and Calio said Tuesday that airlines would not be able to pass the costs on to customers in fare increases.

"Airline tickets are priced to sell," he said. "No airline wants or can afford empty seats in the sky. The basics of the industry are matching supply to demand, at prices customers will pay and that at least hopefully cover costs.

"Price elasticity, a concept most of our policymakers don't seem to understand, makes it extremely difficult for airlines to pass on additional costs to passengers," he continued. "This is probably one of the biggest misconceptions about the industry: that an airline can simply increase a fare by even a few dollars without impacting demand."

The ATA has launched a campaign in opposition to the proposal called "Stop Air Tax Now."

At least one airline, Southwest, has [echoed](#) the organization's message. In a blog post this week, Southwest CEO Gary Kelly called on the airline's customers to contact their lawmakers.

"The increase in taxes is a cost our airline, our passengers, and our industry simply cannot absorb without having devastating effects on our business and the overall U.S. economy," Kelly said.

Source:

<http://thehill.com/blogs/transportation-report/aviation/188247-airline-lobby-aviation-industry-united-in-opposition-to-flight-tax-proposal>

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FAA Presses Advisory Committee for NextGen Details

AIN AIR TRANSPORT PERSPECTIVE » OCTOBER 17, 2011

by **BILL CAREY**



FAA deputy administrator Michael Huerta serves as the agency's "point man" on NextGen. (Photo: FAA)

October 17, 2011, 2:20 PM

The U.S. FAA has asked the [committee advising it on implementation of the Next Generation Air Transportation System \(NextGen\)](#) to outline more specifically the steps needed to begin ATC modernization.

Nine months after the FAA enlisted it to analyze “business case” barriers to investment in new avionics, the NextGen Advisory Committee (NAC) issued its recommendations in late September. The high-level group chaired by JetBlue Airways CEO Dave Barger said it would prefer direct government grants to spur equipage, but it acknowledged that a [public-private loan program](#) would prove the more feasible approach to kick-starting NextGen.

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The committee called on the FAA to develop operational performance metrics to clarify the benefits associated with certain capabilities, such as required navigation performance (RNP), and to establish clear timelines and priorities for delivering on those capabilities. It said the FAA should provide operational or financial incentives to operators that equip first.



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called for more direction. “We know we need a combination of financial and operational incentives; the question is what are they? Those conversations become very localized very fast,” said Huerta, the NAC’s designated federal official. “Recognizing that we have a very large country and a very complex [ATC] system, what is the appropriate way to frame how we actually act on these [recommendations]? For an operating agency and a regulatory agency such as ours, how do we build a work program to deliver these things? My urging would be to focus on high-level specificity and prioritization” to allow the FAA to act on the recommendations.

The NAC did provide sharper estimates of industry’s cost to equip in the areas of communications, navigation and surveillance. The first area—datalink communications with ATC—depends on the datalink standard chosen, and applies to Part 121 carriers and high-end business jets. Assuming use of FANS 1/A+ datalink communications already employed in oceanic airspace, the cost to the fleet in 2020 would total \$1.3 billion. The NAC has recommended navigation capability of RNP 0.3 with curved, or radius-to-fix (RF) flight legs, already achievable by 41 percent of airliners. That would cost the fleet in 2020 \$2.6 billion. **All aircraft must equip for automatic dependent surveillance-broadcast (ADS-B) “Out” capability by 2020, costing airlines \$900 million, or \$59,000 to \$312,000 per aircraft.**

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Aaron
on October 19, 2011 - 8:53am

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Airlines issue warning about effects of new taxes

By Gregory Karp

Tribune reporter

5:21 PM CDT, October 17, 2011

Airlines with a big presence in Chicago say proposed new federal taxes aimed at reducing the federal budget deficit could cost jobs and limit flights to and from smaller markets in Illinois.

Airlines are among the least profitable industries in America and already pay 17 different taxes and fees, officials from United Airlines and American Airlines said Monday during an editorial board meeting with the Chicago Tribune.

“The impact will certainly be felt here in Chicago and the state of Illinois,” said Will Ris, senior vice president of government affairs for American Airlines.

Some 10,000 airline industry jobs across the U.S. could be cut within a year as a result of the tax, according to the airline industry group Air Transport Association. Wider job losses – in aircraft manufacturing, airports and other supporting businesses – could total 181,000, the association claims.

Airline taxes proposed by the White House and being considered by a Congressional committee include a tax of \$100 per take-off for both passenger and cargo flights. A second tax would be on airfares, doubling the current \$2.50 passenger security tax to \$5 and eventually – by 2017 – to \$7.50.

So, for travelers whose airfares are already 20 percent taxes and fees, roundtrip fares might rise about \$15, if the airlines passed through all of the taxes to consumers.

But airline officials said competition with other airlines -- and competition with all the other things that consumers can spend their discretionary money on -- means it's not as easy as simply passing on those taxes to customers.

“There comes a point where you can't keep passing it on,” said Mark Anderson, senior vice president of corporate and government affairs for United.

The taxes could mean airlines reduce service, especially to rural and smaller airports where airlines fly smaller planes. Small planes have fewer passengers to help pay for each \$100-per-take-off fee, Ris said. “The economics just don't work,” he said. “Small community service would really be devastated.”

Airline officials also grumble that much of the tax money would go to deficit reduction and not improvements in the airline industry or to airline security. “We don't mind being part of deficit reduction,” Ris said. “We just don't want to be the only sector [helping to raise revenue.]”

“We don't think that is shared sacrifice,” Anderson said. “Now, we are the piggybank for general deficit reduction.”

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News Story

Hesitant US business travel spend expected in 2012

Posted Wednesday, 12 October, 2011 - 11:53 by Sara Turner

While 2011 looks set to be a year of “resurgence” for business travel spend in the US, 2012 will see slower growth, according to the latest figures from the Global Business Travel Association (GBTA).

The organisation has predicted the amount spent on business travel in 2011 to hit \$250.2 billion, 6.9% up on 2010.

For 2012, however, GBTA has predicted US business travel spend to reach 260.9 billion, representing a 4.3% rise on 2011.

Next year’s growth is expected to come mainly from increases in the price of travel, according to the GBTA, rather than an increase in the amount of travel.

Michael McCormick, GBTA’s executive director, said companies in the US are likely to be cautious with their travel spend.

“Uncertain economic conditions around the world continue to impact companies, which in turn impacts business travel plans and can lead to hesitation in spending,” he said.

“However, business travel spending growth remains vibrant, and the current environment does not portend a dramatic travel slowdown.”

Companies are unlikely to cut back drastically on business travel, according to McCormick.

“They have become smarter and more conscious about the level of business travel that is critical to driving growth,” he said.

“They recognize where they cut back too much during the recession and won’t make the same mistakes twice, because they know there is great value in personal relationships and business travel is a critical component in sealing those bonds.”

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Posted on: October 9, 2011

Analyst sees biz travel leveling, leisure travel rising

By Johanna Jainchill

The business travel market has been outperforming the leisure side for two years, but the gap is beginning to narrow, according to analysts with ITG Investment Research.

“The pickup in business is starting to level off,” said Matthew Jacob, a senior leisure analyst with ITG.

Jacob said business travel during the summer is traditionally slow, and that its performance this fall will indicate whether its strong growth since November 2009 will begin to dip or is simply leveling off.

At the same time, Jacob said, leisure travel is picking up.

He cautioned that leisure’s improvement will depend on the avoidance of a double-dip recession.

Despite the negative economic news during the current quarter, Jacob said there has been no obvious evidence in recent booking trends, except a modest drop-off in the number of hotel bookings in the first week of September.

“Cruise is very strong as of late,” Jacob said, noting that the Caribbean is performing well, and so are exotic destinations. Europe, however, continues to drag.

“Europe is weaker than you’d think, but the bright side is everything else is better than you think,” he said. “Europe pricing [this summer] was worse than people expected and worried it would be. Now the fourth quarter is weaker than expected because of Europe.”

Jacob said Europe cruising has been hit by concerns about traveling in the Middle East and Africa and the European economy.

In both the cruise and lodging sectors, ITG has found, the upper ends of the market are performing better than the middle and lower ends.

“People migrated down over the last few years, and now they are paying up because the prices are not as high as they were,” Jacob said.

In the cruise sector, that is evident with the strength of exotic cruises and Alaska sailings, which were weak during the recession and are now picking up, Jacob said.

Within lodging, ITG found that high-end chains have enjoyed particularly strong year-over-year increases in average daily rate relative to midscale and economy chains in recent months, with luxury leading the pack.

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Modern Air Control Vital To Economy, Jobs

By DAVE HESS

The Hartford Courant

September 27, 2011

As the budget debate rages in Washington, everyone from the president to the most conservative member of Congress should agree we need to cut programs that aren't providing a decent return on our investment and support the ones that bring back more than we put in — those that grow the economy and create jobs. These are decisions that businessmen and women make in companies large and small every day. It's fundamental to long-term success.

This basic measure of smart business spending — return on investment — should be the same in government and industry. The challenge often lies in determining where the waste is and what will bring a good return.

But with one important program waiting for funding in Congress, there's really no room to disagree — it's plain right now that funding the Next Generation Air Transportation System will bring enormous returns to the U.S. economy for years to come.

NextGen will completely replace our World War II-era analog, ground radar-based air traffic control infrastructure with a 21st-century, all digital, satellite-guided system. With an annual federal investment of roughly \$1 billion, NextGen is on time and under budget and will produce economic and environmental benefits that will more than pay for the cost of the program less than three years after it's fully implemented.

According to independent experts at the Deloitte firm, this small investment will yield nearly \$300 billion in U.S. economic benefits over the next 25 years. Furthermore, every year before its completion will cost our economy roughly \$40 billion in air traffic delays, wasted fuel and lost productivity.

Unfortunately, I don't think most Americans know what NextGen is. We tend to focus on roads, rail and ports when we talk about transportation infrastructure. Yet, in a world increasingly dependent on international commerce and coast-to-coast travel, speedy, reliable air transportation is just as important. And as safe as air travel is right now, the NextGen overhaul will make it even safer, more efficient and more environmentally friendly.

It's almost unbelievable, but 50,000 flights a day in the U.S. are controlled much the same as they were in 1960 — by World War II-era ground radar stations. Today's air routes follow radio beacons installed in the very spots where bonfires guided Lindberg-era airmail pilots in the 1930s.

NextGen will use precision satellite technology for navigation and surveillance, allowing planes to safely fly closer together. NextGen will enable pilots to choose more direct routes, no longer limiting them to zigzagging between ground-based radar stations. The results? Safer and more efficient flights, fewer weather delays and reduced emissions and noise.

The 793 ground transceivers that will replace conventional radar by linking controllers and aircraft to global

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positioning satellites will be in place by 2013. But NextGen cannot work unless commercial airlines and private aircraft that operate in congested space install avionics systems designed to send and receive NextGen data. That equipment, however, isn't required until 2020. That's a seven-year gap with a half-complete system that will cost our economy \$35 billion.

Collectively, airlines and private aircraft owners will pay billions of dollars to upgrade to NextGen-enabling equipment. Although the future economic and environmental benefits of NextGen are significant, the current economic state of the civil aviation industry makes capital investments difficult. Airborne NextGen equipment is transportation infrastructure for the 21st century. Using the right public-private partnership financial incentives and investments, industry and government can not only finish building NextGen early, but also deliver significant safety, economic and environmental improvements to our national airspace system.

We need to get our economy moving again. And the civil aviation industry has a critical role to play. Civil aviation directly and indirectly contributes more than \$1.3 trillion to the U.S. economy each year — or 5.6 percent of gross domestic product. The value of air travel — leisure and business — is almost inestimable. Hotels and resorts, conference centers, rental car companies, tourist attractions and just-in-time deliveries are not viable without reliable, efficient, affordable air travel. In today's economy — and even more so tomorrow's — millions of jobs depend on keeping the air travel system healthy.

The business case for NextGen is undisputable. For a Congress charged with handling "the people's business," this decision should be an easy one.

Dave Hess is the president of Pratt & Whitney based in East Hartford, which manufactures engines powering more than 30 percent of the world's passenger aircraft..

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Study: Airports are key economic drivers

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September 19, 2011 | By Jon Cawley, jcawley@dailypress.com | 757-247-4635

WILLIAMSBURG — On a recent late summer morning, the Williamsburg-Jamestown Airport appeared quite unremarkable.

Four single-engine airplanes were parked on the tarmac — their pilots no where in sight. The hazy air was still and the familiar buzz of small plane engines absent. The famous Charly's Airport Restaurant — that draws diners from well beyond the horizon — had yet to open for the day. Few people were observed milling about the airport property.

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Nothing about the scene belied the fact that this small airstrip, nestled between the Williamsburg Winery and Route 199, is itself an engine that generates more than \$4 million in economic activity each year. The airport also supports 62 (direct and indirect) jobs with a payroll of more than \$1.2 million.

That was the finding of a recent economic impact study conducted by the Virginia Department of Aviation on the state's nine commercial and 57 general aviation airports. The report found Virginia's public-use airports contribute \$28.8 billion in economic activity to the state economy — about 4.4 percent of total output. And they are credited with creating and sustaining approximately 259,000 jobs — about 5.5 percent of the state total — with \$11.1 billion in payroll.

The report drew from data collected through a "comprehensive survey" of airport managers, on-airport tenants, off-airport businesses, visitors and data collected from U.S. government agencies.

It concluded more than 69,000 people board commercial planes and more than 6,000 aircraft take-off or land at state airports each day. Further, each job at a Virginia airport supports seven additional positions and every \$1 spent at a Virginia airport contributes an additional \$3.48 in economic activity, the report concluded.

The report showed:

- Newport News-Williamsburg International Airport contributes \$373.5 million to the local economy, including 3,382 jobs with a payroll of more than \$114 million.
- Norfolk International Airport generates more than \$1 billion in economic activity and supports more than 10,000 jobs with payroll of more than \$341 million.
- Richmond International Airport supports more than 10,900 jobs, with \$350 million in payroll, and generates more than \$1 billion in economic activity.

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Ken Spirito, executive director of the Newport News-Williamsburg International Airport, noted a portion of the study that indicated the Peninsula facility is the smallest of the three regional airports, but is second in terms of visitor spending.

"With AirTran leaving, the economic impact of the airport is more important now than it's ever been," he said. "There is significant value to understanding how important access to the Peninsula is for business, military and tourism."

Small but mighty

Perhaps most surprising in the report is the economic thrust of the state's smallest airports. According to the report, Virginia's general aviation airports contributed \$728 million in economic activity in 2010 and were responsible for nearly 5,200 jobs with an annual payroll of more than \$213 million.

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By late morning, this becomes clearer as the Williamsburg-Jamestown Airport's bustle breaks the country quiet. A number of planes take-off and land.

Several pilots and passengers (from Holland of all places) prepare their planes to continue flights that were paused for an overnight stay. A local pilot shows up for his regular morning coffee. A corporate helicopter lands and several men dressed in business casual scurry across the tarmac. The flight school down the runway stirs awake.

Charly's restaurant was still yet to open, but the airport's owner Larry Waltrip assured there would be more activity later.

"A lot of people fly in for lunch," he said. "It's a good stop if someone is traveling down the coast."

In fact, Charly's is widely known as one of the best "fly-in" restaurants in the country — as voted by pilots on 100dollarhamburger.com, a subscription-based website with more than 54,000 readers, most of whom are pilots who own their own aircraft, according to publisher John Purner.

"Charly's has been one of the Best of the Best since 2006, except for 2008 when it received a runner-up award," Purner wrote, in an email. "Only three other restaurants in the United States have matched Charly's accomplishment."

Disclaimer: Charly's doesn't sell a \$100 hamburger, or hamburgers at all for that matter. The aviation term apparently references an excuse to go flying.

'Social center'

Waltrip says the Williamsburg airport handled 15,084 take-offs and landings in 2010. The 43-year-old family-owned business — and "dying breed," in Waltrip's words — serves College of William & Mary parents and students, corporate travelers, tourists, entertainers performing at Busch Gardens and golfers.

Waltrip says the airport makes significant contributions (directly and indirectly) to local taxes and businesses like restaurants, hotels and tourist attractions. Despite periodic construction of new hangars, the airport has, for years, maintained a waiting list of pilots who want to store planes, the owner continued.

"In a 24-hour day, a lot goes on that the public is not aware of at all," Waltrip said. "The airport is doing more than people think. We're pleased they did the study, it proved what we've been talking about."

Pilot Alan Melton calls the Williamsburg airport his "social center."

"In every community there are these airplane guys. The general aviation airport is the center to which all these guys gravitate," Melton said.

"I'm sure Larry could build another 20 hangars and fill them. It's a very handy located place."

Virginia airports' impact

Jobs: 259,000

Payroll: \$11.1 billion

Economic activity: \$28.8 billion

Source: Virginia Department of Aviation

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The Navigator: One incident of planes stranded on tarmac doesn't justify new laws

By Christopher Elliott, Published: November 17

The [Halloween weekend stranding](#) of more than 1,000 airline passengers at Bradley International Airport in Hartford, Conn., brought the tarmac delay activists out in full force again, pushing for new laws that they claim would prevent lengthy ground delays.

The circumstances were admittedly dreadful. On Oct. 29, air traffic controllers diverted 28 flights to Hartford after a freak snowstorm hammered the region. Many planes were grounded for hours in the blizzard, unable to reach the

The Navigator: One incident of planes stranded on tarmac doesn't justify new laws - The Washington Post Page 2 of 3
terminal. Supplies of food and water dwindled. Toilets became clogged. Tempers flared.

In response, help may be on the way from Washington. On Monday, the U.S. Transportation Department [wrote its first ticket for a tarmac delay](#), a \$900,000 fine against American Eagle Airlines for keeping hundreds of passengers stuck on a plane in Chicago this year. The Federal Aviation Administration and the Transportation Department also announced that they would hold a forum Nov. 30 to find better ways to handle aircraft diversions. And the current version of the FAA reauthorization bill would enshrine existing federal regulations limiting the length of time a plane can wait on a tarmac into law.

“The haphazard airline tarmac delays that occurred in Hartford to airline passengers have happened one too many times, and frankly, it’s unjustifiable,” Sen. [John D. Rockefeller IV](#) (D-W.Va.) told me. “Passengers’ rights need to be strengthened so events like this never happen again. That’s exactly why I have made airline passenger rights a priority in the Senate FAA bill.”

I can’t argue with the fact that airline passengers have few rights and that they could stand to have a few more. The Transportation Department and FAA should be meeting — indeed, should have met years ago — to discuss this issue.

But does all this legislative effort need to be devoted to an issue that affects next to no one and is already heavily regulated?

Let’s look at August, the last month for which numbers are available. It had just three delays of more than three hours out of 541,442 scheduled flights, according to the Transportation Department. The previous month? One flight out of 547,219.

Excessive tarmac delays have been on the government’s radar ever since a Northwest Airlines flight was grounded during a 1999 snowstorm at Detroit’s Metro Airport, leaving passengers without water or working toilets for more than seven hours. Efforts were well underway to address the issue even before the latest gang of tarmac activists parachuted into town, and there was a consensus that the new regulations, the last of which went into effect in August, would fix whatever problem remained.

But if the FAA bill had passed before the latest incident, would it have made any difference?

To find out, I interviewed everyone involved in the latest tarmac stranding: the two major airlines affected, JetBlue Airways and American Airlines; airport officials; and the federal and Connecticut transportation departments.

Although several investigations are ongoing, all parties seem to agree that a variety of factors led to the lengthy delays, including weather, power outages, air traffic control and inadequate facilities.

For instance, an American Airlines flight from Paris diverted to the Connecticut airport couldn’t move because of issues related to U.S. customs.

“After landing, our dispatch center staff twice asked customs to process our passengers so they could leave the plane,” said Tim Smith, a spokesman for American. “Customs, with a very small staff at Hartford, said it was first-come, first-served, and we were the last international flight in.”

American asked for permission to unload the passengers to a departure lounge in the terminal until customs could process them, but the request was denied. More than seven hours later, the passengers were let off the plane.

Hartford, meanwhile, had even bigger problems, according to Judd Everhart, a spokesman for the Connecticut Department of Transportation. “Virtually the entire airport lost power,” he told me.

About 6 p.m., the systems shut down one by one, including the Federal Inspection Station, the fuel farm, air traffic control, the Army and Air National Guard installations, the fire stations, Federal Express and UPS, the cargo facilities, the parking garage, the remote lots and all remote rental-car facilities. Backup generators restored power to some of the essential facilities, including the main terminal.

Would the proposed measures in the FAA bill have helped?

Of course not, said Michael Miller, a vice president at the American Aviation Institute. The Connecticut tarmac delays, like many others, weren't caused by just one thing but by a set of circumstances that an airline can't control — in this case, the weather and the decisions made by air traffic controllers. “Law or no law, an airline still needs air traffic control permission to move a jet just one inch,” he said.

I checked with a Senate staff member on the benefits of writing the current federal regulations into law. She told me it was necessary to ensure that a future administration can't get rid of the current regulation or waive it. Also, the new law would go further than the existing regulations by subjecting airports to a civil penalty for holding passengers on the tarmac.

I would happily support the tarmac-delay provisions in the FAA bill if I thought they were anything more than grandstanding by a few misguided activists. Or if I didn't think that the legislators supporting the bill were only doing so because they've grown weary of incessant whining by these special interest groups and their wrongheaded insistence that tarmac delays are the most pressing issue for the traveling public.

The truth is, no law could have brought any of the planes back to the gate any faster in Hartford. What's more, because tarmac delays represent such an infinitesimally small problem for air travelers, the disproportionately lengthy discussion we've had about them in the past several years — including the one we're having right now — has diverted public attention from the truly important issues that affect all airline passengers.

I'm afraid that tarmac delays have set the cause of passenger rights back by decades. It's a shortsighted fascination for which all air travelers will almost certainly suffer.

Elliott is National Geographic Traveler magazine's reader advocate. E-mail him at chris@elliott.org.

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Airline News Articles

Posted: Wed, Nov. 30, 2011, 5:57 AM

American bankruptcy filing spurs speculation of merger with US Airways

By Linda Loyd
Inquirer Staff Writer

American Airlines and its parent company filed for bankruptcy protection Tuesday to cut costs and restructure in a time of economic uncertainty and volatile fuel prices.

The move prompted speculation that American might tie the knot with another big airline. The most likely suitor: US Airways Group Inc., Philadelphia's dominant airline.

"We believe today's filing by American potentially works to the advantage of US Airways," analyst Kevin Crissey, of UBS Securities L.L.C., wrote in a client note. "American potentially needs a partner to achieve more scale, and US Airways may provide that avenue."

But a merger will happen only if new American CEO Thomas Horton, named Tuesday to replace retiring chief executive Gerard Arpey, is interested. His predecessor was not, said veteran airline analyst Bob McAdoo, of Avondale Partners L.L.C.

"There are substantial business reasons why a merger with US Airways would give American Airlines a far more widespread presence in the eastern one-third of the country," McAdoo said.

A US Airways-American combination would help American compete better across the Atlantic in Europe.

By the numbers, US Airways' Philadelphia hub effectively collects passenger traffic out of the Northern and Eastern United States to Europe, and generates more revenue to and from Europe each day than American does at either New York's JFK or Chicago's O'Hare airport, McAdoo said.

A merger with US Airways also would give American, which is strong in the Midwest and West, as many as 60 new cities to serve.

As the only major U.S. airline that did not seek bankruptcy protection after the Sept. 11 attacks, American has continued to lose money as other U.S. carriers have returned to profitability in recent years.


Two weeks ago, Standard & Poor's lowered its ratings on American, citing the company's failure to get a new contract with its pilots' union before reporting a \$162 million third-quarter loss.

American said Tuesday that it would operate flights, honor tickets, and take reservations while it reorganizes.



TIM CHAPMAN / Miami Herald

American Airlines jets at Miami International Airport just hours after the airline filed for Chapter 11 bankruptcy protection Tuesday.

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American bankruptcy filing spurs speculation of merger with US Airways

The Fort Worth, Texas-based company has three gates at Philadelphia International Airport and 16 daily departures - 11 on American and five on American Eagle. American flies to Dallas, Chicago, and Miami and has 3.5 percent of the market here.

The bankruptcy filing was not a surprise, but the timing was, said Seth Kaplan, managing partner of Airline Weekly, an industry publication.

American said everything would be normal for now, but the airline will shrink - in aircraft, employees, and routes. American hubs like Dallas and Miami may escape relatively unscathed, while Los Angeles and Chicago could be more vulnerable, Kaplan said.

The bankruptcy will not necessarily lead to a merger.

"They should be able to stand alone," he said, "but certainly a merger is now more likely."

American's cost structure had been the biggest roadblock to merger. Bankruptcy provides flexibility and has led to other recent matches, such as Delta-Northwest and United-Continental.

US Airways, the fifth-largest U.S. airline, favors industry consolidation. It made a hostile takeover bid for bankrupt Delta Air Lines in 2007 and twice was in merger talks with United Airlines.

With the bankruptcy, American will be able to renegotiate aircraft leases, return inefficient planes, and renegotiate contracts with its pilots, who will likely see their pension plan restructured, analyst Helane Becker, of Dahlman Rose & Co., wrote.

The Chapter 11 filing is "good for the entire industry," said analyst James Higgins, of Ticonderoga Securities L.L.C. "By filing now, with ample unrestricted cash, American can avoid the customary need for debtor-in-possession financing, and is likely to retain more control over its reorganization."

Higgins predicted that American would emerge as a stand-alone airline, and that even if American and US Airways someday tied the knot, "I would be surprised if it happened as part of this bankruptcy process."

Since American has \$4.1 billion in cash, chances are less that US Airways could persuade creditors that a merger "is better for them," he said.

A US Airways-American combination would be "a good fit" from an industry standpoint, Higgins said, and Philadelphia would likely remain a hub.

"I don't think American is strong enough in New York to give up Philadelphia as a hub," he said.

History

Since 1990, there have been 189 bankruptcy filings by airlines. Here's some that filed for protection or went out of business in that time:

Nov. 29, 2011: American Airlines

2010: Mesa Air

2008: Sun Country, Frontier Airlines, Aloha Airlines

2005: Delta, Northwest, and Comair

2004: US Airways

2002: United Airlines, US Airways

2001: Trans World Airlines (TWA)

1998: Pan American World Airways

1995: TWA

1993: Hawaiian Airlines

1992: TWA

1991: America West Airlines, Eastern Air Lines, Pan Am World Airways

1990: Continental Airlines

SOURCE: Associated Press

American History

1930: American Airways is incorporated. The company includes several small airmail contractors. It becomes American Airlines Inc. in 1934.

1979: American undertakes a major route expansion after deregulation of the industry. The headquarters moves from New York to

Fort Worth, Texas.

1982: The current

AMR Corp. is formed.

January 2001: American says it will buy the assets of Trans World Airlines.

Sept. 11, 2001: Terrorist attacks include the crashes of two American Airlines jets.

2003: American narrowly avoids bankruptcy after workers agree to sharp pay cuts.

Nov. 29, 2011: American Airlines and parent AMR file for bankruptcy protection.

SOURCE: American Airlines, Associated Press archives.

Contact staff writer Linda Loyd at 215-854-2831 or lloyd@phillynews.com.

Find this article at:

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The Daily Local (dailylocal.com), Serving Chester County, PA

News

US Airways Pa. fares to jump 500 percent

Tuesday, November 29, 2011

PITTSBURGH (AP) — US Airways' round-trip fare from Pittsburgh to Philadelphia will jump nearly 500 percent early next year once Southwest Airlines drops its nonstop service between the two cities.

The nonrefundable round trip fare, not including taxes and fees, is now \$118, but will jump to \$698 after Southwest ends its service on Jan. 8, the Pittsburgh Post-Gazette reported Tuesday (<http://bit.ly/v7NfKh>).

Airline analyst Michael Boyd, president of Boyd Group International in Evergreen, Colo., told the newspaper he's not surprised.

"That's what happens when you have less competition," said Boyd, who had predicted the fare hike.

Pittsburgh International Airport spokeswoman JoAnn Jenny said Southwest couldn't afford to operate the flights, which Boyd said were about half-full. US Airways flights on the route have been about three-quarters full.

"We had asked the community to support those Southwest flights, but passengers weren't choosing them," Jenny said. "The company could not afford to keep operating."

Boyd said, "Southwest was dying on that route."

US Airways spokeswoman Valerie Wunder said federal regulations limit what she can say about pricing policies but that the airline tries "to set fares based on what we think the market will bear."

Travelers willing to fly through airports in Detroit or Washington, D.C., will still be able to get fares under \$200 — but with travel times of four to six hours, counting layovers. That means it will likely make sense for many frequent travelers to drive the 300 miles between the cities.

The newspaper said another option offered through the Orbitz travel Web site couples a flight from Pittsburgh to Newark, N.J., with Amtrak train service to Philadelphia for \$117, excluding taxes and fees.

URL: <http://www.dailylocal.com/articles/2011/11/29/news/doc4ed4fd01e8958515216551.prt>

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The Pottstown Mercury (pottsmmerc.com), Serving Pottstown, PA

News

American Airlines files for Ch. 11 bankruptcy

Tuesday, November 29, 2011

FORT WORTH, Texas (AP) — American Airlines' parent company is seeking Chapter 11 bankruptcy protection as it seeks to unload massive debt built up by years of accelerating jet fuel prices and labor struggles.

The nation's third largest airline also said its CEO Gerard Arpey will step down. He's being replaced by Thomas Horton, currently the company's president.

Fort Worth, Texas-based AMR Corp., along with its regional affiliate AMR Eagle Holding Corp. said Tuesday that they filed voluntary petitions to reorganize.

American says it sought protection to reduce its costs and debt to remain competitive.

The airline says it will continue normal flight operations during the reorganization.

American was the only major U.S. airline that didn't file for bankruptcy protection after the 2001 terrorist attacks. The last major airline to file for bankruptcy protection was Delta in 2005.

American says labor-contract rules force it to spend at least \$600 million more than other airlines.

Besides higher labor costs, American also struggled with rising jet fuel costs. Jet fuel cost an average of \$3 per gallon so far this year — a record according to government data that goes back to 1990. Jet fuel is more expensive now than the average of \$2.96 per gallon in 2008, when oil rose above \$147 per barrel for the first time. It's risen 56.4 percent in the past five years. The average price of jet fuel was \$1.92 per gallon in 2006.

American lost \$162 million in the third quarter and has lost money in 14 of the last 16 quarters.

URL: <http://www.pottsmmerc.com/articles/2011/11/29/news/doc4ed4d83be832b022940683.prt>

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U.S. airlines on time 84% in September, with three long tarmac delays

By [Nancy Trejos](#), USA TODAY

Updated 4d 2h ago

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Airlines had three tarmac delays longer than three hours on domestic flights in September, according to the Transportation Department's Bureau of Transportation Statistics. The monthly report was the first for which all U.S. and foreign airlines operating at least one aircraft with 30 or more passenger seats had to report long tarmac delays at U.S. airports.

Prior to the new rule, which went into effect Aug. 23, only the larger U.S. airlines were required to report such delays. Also as of Aug. 23, airlines operating international flights from U.S. airports are not allowed to let planes sit on the tarmac for more than four hours. No international flights broke that rule between Aug. 23 and Sept. 30, the Bureau reported. Airlines are exempt from the rule when there are safety, security or air traffic control-related problems.

The Department issued its first fine for tarmac delays on Monday, when it ordered American Eagle to pay \$900,000 for keeping about 600 passengers on board 15 separate flights for more than three hours at Chicago O'Hare International Airport in



CAPTION

By Ben Mutzabaugh, USA TODAY

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May. The amount was considerably less than the \$27,500 per passenger the Department can fine an airline.

All three of September's tarmac delays involved flights leaving Washington Dulles International Airport on Sept. 14 during severe thunderstorms, the Bureau reported. On-time performance among the nation's largest 16 airlines took a slight dip compared to a year ago, with 83.9 percent of flights arriving to their destinations on time versus 85.1 percent in September 2010. That was, however, a slight improvement over August's 79.3 percent on-time rate.

The airlines with the highest on-time arrival rates were Hawaiian Airlines (which benefits from favorable weather for its inter-island service), Alaska Airlines, and AirTran Airways. The lowest performing airlines were JetBlue Airways, ExpressJet Airlines and Continental Airlines.

ALALSO ONLINE: [Hawaiian Airlines expands to East Coast](#)

There were fewer flight cancellations in September. Carriers canceled 0.8 percent of their domestic flights, down from 0.9 percent in September 2010 and 2.5 percent in August.

ExpressJet, Mesa Airlines, and American Eagle Airlines canceled the most flights while Hawaiian Airlines, Frontier Airlines and JetBlue canceled the fewest.

Consumer complaints are on the rise. In September there were 974 complaints about service, up 28 percent from September 2010, but down 31.3 percent from August. So far, 2011 is outpacing 2010 for consumer complaints. For the first nine months of this year, the Department received 9,097 complaints, compared to the 8,815 filed during the same time period last year.

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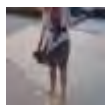
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Emma Moody · Fair Lawn, New Jersey

It always seems like my flight is delayed (in reality it's probably on been twice in the last year). Some of these things help me pass the time: <http://thegotohandbook.com/?p=242>>Delayed Flights: How to Pass the Time

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Delta cutting international routes

By [Kelly Yamanouchi](#)

The Atlanta Journal-Constitution

2:06 p.m. Monday, November 21, 2011

Just as Hartsfield-Jackson International Airport prepares to open a gleaming new international terminal next year, its flagship carrier Delta Air Lines is cutting back on international routes.

It's unfortunate timing that Atlanta's Maynard H. Jackson International Terminal will open as international travel is on the decline, with Atlanta-based Delta trimming overseas routes amid high fuel prices and economic uncertainty.

Delta plans to discontinue several routes from Atlanta, including its route to Shanghai that garnered much attention when it launched with daily service in 2008. Since then, Delta has tried cutting back on the route and discontinued it in 2009. It then resumed the Atlanta-Shanghai route last year with just two flights a week, only to find that the route has still "performed poorly," according to Delta. That led to the decision to once again suspend the service as of Jan. 18.

The airline will also discontinue five other routes from Atlanta -- to Athens, Greece; Copenhagen, Denmark; Moscow; Prague; and Tel Aviv, Israel -- that it had earlier cut back to seasonal service but now will not resume next summer as previously planned.

The cuts are part of Delta's previously announced plan to cut its flight capacity by 2 percent next year, with much of the reduction concentrated in weak trans-Atlantic markets.

Delta said it will continue to fly to nearly 70 international destinations from Atlanta next summer and is "excited" about the new international terminal opening next year. The new terminal will "provide a great foundation for Delta's continued long-term international growth," Delta spokesman Trebor Banstetter said.

Hartsfield-Jackson General Manager Louis Miller said in a written statement that the international terminal is for expected "international growth for the Atlanta region over the next two decades," and airport management is confident Delta will grow in the future.

The airline also said travelers will still be able to reach all the cities by connecting through other hubs or on Delta's partner carriers, and it will assist passengers on the discontinued routes.

"We're hopeful that we'll be able to resume service in the future," Banstetter said in a written statement, "and we'll continue to look for opportunities to begin successful new international service from Atlanta in the future."

Several seasonal routes from New York will also be cut by Delta, including routes to Manchester, U.K.; Budapest, Hungary; and Berlin.

Meanwhile, Delta plans to start a new seasonal international route from Detroit to Paris next summer, and it is taking over a Seattle-Paris route previously operated by its joint venture partner Air France.

Find this article at:

Air travel tax could pinch small cities - CNN.com

By Brett Snyder, Special to CNN
2011-11-21T14:02:57Z

CNN.com



Proposed federal fee increases could raise fares and limit service in some places.

Editor's note: Brett Snyder is the founder of air travel assistance site Cranky Concierge, and he writes the consumer air travel blog The Cranky Flier.

(CNN) -- It's the holiday season, and that means air travelers across the United States have shelled out good money to spend time with their families. With record fuel prices squeezing airline margins, travelers may have paid more than they expected this year. And if the government has its way, you might be paying even more next year for less frequent flights, especially to small cities.

As we all know, the federal government is short on revenue, and it has been trying to find a way to reduce costs as well as increase money coming in the door. A small part of that plan involves the airlines.

The plan being put forth has two tax changes. One would see the security fee increase from \$2.50 per segment to a flat \$5 each way. With proposed yearly increases, it will hit \$7.50 each way by 2017 and may climb from there. (The rule only specifies that it can't go below \$7.50, but the Department of Homeland Security can continue to bump the tax up).

Would this help pay for better security? Not so much. About 60% of the revenue from this would be directed solely toward deficit reduction and not toward security at all.

The other tax would slap a \$100 fee on every single airline departure. That might sound like peanuts in the scheme of things, but it could have some pretty negative impacts, especially on small cities that are already hurting for service. Small cities are served by small aircraft, so a \$100 fee per airplane has a much higher impact per passenger on smaller planes.

Unsurprisingly, there are multiple sides to this issue. On the one hand, we have the anti-tax people saying taxes should never be raised on anything. They don't like this plan. On another side, we have those arguing for shared sacrifice, saying that every person and every industry needs to do its part to improve the financial situation in this country.

There also are many more nuanced positions that don't automatically oppose taxes but do oppose these. One of those groups, supported by the airlines themselves, is StopAirTaxNow.com. The argument here is that the airline industry provides a very large number of jobs, and this would help kill a large chunk of them.

Another, the American Aviation Institute, just completed a study showing that the annual impact of this tax increase would be \$9 billion, because of an expected drop in air travel when the cost of travel goes up.

So what's the right stance here? Air transportation is tied to economic growth, so lower fares and more flights are certainly a good thing. High fuel prices have already pushed airlines to increase fares significantly, so the last thing travelers need is another increase in the cost of a flight.

Even worse than an increase in cost, however, is the disappearance of flights altogether. This new \$100 per departure tax proposal has me particularly concerned about small city service. Small cities have already suffered a great reduction in service over the years.

Think about a community that's served by a 19-seat aircraft. This tax would add more than \$5 per seat to the cost. If it's only half full, which is often the case on these routes, then it's more than \$10 per passenger.

So while an argument can be made for increasing taxes on any industry, the way this is set up isn't pretty. If you have to travel to small towns, you can look forward to fewer flights where flights are already pretty sparse. Some cities might lose service altogether. Good luck getting home for the holidays then.

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United Brings "Economy Plus" Seating to First Continental Aircraft

Print

November 17, 2011

By: Adam Leposa

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United is taking advantage of its merger with Continental by bringing its "Economy Plus" seating option to its first Continental aircraft on November 19.



"Economy Plus" service, introduced by United in 1999, offers fliers four inches of extra legroom in the first few rows of the Economy cabin. The Continental aircraft will also boast new flat-bed seats in BusinessFirst, new touchscreen seat-back monitors in Economy, and Channel 9 air traffic control communications. Customers in both BusinessFirst and Economy cabins will also have in-seat power outlets and on-demand audio and video.

"The merger of United and Continental is a unique opportunity to build an airline with leading products and services that customers value and are willing to pay for," said Jim Compton, executive vice president and chief revenue officer of United Continental Holdings, in a written release. "United's customers who sit in Economy Plus consistently tell us they are more satisfied with their travel experiences, and we are excited to expand this option to more customers of the new United."

When available, the airlines offers the opportunity to confirm complimentary seat assignments in "Economy Plus" to customers with elite status in United's MileagePlus and Continental's OnePass frequent-flyer programs.

Visit www.continental.com/economyplus

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About the Author: Adam Leposa

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mskonfa1990 21 hours ago

Hi Adam,

Thanks for the story, but your story did not mention the aircraft type and that picture is that of a Boeing 747. The aircraft in question is a Boeing 767-400.

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New York Flight-Slot Bids Set Up Southwest-JetBlue Showdown

By Mary Schlangenstein, Alan Levin and Mary Jane Credeur - Nov 1, 2011

[Southwest Airlines Co. \(LUV\)](#) and [JetBlue Airways Corp. \(JBLU\)](#) are poised to jockey for the chance to add flights in New York and Washington, possibly bringing lower fares on some routes.

The two carriers are the largest of seven registered bidders in an auction this month of takeoff and landing slots at New York's LaGuardia and Washington's Reagan National airports, according to the [Federal Aviation Administration](#). The FAA accepted applicants through Oct. 28.

None of the group is a traditional full-fare airline, raising the prospect that the winners will challenge incumbents such as [Delta Air Lines Inc. \(DAL\)](#) and [US Airways Group Inc. \(LCC\)](#) with lower prices to some markets. U.S. flight caps at the airports mean carriers must buy or trade landing rights in order to grow.

"The entry of JetBlue or Southwest into LaGuardia or Reagan airports will be very disruptive in terms of pricing," said Jay Sorensen, a former Midwest Airlines marketing director who now works as a consultant. "The additional capacity, and the tradition for lower fares, will cause a drop in the prices consumers pay for the new destinations."

LaGuardia International, part of the nation's busiest aviation market, and Ronald Reagan [Washington](#) National Airport are attractive to airlines because each is popular with the business fliers who typically buy the most-expensive tickets.

Delta, US Airways

The slots in the auction are being divested by Delta and US Airways as a condition of federal approval for their own trade. The FAA has said that airlines or affiliates already holding a certain amount of slots can't participate in bidding that ends Nov. 22. The Transportation Department hasn't estimated what the slots may fetch, [Bill Mosley](#), a spokesman, said in an e-mail.

Besides Southwest and JetBlue, the auction registrants are [WestJet Airlines Ltd. \(WJA\)](#), [Canada](#)'s largest discount carrier; [Frontier Airlines](#), a unit of [Republic Airways Holdings Inc. \(RJET\)](#); Spirit Airlines Inc.; [Allegiant Travel Co. \(ALGT\)](#); and closely held Sun Country Airlines Inc.

The transaction may be the biggest for landing rights at LaGuardia and Reagan, according to Sandy Rederer, a principal at consultant Aviation Planning & Finance in Washington and a former Trans World Airlines executive.

“A dozen slots or 14 slots was about as big as it ever got on an individual basis,” Rederer said in an interview. “Fifteen slots would be considered a big deal in historical perspective, and this dwarfs that.”

Slot Groups

Southwest, the biggest low-fare airline, and New York-based JetBlue may have an advantage because the slots are being auctioned in groups of 16, or eight pairs, instead of smaller increments. Airlines will bid on two bundles of slots at LaGuardia and one at Reagan.

“Southwest is going to have to pay a full price for these,” said Jeff Straebler, an aviation debt strategist at RBS Securities Inc. in [Stamford, Connecticut](#). “Southwest isn’t likely to take any chances, so they’re going to have to come in high.”

Allegiant, Sun Country, WestJet, Spirit, Frontier and Virgin America Inc. said in earlier federal filings that large batches of slots were too costly and would hurt competition, not increase it. JetBlue also argued unsuccessfully that slots should be grouped by departure time rather than spread through the day.

Southwest had \$3.7 billion in cash and short-term investments as of Sept. 30, while JetBlue had about \$1.2 billion and Calgary-based WestJet’s total through June 30 was C\$1.22 billion (\$1.2 billion), according to the airlines. Next closest was Spirit, with \$351 million.

JetBlue’s Approach

JetBlue will “aggressively bid” on slots at both airports, Chief Executive Officer Dave Barger has said. JetBlue has as many as 11 daily flights from LaGuardia and nine from Reagan. Its chief hub is at [New York](#)’s Kennedy airport.

Southwest is “certainly interested,” CEO [Gary Kelly](#) has said. The Dallas-based airline has eight daily LaGuardia flights and obtained 20 more by purchasing AirTran Holdings Inc. in May. That deal also gave Southwest access to Reagan, where AirTran had 12 daily departures.

“LaGuardia and Reagan slots hold such tremendous allure that it doesn’t matter what type of airline you are, when the opportunity presents itself, you jump at it,” said Sorensen, who is president of Shorewood, Wisconsin-based IdeaWorks.

Spirit fell 6.6 percent to \$15.37 in New York. That was the biggest drop in two months and led declines in the 10-carrier Bloomberg U.S. Airlines Index. Allegiant slid 0.9 percent to \$51.49, while Republic lost 2.7 percent to \$2.53. Southwest fell 1.1 percent to \$8.46 and JetBlue was down 4 percent to \$4.30.

One Winner

According to the FAA’s Oct. 13 notice of the auction, an airline can win only one of the two available slot groups at LaGuardia.

[US Airways](#) and Delta agreed to surrender the slots to win approval from regulators for a swap giving Delta 132 more pairs of LaGuardia slots, assuring control of more than half the flights there. US Airways will get 42 pairs at Reagan, \$66.5 million in cash and an additional daily route to [Sao Paulo](#).

The plan allows Delta to bolster its leading market share at LaGuardia while letting US Airways shed most of its unprofitable operation there and focus on Washington. The U.S. Justice Department is still reviewing the Washington half of the exchange, which the airlines hope to complete in early December.

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October 18, 2011

Airlines Battle Back to Profit, a Fare and a Fee at a Time

By **JAD MOUAWAD**

The same things making many air travelers grumble these days — rising fares with more and more fees, fewer flights, planes filled to the brim — are the things giving airline executives a reason to smile.

After a decade of losing money because of cutthroat competition, slumping traveler demand and volatile fuel prices, the industry has found a way to regain control of its fortunes — and make money — by shelving its 1990s strategy of aggressive growth. Despite the weak economy, most domestic airlines will have their second consecutive profitable year in 2011, after losing \$55 billion since 2001.

The one exception is American Airlines, which is set to report another quarterly loss on Wednesday. Once the largest airline in the United States, American has lost its top perch and is struggling with high costs and debt, and acrimonious labor relations.

American trails its top rivals after being left out of the major mergers that have consolidated the industry. These began with the purchase of Northwest by Delta Air Lines in 2008, which created the nation's biggest airline, and followed last year by the merger of United Airlines and Continental and the purchase of AirTran Airlines by Southwest Airlines. The mergers allowed the biggest airlines to cut service to many smaller markets, ground unprofitable flights and focus on their most profitable hubs. With fewer airlines competing to make their seats the cheapest, they could increase fares. The nation's top five airlines, including joint figures for United-Continental and Southwest-AirTran, accounted for 85 percent of all domestic seats in 2010; that compared with a 64 percent share for the top five in 2000, said Hunter Keay, an aviation analyst at Wolfe Trahan & Company.

“This has been an incredible picture over the past three years,” Mr. Keay said. “It’s not rocket science. Airlines finally understand basic economics. It’s supply and demand. It’s fear-based discipline.”

Just looking at the number of seats available, domestic airlines’ capacity peaked in 2005 and has generally fallen since. But the cuts have been even steeper when the number of seats is compared with the size of the economy, said John Heimlich, the chief economist for the Air Transport Association, the industry’s main trade group. That ratio is at its lowest since 1979.

“The industry’s survival over the past decade has necessitated a substantial degree of shrinkage,” Mr. Heimlich said. “It’s a combination of how oversupplied and under-demanded we’ve been and how tough the decade has been. That’s an unfortunate result. Most businesses would rather see an entity grow profitably rather than shrink profitability.”

With fewer scheduled flights, planes are now fuller than they have ever been. The percentage of filled seats on international and domestic flights rose to a record high of 81.9 percent in 2010, compared with 72.9 percent in 2000, according to figures compiled by the Bureau of Transportation Statistics. And that number does not entirely capture how full most flights are to the most popular destinations at the most desirable times.

Meanwhile, the flight experience has worsened, as the big airlines have reduced service and stopped providing free meals or even blankets and pillows on flights. Legroom shrank on many of the low-cost airlines. Spirit Airlines, for instance, is now flying Airbus A320s with a seat pitch — or the distance between seats — of 28 inches. (A typical pitch at the other airlines is 31 inches.) That allows it to pack 178 passengers on these planes, 28 more than JetBlue, which flies similar planes, according to Matthew Daimler, the founder of SeatGuru.com.

Domestic fares, which have risen in recent years, averaged \$337 last year. Adjusted for inflation, they are still nearly 30 percent lower today than they were in the mid-1990s, but the fare is only part of the price passengers pay today.

The airlines now generate extra revenue from passengers by charging for a variety of services and goods, including checked bags, priority seating and onboard items like food, television and blankets.

The fees can be confusing, with little consistency across airlines. American, Delta and Continental, for instance, charge \$25 for the first checked bag, while AirTran charges \$20 and Southwest and JetBlue charge nothing. Some airlines charge extra for exit row seats or to sit in the first few rows of coach. Some apply cancellation charges. Some provide satellite television free; others charge for it.

“The airlines are only catching up to other consumer businesses,” said Richard H. Anderson, Delta’s chairman and chief executive. “Look at rental car companies, which offer you GPS for a fee, or to fill up your car or have one-way drop charges. Look at hotels, where you pay for Wi-Fi, where you pay for the drinks in your room. You tailor your product to what the consumer wants. One thing we understand now is what our costs are when we price our products.”

The new revenue has provided a critical shot in the arm and helped airlines cushion the impact of fuel costs, which now account for about 40 percent of the industry’s fixed costs, up from 30 percent before 2005.

In 1990, tickets accounted for 88 percent of the airlines’ passenger revenue. In 2010, that share dropped to 71 percent. The new revenue accounted for most of the difference. Bag fees alone brought in revenue of more than \$784 million in the first quarter — out of total revenue for the industry of \$43 billion.

“The industry’s ability to adapt to the harsh economic climate of 2009 is a great example of its willingness and ability to adapt,” Barclays Capital analysts wrote in a recent industry report.

The airlines had little choice. In the decade after the Sept. 11, 2001, attacks, 41 airlines filed for bankruptcy. And the industry is still under significant stress. A slower economy could force passengers,

especially business travelers, to travel less. Global business travel, which had been rebounding, fell in August compared with the same month last year, according to the International Air Transport Association.

Airline shares have suffered this year as a result of economic uncertainty. Shares of Delta and Southwest have lost a third of their value this year, while United is down 14 percent in that period.

American Airlines has been particularly hard hit because of growing investor concerns that it cannot weather yet another slump in travel and may have to file for bankruptcy protection, something it has persistently refused to do.

Shares in its parent company, the AMR Corporation, have lost 64 percent of their value this year. American recently said it had ordered 460 new single-aisle planes from Boeing and Airbus to rejuvenate its fleet with more fuel-efficient planes that are cheaper to operate. "Their turnaround plan is very ambitious, very expensive, and will take a decade to fully flesh out," Mr. Keay said. "The question is whether the macroeconomic environment will grant American that much time."

While many aviation executives and analysts say most airlines have a more solid financial foundation, they remain cautious, given how fragile the recovery has been.

"It's like the TV show 'The Biggest Loser,' where you just lost 25 pounds but you still weigh 220," said Steve Lott, a spokesman for the Air Transport Association, the trade group. "You might still be declared a winner, but are you really fit? I think we have a long way before we regain our financial health."

Fall of an American Empire

by Joe Brancatelli | Oct 12 2011

Once upon a time, American Airlines was a true industry leader. Today, the financially struggling carrier may be never considered—bankruptcy.



New York's John F. Kennedy International Airport remains one of A Airlines' prime hubs.

Image: [Frontpage \(http://www.shutterstock.com/gallery-152701p1.html\)](http://www.shutterstock.com/gallery-152701p1.html)/[Shutterstock \(http://www.shutterstock.com/index-in](http://www.shutterstock.com/index-in)

1 of 2 [NEXT > \(http://www.portfolio.com/business-travel/2011/10/12/american-airlines-troubles-suggest-possible-bankruptcy-or-takeover/index](http://www.portfolio.com/business-travel/2011/10/12/american-airlines-troubles-suggest-possible-bankruptcy-or-takeover/index)

Here's what's good about American Airlines right now: It is the nation's only legacy carrier that has never declared bankrupt. Arpey seems to have almost religious objections to putting it and its parent company, AMR Corporation, into Chapter 11.

Here's what's bad about American Airlines right now: everything else, including Arpey's long-standing antipathy to bankruptcy.

The financial decline of American Airlines in recent years is already the stuff of legend. As this month's market gyrations have shown, Here's how:

- At Tuesday morning's opening, AMR's share price of \$2.53 was down about 75 percent from its 52-week high. Its market capitalization of \$1.5 billion carries a debt load of \$12 billion.
- Its cash flow is weak, its costs are high, and its market share is shrinking.
- It has union problems, is fighting a multisided battle with the third-party firms that distribute its tickets, and it announced [an **ar** Monday \(http://finance.yahoo.com/news/American-Airlines-Announces-prnews-3934746258.html?x=0&.v=1\)](http://finance.yahoo.com/news/American-Airlines-Announces-prnews-3934746258.html?x=0&.v=1).
- It lost \$286 million in the second quarter, when most of its competitors were profitable. It will show another loss when it reports on Monday, it won't make money this year, and it isn't expected to make money next year. In fact, AMR hasn't turned a full-year profit in over a decade.

American can't even put a positive spin on those dreadful facts because its top PR man, Roger Frizzell, quit last week. He took a job at one of the nation's most controversial utilities.

But American Airlines is actually in worse shape than the numbers show. The carrier was once feared by competitors and respected for its best-trained, most-motivated employees in the business, and its top executives were considered the cream of the U.S. airline industry. It took its position as "industry leader" seriously, and where American Airlines business travelers followed.

None of that is true anymore. American has fallen so far so fast that some industry analysts speculate that AMR is a takeover target. Decades has been a punch line in an industry that has long been regarded as a bad joke.

"Even to mention [AMR] in the same sentence as US Airways is a nightmare," one former American Airlines executive told me the lot of mileage out of being seen as the big bullies on the block. Now [American] is being pushed around by 97-pound weaklings. They aren't getting a lot of psychic satisfaction out of it."

It's impossible to chronicle all of American's glorious past or its recent failures, but consider just a few of the recent stumbles:

—Just as the ["premium economy" movement \(http://www.portfolio.com/business-travel/2011/03/09/delta-and-continental-add-new-premium-economy\)](http://www.portfolio.com/business-travel/2011/03/09/delta-and-continental-add-new-premium-economy) took hold, American dropped its "More Room Throughout Coach" initiative in 2004. Now competitors such as United and Delta have puffed up their seats with extra legroom, and American is stuck with cramped and uncomfortable chairs and no upgrade path for its best and most profitable routes.

—It was the [first U.S. carrier to announce its intention to put WiFi on its aircraft \(http://www.portfolio.com/views/columns/sea-airline-wireless\)](http://www.portfolio.com/views/columns/sea-airline-wireless), but then was slow to implement the service. By contrast, Delta Air Lines has wired substantially all of its fleet, and niche carriers like Alaska and America are totally wired.

—American [spent most of the post-deregulation era buying or building hubs \(http://www.portfolio.com/business-travel/2010/06/23/american-airlines-spent-most-of-the-post-deregulation-era-buying-or-building-hubs\)](http://www.portfolio.com/business-travel/2010/06/23/american-airlines-spent-most-of-the-post-deregulation-era-buying-or-building-hubs) in cities such as Nashville, Raleigh-Durham, San Jose, San Juan, and St. Louis, which it rested on key "global gateways." The problem with that? Now Dallas/Fort Worth-based American is in a Texas death-match struggle with United for the right to be the [New York \(http://www.portfolio.com/business-travel/2010/06/30/new-york-is-the-center-of-the-aviation-universe/\)](http://www.portfolio.com/business-travel/2010/06/30/new-york-is-the-center-of-the-aviation-universe/), Chicago and London Oneworld partners for coverage in [London \(British Airways\) \(http://www.portfolio.com/business-travel/2010/03/03/will-the-new-york-airport-be-the-center-of-the-aviation-universe/\)](http://www.portfolio.com/business-travel/2010/03/03/will-the-new-york-airport-be-the-center-of-the-aviation-universe/), [Tokyo \(Japan Airlines\) \(http://www.portfolio.com/business-travel/2010/01/20/fate-of-us-carriers-bound-with-jal-tokyo\)](http://www.portfolio.com/business-travel/2010/01/20/fate-of-us-carriers-bound-with-jal-tokyo) (Cathay Pacific), and Sydney (Qantas).

1 of 2 [NEXT > \(http://www.portfolio.com/business-travel/2011/10/12/american-airlines-troubles-suggest-possible-bankruptcy\)](http://www.portfolio.com/business-travel/2011/10/12/american-airlines-troubles-suggest-possible-bankruptcy)

Comments

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**Sharon L Nemeth** · Williamsville, New York

Maybe the reason that AA is in such dire financial straits is because the executives keep rewarding their genius selves with lucrative bonuses! We surely wouldn't want to lose such talented people, now would we? Instead of making improvements to the aircraft such as WiFi, improved seating - heck, even fixing what's wrong with them! - they just keep everything status quo. Something's got to give and the employees have given enough already...

Reply · 11 · Like · Wednesday at 11:26am

**Claire Kapraun** · Flight Attendant at American Airlines

AA had great ideas, but does not let them stay implemented long enough to see a positive response ie...more room in coach..it was what our customers wanted..but did not give it the room to grow in to an advantage. I agree, AA used to be an industry leader...now it follows...even US Airways. It is very sad to see. I would love to have Crandall back as a CEO, maybe he could turn this carrier around to the legacy it was.

Reply · 2 · Like · Yesterday at 7:29am

**Mike Burrows** · Works at Burrows Consulting, Inc.

Sad to see another great carrier in decay. I commuted on AA for several years about the time they absorbed TW. Travel on AA was as good as air travel could be then. Two recent AA trips were nightmares; old equipment, overworked cabin crews trying hard to maintain standards, and threadbare Admiral's Clubs. I was reminded of the last days of Braniff, another great Texas based carrier.

Reply · 2 · Like · Wednesday at 4:18pm

**Douglas Scott**

Exactly. Customers and employees are taking the burden while senior management is enjoying a wealthy lifestyle. Arpey is the 2nd highest paid Airline CEO in the U.S.. And yet the airline can't afford to give it's customers the service they deserve. ... Hmmm.

Reply · 2 · Like · Yesterday at 7:26am

tenaftereight (signed in using Yahoo)

Douglas Scott - 24 year flight attendant at American Airlines -

Reply · Like · 21 hours ago

**Douglas Scott**

tenaftereight Yes. My information is good, and honest. not like some AMR spokesperson that will give you the "compaAAny" line.

Reply · 1 · Like · 14 hours ago

**Phil Swan** · Owner at Swan dogs<http://www.consumertraveler.com/today/ceo-2010-pay-at-major-and-regional-airlines/>

Current CEO pay.

Reply · 1 · Like · Yesterday at 9:00am

**Douglas Scott**

oops , okay Arpey has slipped to Third place. doesn't change the fact that he's got top pay for bad performance.

Reply · Like · 14 hours ago

**Rich Hoban** · Pasadena, California

take a look at the corporate structure org chart that's available online, there are more than 40 titles



Southwest to link network with AirTran

By [Kelly Yamanouchi](#)

The Atlanta Journal-Constitution

12:25 p.m. Monday, September 19, 2011

Southwest Airlines, which is launching service at Hartsfield-Jackson International Airport in February, plans to also link its route network with merger partner AirTran Airways early next year, opening up more connecting flight options to and from Atlanta.

Southwest Chief Executive Gary Kelly acknowledged, though, that some of AirTran's less-frequent routes and subsidized routes don't fit into Southwest's model.

Since closing its acquisition of AirTran in May, Dallas-based Southwest has been working on integrating AirTran into its operations, including AirTran's primary hub in Atlanta.

Kelly said Southwest hopes to begin connecting the two airlines' networks with select itineraries in the first quarter of 2012.

For Atlantans, "it's huge," Kelly said. More cities that Southwest flies to and AirTran does not would be opened up for Atlanta travelers. Those cities include Cleveland; Jackson, Miss.; Nashville; Louisville; Panama City, Fla.; Portland, Ore.; and Salt Lake City.

Atlanta-based Delta Air Lines already serves many of those cities, but additional Southwest service could increase competition on routes from Atlanta.

Kelly said once AirTran service has been converted over to Southwest after a transition period of a few years, "what you should really expect is what Nashville experienced" when American Airlines closed its Nashville hub and Southwest grew its own point-to-point operation there.

In Atlanta, "We'll have a different set of flight times, flight frequencies, nonstop destinations than what AirTran has," Kelly said.

He noted that "if there are domestic cities with less than daily service, that's just really not what we do." AirTran outsources that work in some smaller cities, making it easier to operate just a few days a week, but Southwest tends to use its own employees for ground operations.

And Kelly is also not fond of operating routes with subsidies from communities, as AirTran does in some markets. "By definition, some of these markets are very, very marginal," Kelly said. "If it's an environment where fuel costs are high, it's really tough to make that work."

Find this article at:

<http://www.ajc.com/business/southwest-to-link-network-1184114.html>

Posted: Thu, Dec. 1, 2011, 7:22 AM

Casey to US Airways: Please rethink fare hikes

By Linda Loyd
Inquirer Staff Writer

Sen. Bob Casey (D., Pa.) has urged the chief executive officer of US Airways Group Inc. to rescind the airline's fare increase planned for flights between Philadelphia and Pittsburgh in early January, when only US Airways will fly between the two cities.

The Pittsburgh Post-Gazette reported Tuesday that when Southwest Airlines Co. drops its flights between Philadelphia and Pittsburgh on Jan. 8, the price for a US Airways round-trip ticket will jump from \$118 plus tax to \$698 plus tax.

An Inquirer check of US Airways' website Wednesday found the \$118 fare (\$140 with tax) was for passengers who stayed in Pittsburgh multiple nights. The \$698 fare (\$720 with taxes) was for nonstop flights within the same day: fly out in the morning and back at night.

For travelers who stay one night, the fare dropped to \$531 with taxes and fees, and was even lower for passengers who stayed multiple nights, or on a Saturday night. Air fares can fluctuate several times a day, and vary widely depending on the time, day, and how full planes are.

The highest fares for nonstop and same-day travel are aimed at business travelers. Those fares are traditionally higher than for leisure passengers who can stay multiple nights.

Casey wrote US Airways CEO Doug Parker: "In the midst of a fragile economic recovery, this exorbitant fare hike would have a detrimental impact on businesses and individuals that rely on this service."

"The Philadelphia-to-Pittsburgh route is flown regularly by business travelers," Casey wrote. "A significant increase in price could potentially hurt Pennsylvania businesses that rely on this route."

US Airways spokesman Todd Lehmacher said: "We appreciate Sen. Casey taking the time to contact Mr. Parker and we will respond directly to the senator regarding his concerns."

"Pricing decisions are made based on demand and what the market will bear," Lehmacher said. "Fares change all the time."



TOM GRALISH / Staff
US Airways said it appreciated Casey's contact and would respond directly to him.



1 of 2

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Casey to US Airways: Please rethink fare hikes

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Find this article at:

http://www.philly.com/philly/news/20111201_Casey_to_US_Airways__Please_rethink_fare_hikes.html

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mcall.com

LVIA: 'Easy-come, easy-go' airport

New airport managers map out plan to show people how easy LVIA is to use.

By [Matt Assad](#), Of The Morning Call

10:39 PM EST, November 18, 2011

You know how there are rarely any lines at Lehigh Valley International Airport, and how the walk from the parking lot is so short there is no need for a moving sidewalk? Well, if more people knew about it, maybe they'd stop driving to Philadelphia and Newark to catch flights.

At least that's the theme of an airport business plan laid out Friday by the facility's new manager, AvPORTS. The sweeping plan calls for a marketing study to determine why 80 percent of area air travelers use other airports, and to launch a marketing plan designed to lure them back.

AvPORTS Chief Executive Ozzie Moore hopes the result will be new airlines such as Southwest, Spirit and JetBlue flying to more cities such as Charlotte, N.C., Denver and Las Vegas. That would mean more passengers, a lot more.

"We will present LVIA as the only easy-come, easy-go airport in the market," Moore said. "We will challenge people to try it, and when they do they'll never go back."

AvPORTS' 2012 business plan, presented to the Lehigh-Northampton Airport Authority, is merely a proposal the company wants to implement Jan. 1 when it takes over operation of the airport serving roughly 900,000 passengers a year.

It's part of a major transition for the airport, which last year forced 19-year-executive director George Doughty to resign and then this year lost his expected successor, Larry Krauter, when he left to run an airport in Spokane, Wash.

That's when the authority board decided to instead hire Virginia-based private airport manager AvPORTS to whip airport operations into shape. It began a 90-day evaluation of all airport operations in September and Friday offered its plan — so far — to the board. The plan will need board approval, but given that some members admitted to being "blown away" by the presentation, that would seem likely.

"You are showing us things we've never seen before," said longtime board member Bert Daday. "I'll tell you that there is a willingness here to do better."

Part of the plan suggests reorganizing the entire airport staff for better "team-building." That would include converting some airport workers to become AvPORTS staffers. Though LVIA director-in-waiting Charles Everett Jr. kept most of those details behind closed doors in executive session, his statement that he didn't expect to reduce staff was welcome news to airport workers who attended the meeting.

The plan also suggested using the surrounding airport property and even the spacious terminal to add new businesses such as convenience stores, theme restaurants and shops to create an "airport city" or airport mini-mall.

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Some board members want to sell the 210-acre Queen City Airport to raise money, but Everett said the smaller airport is an asset that probably should not be sold.

The core of the plan is a marketing study, followed by a marketing plan that would play on how the drive to LVIA is traffic-free, the ticket window lines are short and the security gate experience is relatively painless.

The whole thing would be designed to entice Lehigh Valley residents who take millions of flights a year out of New York, Newark, N.J., and Philadelphia to instead fly out of their own backyard.

"People move to the Lehigh Valley for ease of living, yet when they travel they go right back to what they left," Moore said. "I think we can recapture some of them."

"I think our biggest problem is costs," said board member Jane Baker. "And when you fly out of Philly or Newark, you don't have to make a stop the way you do out of here."

"But there are costs in getting to Philadelphia and Newark and costs of parking, and costs of the delays you will likely find there," Moore said. "We can emphasize that. We can build on that."

Moore and Everett said there's no way of telling what airlines can be attracted to LVIA with better marketing and more efficient operations, but the plans suggest luring Southwest, JetBlue and Spirit, among others. The plans also suggested new routes to Charlotte, Denver and Las Vegas, and more flights to Toronto, Atlanta and Florida cities.

That's more of a goal than a plan, Moore acknowledged, but one he says can be reached.

"You have a gem here, I really feel it," Moore said. "Surely, we can't make everyone come back, but I'm convinced we can get our fair share."

matthew.assad@mcall.com

610-820-6691

Where do you want to go?

New LVIA manager AvPORTS says more passengers will mean more flights. Here's a look at some airlines and non-stop flights AvPORTS hopes can be lured to LVIA:

Potential new airlines: Southwest, Spirit and JetBlue

Potential new routes: Charlotte, N.C.; Denver; Fort Lauderdale, Fla.; Las Vegas

Potential additional flights on existing routes: Atlanta; Toronto; Orlando, Fla.; Tampa, Fla.

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Plan for Willow Grove reviewed, needs more work

By Rich Pietras Staff Writer | Posted: Thursday, November 17, 2011 11:30 am

While the recommended draft was presented Wednesday night outlining the reuse of the 892 acres at the closed Willow Grove Naval Air Station, it was clear more work needs to be done to satisfy the board charged with selecting the final plan.

And it appears that board will receive more time.

It was announced Wednesday that the Horsham Land Reuse Authority, the public entity charged with reshaping the base property, will ask the federal government for a three-month extension for submission.

Authority executive director Mike McGee said he was confident the request would be honored and the authority would make the deadline. The original deadline was Dec. 18.

The draft plan was created by land planning consultants RKG Associates, who has worked on 50 other similar redevelopment plans.

Wednesday night, RKG representatives provided elements the board and residents liked and some they did not.

After the matter of closing the runway for good was settled by authority votes on two applications in July, crowds have dwindled at the meetings. About 60 people came out for Wednesday's presentation.

The map represents a combination of residential, open space, office and commercial uses, in addition to approximately 200 acres off County Line Road that will become the Horsham Air Guard Station.

Central to the plan is a 27.1-acre town center toward the south end of the property, between Horsham Road and Route 611.

Of the 892 acres, RKG determined approximately 174 acres will be dedicated to residential.

The residential components start at the north with single family homes on 0.25 acre lots and moves south toward the town center, where the density increases with townhomes, apartments and condominiums.

Specifically, RKG recommends 169 larger single family homes priced around \$600,000, 297 smaller single family homes, 396 townhomes, 645 apartments or condominiums, 114 similar units in the town center and 126 continuous care units for seniors.

While the type of housing was not objectionable, the overall density was.

Land reuse authority chair William Whiteside said he would prefer seeing the most expensive homes have the option of half-acre lots.

Another part that needs to be addressed is property for nonprofit, public and governmental entities that were awarded consideration for free or discounted land.

Curtis Griffin is the superintendent of the Hatboro-Horsham School Board and a member of the nine-member reuse board.

The district applied for approximately 60 acres for a school and Wednesday's presentation showed 14 acres toward the center of the property reserved for what most likely could be used for a middle school.

Griffin said that would be a problem for the district, citing that the district's smallest school — Crooked Billet Elementary — sits on 10 acres.

Griffin said 14 acres wasn't enough to meet state Department of Education guidelines for schools.

RKG vice president Russell Archambault told Griffin RKG would try to accommodate the request as the plan gets reworked.

The Bucks County Housing Group requested 75 acres to develop 105 permanent assisted living units for qualified homeless individuals and families, plus program support space.

Federal law stipulates homeless providers receive special consideration when military property is declared surplus.

Archambault said the first formal discussion with the housing group over decreasing their request began Wednesday. No representative was present at the base meeting.

Representatives of the Wings of Freedom Museum told the board that keeping the museum on Route 611 — away from hangars they want to use for long-range plans — could be problematic.

Other highlights included on the draft plan included:

Nearly 130 acres for an office park around Maple Avenue;

A par-3 golf course off Horsham Road that could also be used for similar recreation or open space;

A hotel conference center plus a festival park east of the town center.

Less of a surprise was the large, four-lane boulevard beginning at Keith Valley Road that extends south and exits on Horsham Road. More roads were proposed to cross through the property at Privet, Precision and Norristown roads.

In an effort to make the property pedestrian friendly as requested by residents, there are also a series of walking trails and smaller roads throughout the plan.

Archambault said the final plan would be 30 to 50 percent open space, depending on private development.

Archambault said the entire build out could take decades and net Horsham \$5 million. The estimated costs for the project, to be paid through developers, investors and other sources, would be \$11.9 million.

McGee urged the nine-member board at least meet in groups, if not as a whole, before the holidays to provide more input to what will become a final plan.

"We have to get moving," McGee said.

To learn more about the Horsham Land Reuse Authority and Wednesday's meeting, go to www.hlra.org.

Posted on Mon, Oct. 31, 2011

A.C. airport overseers downplay loss of carrier

By Jacqueline L. Urgo
Inquirer Staff Writer

EGG HARBOR TOWNSHIP, N.J. - One of the two airlines that serve Atlantic City International Airport has decided to stop flying there, even as construction that will triple the size of the terminal is under way, but officials of the South Jersey Transportation Authority, which runs the facility, say the departure of Air Tran will not ground the expansion.

A 24/7 international customs station and a new fire safety station are to be part of nearly \$40 million in improvements planned at the airport, which has long labored to emerge from the giant shadows cast by the Philadelphia and Newark airports.

But even as aviation officials and local dignitaries gathered Friday to celebrate the groundbreaking of a \$14.3 million rescue and firefighting facility, a spokeswoman for Southwest Airlines, which is acquiring Air Tran, confirmed that the airline will cease operations at Atlantic City International in early January.

Ashley Dillon, a spokeswoman for Southwest, cited high fuel prices and other economic concerns in the company's decision to discontinue flights out of Atlantic City.

Airport authorities are brushing aside the setback, saying they expect the new facilities to help attract other commercial flights, and pointing out that Air Tran is a distant second to Spirit Airlines in the numbers of flights and passengers it handles at Atlantic City International.

They also note that in 2010, the airport had its best year ever in passenger numbers, with a 35 percent increase from the year before.

"Building a world-class facility - and that's what we're doing here - doesn't happen overnight," said Bart R. Mueller, executive director of the transportation authority.

"Moving forward with the federal [customs] inspection station and our other projects supports our work to attract new carriers and add air-service routes to maximize the capacity of the airport," Mueller said.

U.S. Rep. Frank LoBiondo (R., N.J.), who also attended the groundbreaking, saw the work on the firefighting outpost and other upgrades as laying "a foundation as a premier aviation facility."

Mueller and others also expect the 24-hour customs facility to open up the airport as an international gateway that can handle flights from the Caribbean, South America, and Europe.

"I really think that with the ability to handle international traffic, we'll add charter carriers interested in bringing in flights from Europe and other places," Mueller said.

Customs operations so far have been handled by appointment only, which has made the airport unattractive for routine international flights, officials said.

Budget airline Spirit, based in Miramar, Fla., has 20 mostly full flights heading to and from Florida daily.

Air Tran, by comparison, generally has four daily flights, connecting to its hub in Atlanta and accounting for about 131,000 of the 1.4 million passengers who use the Atlantic City airport each year.

Other business at the airport comes from private charter and jet service and gambling junkets run by the Atlantic City casinos.

The new terminal space, including the new customs area, will cost about \$25 million and is expected to be completed in May 2012.

It will add 75,000 square feet of space and will make the facility - which handles flight check-in, boarding and disembarking, and baggage claim - about two thirds larger than it is now.

The new area will bump the number of gates from seven to 10 and add restrooms, lounges, and retail space, said Kevin Rehmann, security and operations manager for the South Jersey Transportation Authority, which also operates the Atlantic City Expressway.

"This is an exciting addition . . . because it opens up new avenues for this airport," Rehmann said. "It's one more piece in the puzzle that we think will help bring in new business, new carriers."

The airport, on about 5,000 acres in the center of Atlantic County 12 miles inland from Atlantic City, is also home to the Coast Guard's largest coastal rescue helicopter port and the Air National Guard's 177th Fighter Wing "Jersey Devils," an elite group that has evolved into an antiterrorism patrol monitoring the sky between New York and Washington.

The expansion is also expected to support Federal Aviation Administration functions adjacent to the airport at the William J. Hughes Technical Center.

The center houses the U.S. Department of Homeland Security's state-of-the-art Transportation Security Laboratory, where the country's newest air-traffic system, known as NextGen, is being developed. There is also a training center for federal air marshals.

The FAA is also doubling the space it leases from the airport authority for its baggage-screening operations. The expanded area will allow for quicker screenings and the installation of new, high-tech passenger and baggage surveillance equipment.

But at least one analyst cautions that even with the improvements, its geographic disadvantage means Atlantic City International's destiny may be to remain a midsize regional airport.

With about 120,000 landings and takeoffs a year, it is far from becoming a viable competitor to Philadelphia International and Newark Liberty.

Those airports serve about 500,000 flights per year.

"I don't see it ever really breaking out of being any more than a commuter airport. . . . It's too close to Philadelphia, and you've got Newark only a couple of hours away," said Helene Becker, an analyst with Dahlman Rose & Co. in New York. "It's just one of those things, geographically."

Contact staff writer Jacqueline L Urgo at 609-652-8382 or jurgo@phillynews.com.

Pelzer, Reiner

From: Aviation Council of Pennsylvania [info@acpfly.com]
Sent: Friday, October 21, 2011 2:30 PM
To: Pelzer, Reiner
Subject: PA House Bill 1100 Fixed Wing Aircraft Taxes

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The Pennsylvania House Finance Committee chaired by Pennsylvania House member Kerry Benninghoff voted to move HB 1100 out of the House Finance Committee on October 19, 2011. The Bill will eliminate sales and use tax on fixed wing aircraft sales, parts, maintenance and repairs.

During the past two weeks, PA House Finance Committee members and staff along with PA House Commerce Chair Peter Daley II toured Sikorsky Global Helicopters in Chester County and conducted a public hearing on HB 1100 at the Washington County Airport in Washington, PA. Part of the visit to Washington County Airport included tours of several fixed wing aircraft maintenance facilities.

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HB 1100 was introduced by House member Peter Daley II from Fayette and Washington Counties. Peter Daley II is Chair of the House Commerce Committee. HB 1100 is designed to create a competitive aviation and aerospace business environment in the Commonwealth of Pennsylvania.

Here is a comparison of job creation in the aviation and aerospace service sectors for several surrounding States.

Pennsylvania	2,900 jobs
Ohio	8,300 jobs
New York	9,400 jobs

This legislation is about creating good paying aerospace jobs in Pennsylvania. Earlier in 2011, Massachusetts which is an aerospace friendly State that is fully vested to attract new aerospace firms was pleased when Gulfstream Aerospace reached a decision to build a new, state of the art aircraft service facility for the new Gulfstream 650 business jet capable of travelling 7,000 nautical miles non stop. The new facility will employ 100 people who will earn wages that are family sustaining.

The Council will keep you informed as HB-1100 progresses.

About The Aviation Council of Pennsylvania

The Council is comprised of aerospace manufacturers, airports, FBOs, flight schools, aircraft owners and pilots, business aircraft operators, charter operators, aviation suppliers, consultants, engineers, architects, organizations, and individuals working together to improve and promote aviation in the Commonwealth. Our strong voice helps assure that Pennsylvania's aerospace interests are properly served.

ACP Mission

The Aviation Council of Pennsylvania's mission is to represent the Pennsylvania aviation and aerospace community in matters involving government and private sector interests; to improve aviation in partnership with the Commonwealth and the federal government; and to increase public awareness of aerospace.

Alternative plans for Willow Grove NAS to be discussed tonight

By Rich Pietras Staff Writer | Posted: Wednesday, October 19, 2011 2:30 pm

The Horsham Land Reuse Authority will, for the first time in public, sit down Wednesday night with its subcommittees, Horsham Council and the Horsham Planning Commission, to weigh in on three redevelopment blueprints for the 900 acres at the closed Willow Grove Naval Air Station.

Common themes that came out of two public input planning meetings held in June were a town center, a network of roads, open space and a mix of residential and commercial properties.

In July, the HLRA board was presented three maps that illustrated where its land planning consultants, RKG Associates, believed the elements would make the most sense.

RKG was hired by the reuse board with federal funding to provide data on traffic, environmental issues and economic factors related to the long-term plan.

RKG has worked on close to 50 military installation planning projects, according to its vice president Russell Archambault. Representatives from the firm are also expected to attend the meeting as the board closes in on one plan that will essentially reshape about 8 percent of the township.

Perhaps the largest decision to date in the process was made on July 27 when the board voted down two applications that would have kept the 8,000-foot runway open for perhaps a public-use airport.

The board has been given a December deadline to file a final redevelopment proposal that must be approved by the Department of Defense and the Department of Housing and Urban Development.

While HLRA chairman William Whiteside said last month he was a bit concerned the deadline might be missed, the authority's deputy director, Tom Ames, said Monday a lot depends on what happens this week.

"We have to see how the discussion goes Wednesday, but we have not made any request to the federal government on an extension," Ames said.

Archambault has stated at previous meetings the government has extended deadlines in the past, but believed Horsham's plan would be submitted on time.

Ames said when discussing the plan with individual HLRA members, the location of the town center and the roadways have been the two main points of interest.

One blueprint map has the town center fronted on Route 611, another fronted on Horsham Road and a third places it more in the middle of the southern end of the base.

A large portion of open space has also been suggested for the section of the base on the Keith Valley Road end.

The Hatboro-Horsham School District also applied for free land as a "public benefit conveyance." About 70 acres for what could become a school someday are shown on each map as well.

A large boulevard running down the center of the base from Keith Valley Road is also present on all three blueprints.

Now, the board will work to fine-tune the elements of all three into one master plan.

"We need to have these talks Wednesday and we need to start making decisions," Ames said. "It is already October but we still have some time."

HLRA executive director Mike McGee has pointed out at several public meetings the total buildout for the property could take as long as 15 years.

The Horsham Land Reuse Authority meeting is scheduled for Wednesday at 7 p.m. at the Horsham Township Community Center behind the municipal building at 1025 Horsham Road.

Pelzer, Reiner

From: DAMETZLER@aol.com
Sent: Friday, October 07, 2011 11:28 AM
To: Pelzer, Reiner; bdamico86@gmail.com; rogermoog@gmail.com
Subject: PHL update




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Philadelphia Airport expansion estimate up \$1.2B

Posted: October 7th, 2011 09:39 AM CDT

By Linda Loyd; Inquirer Staff WriterThe Philadelphia Inquirer

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The long-range expansion of Philadelphia airport is now estimated to cost \$1.2 billion more than the original projection of \$5.2 billion when the Federal Aviation Administration unveiled the proposal in May 2010.

The reason is that the FAA's calculation was based on 2005 financial data. When airport officials rejiggered the numbers, based on 2010 dollars, the tab rose to \$6.4 billion over the next 13 years.

The earlier estimate did not take into account inflation and escalating costs of raw materials and labor. Some examples of the increased costs are for wetlands mitigation for runway and taxiway development, property acquisition associated with the wetlands mitigation, acquisition of public properties, and relocation costs, said airport spokeswoman Victoria Lupica.

The expansion, to be completed in phases through 2025, calls for lengthening two of the airport's four existing runways and building a fifth runway along the Delaware River where United Parcel Service Inc. operates.

It has met with objections from nearby neighbors in Delaware County, and from Philadelphia's dominant airline, US Airways Group Inc., because of the cost.

Building a fifth runway hinges on relocating UPS on land purchased in Tincum Township. Lawyers for Delaware County and the township were recently in federal appeals court, seeking to overturn a lower-court ruling that Philadelphia could buy property in Tincum to make room for a UPS sorting facility - which would include leveling 72 homes.

Behind the scenes, airport representatives have been meeting with Tincum and county officials to try to come up with a "win-win scenario" that would relocate UPS to the freight company's satisfaction and save the 72 homes and even some businesses from the wrecking ball, airport CEO Mark Gale said.

"We would still put UPS down in that area, but it would be on a smaller parcel of land," Gale said. "We're not there just yet, but we're making some progress."

For nearly 25 years, UPS has owned 212 acres on the Delaware.

10/7/2011

"If UPS does move, they just want to make sure that whatever piece of land they end up being asked to move to will work for their operation," Gale said, "and that they don't get hurt as part of the process."

About two-thirds of the expansion would be financed with airport-issued revenue bonds, and payment of the debt service would come from the airlines, in rates and charges, and in revenue from concessions, parking, advertising, and car rentals. Also passenger facility charges and federal grants - but not local tax dollars, the airport said.

US Airways, with 435 daily departures here, "remains very concerned about costs," said airline spokesman Todd Lehmacher. Any plans for airport growth must be "fiscally responsible" to address flight delays, enhance customer service, and be "aligned with market demand," since improvement costs "will be borne by travelers and the airlines," he said.

In July 2010, US Airways' vice president of corporate real estate, Michael Minerva, wrote to Gale that a new runway alone would not greatly alleviate delays in takeoffs and landings "until there is a solution to local airspace congestion." Philadelphia is in the nation's most heavily congested air corridor.

The expansion would include a new commuter terminal, more gates, additional parking, a ground transportation center for rental cars, and a "people-mover" system to connect passengers between terminals and eventually parking lots.

The FAA recently pledged \$466.5 million for the project, which Mayor Nutter called "vital to the economic fortunes of the region." The improvements would increase the airport's overall economic impact by \$12 billion to \$26.4 billion annually and create more than 100,000 jobs.

UPS has not agreed to move but "has agreed to have discussions with us," Gale said. "Ultimately, the deal will be predicated on what the site looks like. Then, there are business terms. If we ask UPS to move, we have to build them a new facility. They own land, and if they don't get as much land as they have today, they are due some compensation.

"We're trying to come up with an engineered solution," Gale said, "to see if we can shrink the footprint down to be able to meet the needs of both the community as well as UPS. If we can figure all that out and come to agreement, then we would not look to acquire those homes or some of the businesses."

Contact staff writer Linda Loyd

at 215-854-2831 or lloyd@phillynews.com.

Inquirer staff writer Mari A. Schaefer contributed

to this article.

Posted on: September 30, 2011

American and BA consolidate lounge operations in Philadelphia

By Jerry Limone

American Airlines and British Airways are now sharing a lounge at Philadelphia's airport. The carriers are jointly operating the British Airways Galleries Lounge.

It is the second lounge jointly operated by American and BA. The first, the Denver Admirals Club, opened in November 2010.

The move gives American customers access to a lounge inside the security checkpoint, said American.

"American's co-location with British Airways in Philadelphia is another example of our shared efforts to provide a more seamless and enhanced travel experience as a result of our joint business agreement," said Nancy Knipp, Admirals Club president.

The lounge is open daily from 5 a.m. to 10 p.m.

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Kennett Paper > News

No new hangars at New Garden Airport until developer speaks

Tuesday, May 31, 2011

By Wm. Shawn Weigel

The New Garden board of supervisors rejected a plan to build new hangars at the airport until they get a chance to talk with the developer.

Last week at the township's monthly business meeting, New Garden Airport director John Martin gave a brief preliminary overview of the proposal, which would bring nine new rental hangars to the airport.

Martin said that the new hangars would bring in roughly \$6,500 annually to the township,

The proposal outlines seven T-style hangars bookended by two box hangars, all built to specifications for private individuals.

Martin said the proposal outlines a 30-year term for the hangars, with an option for a buyback.

"I think it's a good recommendation because it works out for both parties – both parties being the hangar owner, as well as the airport," Martin said. "The value of the hangar stays consistent; if the individual party looks to sell the hangar after 20 years, the new owner could come in and buy it back."

Martin recommended using Daniel Haug of Hangar Corporation of America for the new construction, adding that he has recently constructed hangars in Texas and New England and that they are all sold.

"This will not only increase with new airplanes and new life to the airport, it will also increase the revenue which will help the self-sustaining nature of the airport, as well as bring in additional funds to make major repairs and updates needed to the airport," Martin said.

After a lengthy question and answer session, the board withheld an official vote on the proposal until they have the opportunity to ask more questions directly to the developer.

“How much does he stand to make in all this? Because \$6,500 doesn’t seem like a lot for the township,” Perrotti said.

Martin said he was tasked with helping to expand the airport at little to no cost for the township and that the proposal does just that.

He added that the arrangement is similar to that of condominium construction and sales, and that the hangars are designed to owner-specifics before being built.

“I think the opportunity we’re presenting here is really a zero out-of-pocket expense for the airport and the township to build a new modern facility, which will bring new life and potentially new business and generate new revenue,” he said.

Martin said he’d scheduled a meeting between himself, Haug and township manager Dan Fox for Wednesday, June 1, with Haug tentatively scheduled to present to the board on June 16.

“A lot of those questions they had should be voiced to him,” Martin said.

URL: http://www.southernchestercountyweeklies.com/articles/2011/05/31/kennett_paper/news/doc4de513b604c37519523728.prt

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Philadelphia airport terminal work delayed by lawsuits

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November 20, 2011 | By Linda Loyd, Inquirer Staff Writer

The gleaming expansion of Terminals D and E at Philadelphia International Airport has been open since December 2008: Fancy shops, ultramodern passenger screening, additional airline gates.

But completion of the project - now estimated to cost \$341 million, up from an initial \$185 million in 2005 - is mired in construction lawsuits and finger-pointing.

Reams of court papers have been filed, and the case is headed for trial before Common Pleas Court Judge Mark I. Bernstein. No date has been set.

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When the 204,000-square-foot "connector" building opened between Concourses D and E, with 14 lanes of passenger security screening, more construction was to follow.

In spring 2009, an automated baggage-handling system was to be ready one floor below the passenger-security area. Soon after, new ticket counters and a combined D-E ticketing building were to be built, as well as offices for the airlines based in D and E - Southwest, Air Tran, Delta, Northwest, United, and Continental.

But 2 1/2 years later, it hasn't happened.

The explosives-detection luggage system, although installed, is not yet operational. The system, designed to screen outbound bags at a rate of 750 an hour, has still not passed the performance testing required by the Transportation Security Administration.

Until the baggage system is up and running, ticket counters and offices cannot be built. Delta Air Lines employees are using a modular trailer on the sidewalk outside its ticketing area as their break room.

The lawsuits attribute the delays, costs, and failure to get work done to "change orders," revisions to TSA security mandates, and contractors that did not do what they were supposed to do.

The renovations are paid for by airport revenue bonds funded by the airlines and "passenger facility charges," a \$4.50 departure tax imposed on every passenger traveling through the airport that is used for Federal Aviation Administration-approved projects.

Experts say the way public construction projects are bid in Pennsylvania adds to inefficiency and drives up cost. State law requires that cities and public agencies seek multiple independent "prime" contractor bids, rather than awarding all work to a single contractor responsible for hiring building-trades contractors.

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November 20, 2011 | By Linda Loyd, Inquirer Staff Writer

(Page 2 of 3)

"Then you hold that contractor's feet to the fire to make sure his or her subcontractors are performing and doing things on time and within budget," said Kent George, former chief executive officer of Pittsburgh International Airport and now airport aviation director in Fort Lauderdale, Fla.

"It's not the airport's fault. It's the fault of the procurement processes that have been established in Pennsylvania," George said. "Change the law. And also, quite possibly, the city's rules, too. The city can pile on."

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In the Terminals D and E expansion, subcontractor G&T Conveyor Co. Inc., manufacturer of the bag-handling equipment, sued the general contractor, Ernest Bock & Sons, and two insurance companies. Bock, in turn, sued the city and two electrical contractors.

In 2007, the city hired Bock to install the \$40 million bag-handling system. Bock hired G&T to furnish the equipment. In November 2009, G&T sought monetary damages for "hundreds of days of delay" - 664 contract days as of February 2010.

Problems emerged when the first electrical contractor, Chisom, fell behind schedule, laid off employees, and left the job, court papers say.

The second electrical contractor, Mulhern, had staffing problems after Electricians Union Local 98 declined to send laborers because wages and benefits were still owed for the earlier electrical work. Mulhern left the job after seven months.

Bock has denied responsibility for delays and countered that the city was liable and "slow to execute change orders." Bock filed a counterclaim that G&T had failed to provide project management and supervision.

The city asserted that Bock failed to "appropriately manage" the project, the work schedule, and its subcontractors, and did not provide necessary documentation for its "numerous" requests for information and change orders.

In July 2010, the city controller investigated some of Bock's other work in Terminals D and E and found in an auditor's report that the firm had not complied with the minority-, women-, and disabled-owner business-enterprise requirements. The controller recommended sanctions, including prohibiting Bock from participating in future city contracts for up to three years. Under a settlement, Bock agreed to not bid on city jobs until next spring.

Construction projects, by nature, are fraught with claims and sometimes litigation. "It's common," George said. "We have litigation on and off, all the time, down here, too."

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November 20, 2011 | By Linda Loyd, Inquirer Staff Writer

(Page 3 of 3)

Said lawyer Christopher McCabe, who handles government and public works contracts and construction law, and practiced 13 years in the city Law Department: "I don't think there's any construction that is ever on time or on budget - big public works projects. It's rare.

"Every large building project in the city probably has one or two claims. There are always things that come up on a job that make it more expensive, things that are unforeseen," McCabe said.

Bock has been paid close to \$38 million for the baggage system, "and it's still unclear whether the system will actually handle baggage as specified in the contract," the city said in May.

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The equipment, which works through computer software and programming, has failed to perform basic functions of moving, detecting, and tracking checked bags. G&T reconfigured the system, which now looks as if it will work, one lawyer said. Final testing could be early next year, after which the TSA must certify it for use.

Then the bag system must be connected to the airline ticket offices, originally scheduled to be completed in December 2009 and now projected to be done next July.

Six years ago, airlines approved a \$185 million renovation of the two terminals. Later, a \$45 million extension was added to Concourse E, a project for which Southwest Airlines hired the firms and managed the day-to-day work; it came in under budget and on schedule.

"The final invoices haven't been processed, but it's right around \$10 million under budget," said Steve Sisneros, Southwest's manager of properties.

Delays and cost overruns have not been uncommon with recent airport projects.

The \$550 million international Terminal A-West, which opened in May 2003, took almost four years to build. US Airways Group Inc., the project's developer, filed for Chapter 11 bankruptcy during construction.

The city allowed a private company to design and build that structure, bypassing the normal procurement process. City Council approved the design-build approach with the goal of building a terminal as quickly as possible, but it ended up over budget and delayed because of the construction method and security changes required after Sept. 11, 2001.

US Airways also managed the construction and design of Terminal F, which was initially budgeted at \$75 million but cost \$99 million. In June 2001, the airline and the airport asked City Council for - and received - \$175 million more in bonds to complete the terminal, The Inquirer reported at the time.

The current project at Terminals D and E grew in scope and cost as passenger traffic increased, airlines merged or wanted different space, and TSA procedures changed.

The cost is now "in excess of \$341 million," the city said, with a targeted completion date in September.

DVRPC Regional Airport System



Commercial Airport
Providing scheduled air carrier and general aviation services. International, domestic, and commuter destinations.



Reliever Airport
Providing corporate, some charter and personal general aviation services. Northeast, regional, and local operations.
* Regionally Designated Reliever Airport



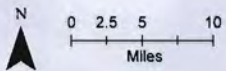
General Aviation Airport
Providing limited corporate and charter services, with emphasis on local general aviation services and destinations.



Military Airport
Limited civilian use.



Heliport
Local and east coast helicopter operations. Visual flight rules only.





HIGH-SPEED RAIL in the NORTHEAST MEGAREGION

from Vision to Reality

University of Pennsylvania School of Design · Department of City and Regional Planning · Spring 2011 Studio · Marilyn Jordan-Taylor, Dean and Paley Professor · Robert Yaro, Professor of Practice

The HSR Effect

Status	Stairway
30 mins LATE	9
PHIA ON TIME	5
PHIA ON TIME	3
NEWS 15 mins LATE	3
ON TIME	
ARK ON TIME	
TON ON TIME	
TRIAK	

What can HSR do for America?

Institutional Innovation



Who builds & manages HSR?

Funding and Finance



Who pays for HSR?

Metro Role



How must cities prepare?

Changing the Conversation



How can HSR build public will?

A satellite night view of Earth showing city lights and a dark silhouette of a hand holding a globe.

Economic activity is concentrating into megaregions, creating unforeseen capacity constraints on unbalanced mobility systems.



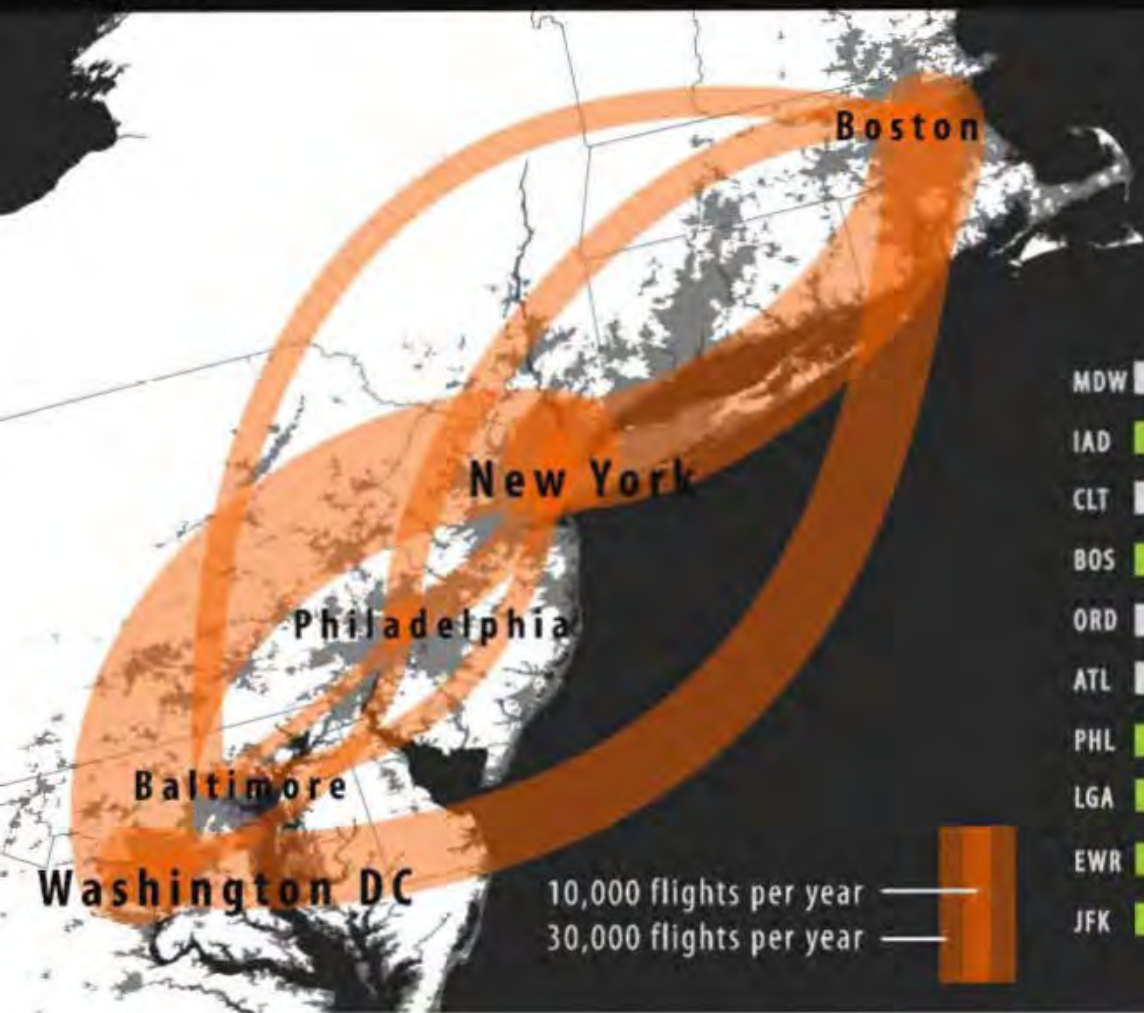
2011 – 50 Million People



2050 – 70 Million People





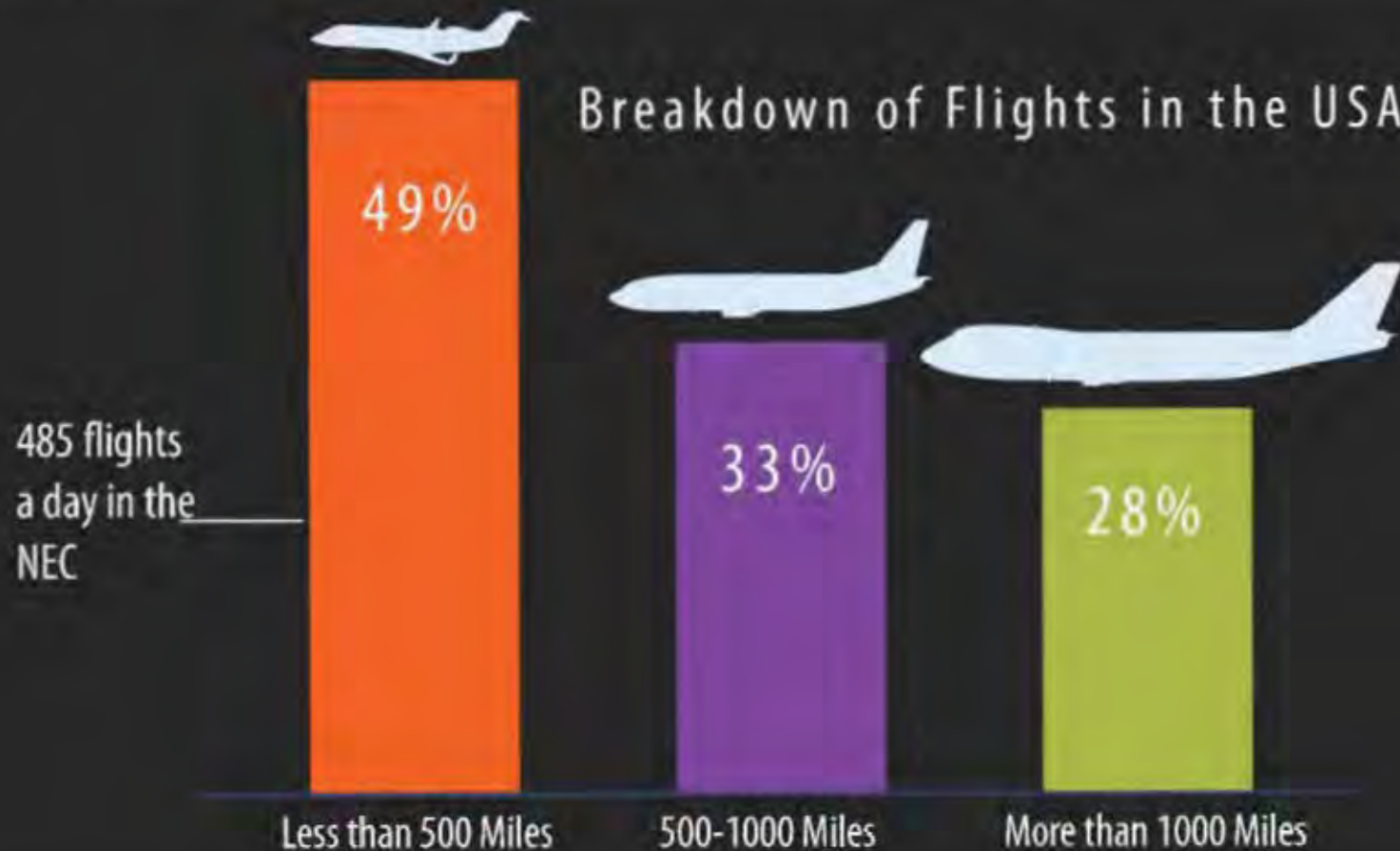


Most Delay-Prone Airports in America

(Average annual delay per flight in minutes)



Breakdown of Flights in the USA



68% of the flights between the five major cities of the Northeast Corridor are operated by aircraft with an average seating capacity of **less than** 70 seats

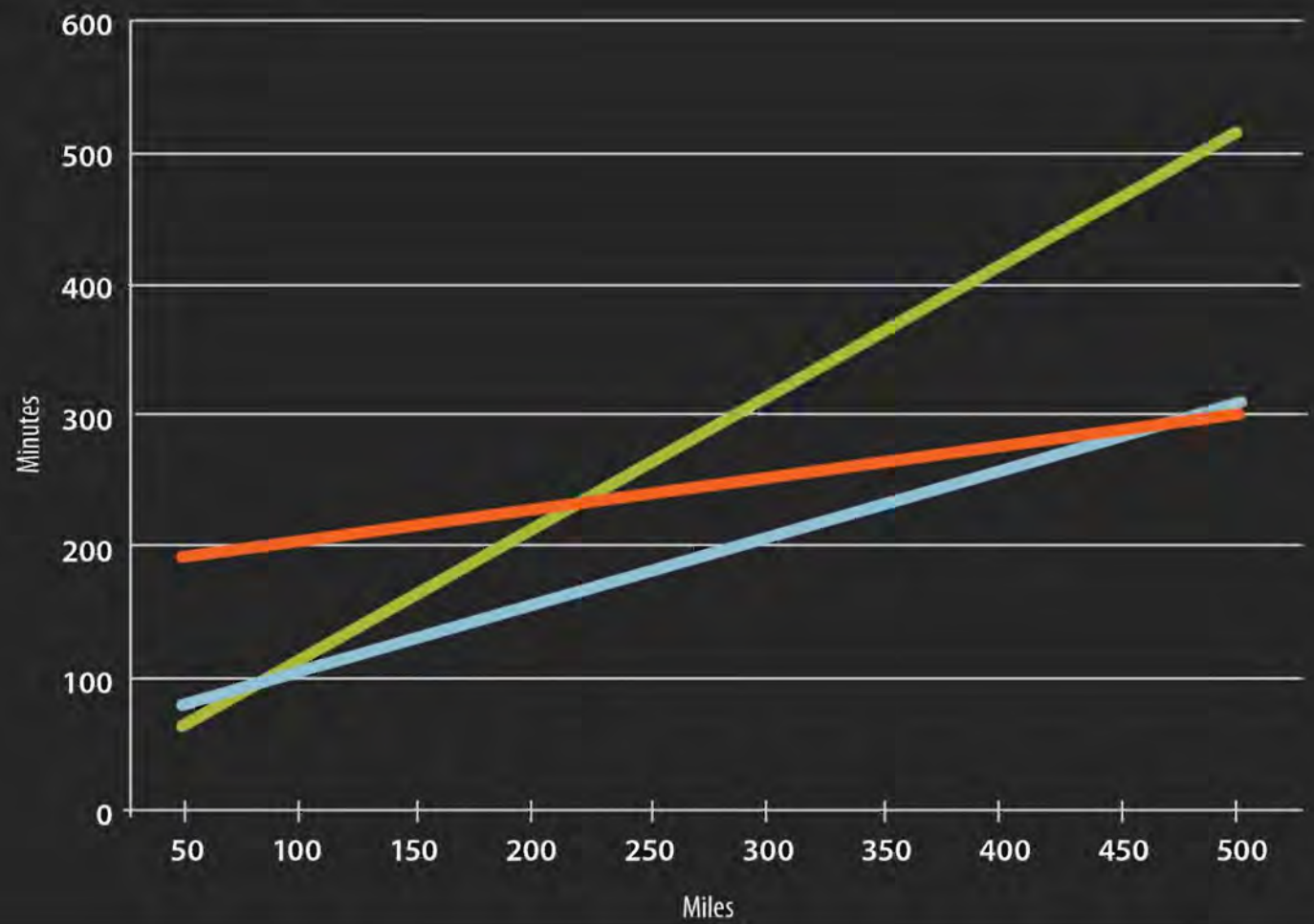


\$7 Billion in Lost Productivity

\$17.6 Billion in Lost Productivity

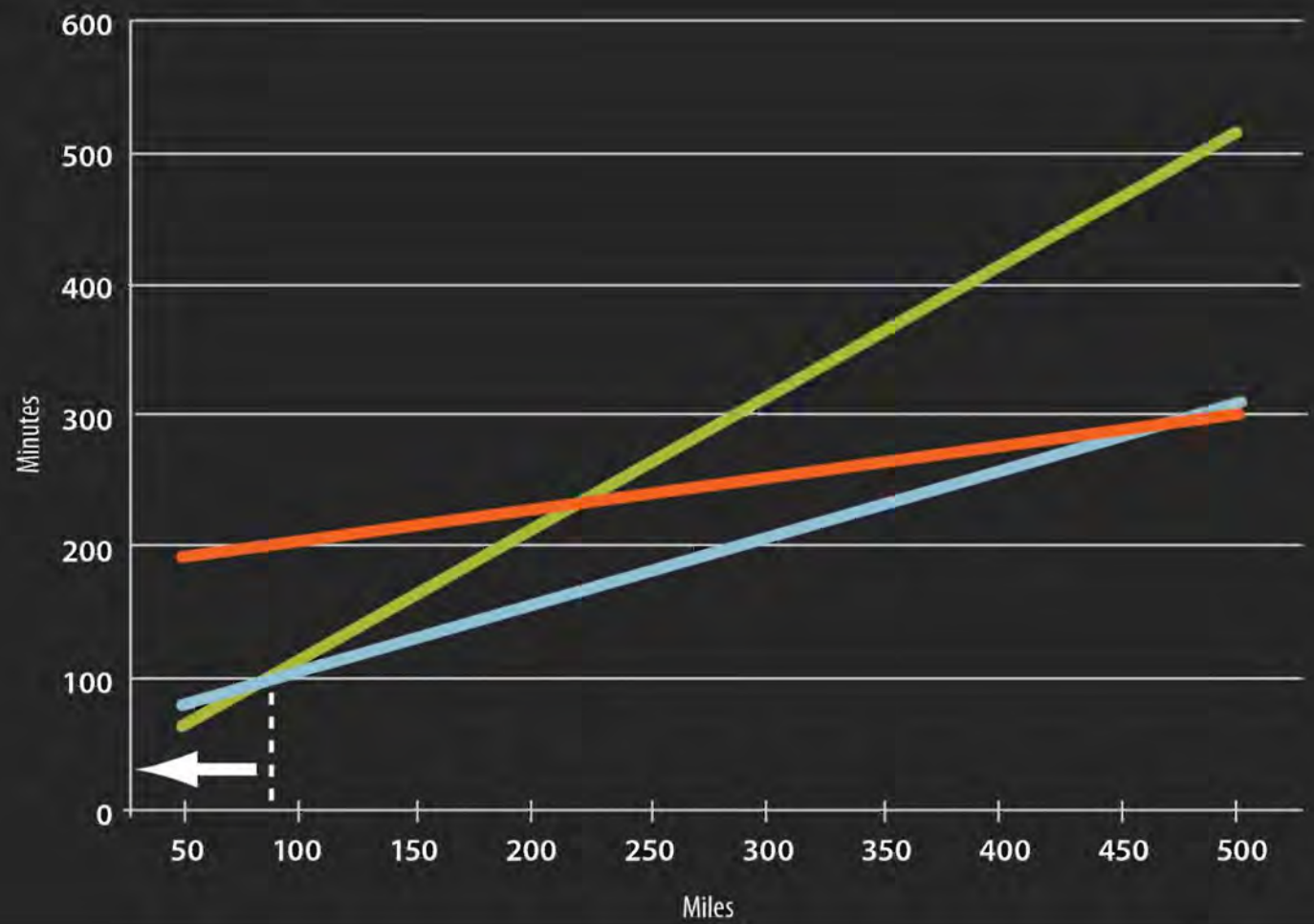


- Over Capacity
- At Capacity
- Congested
- Not Congested
- Free Flow



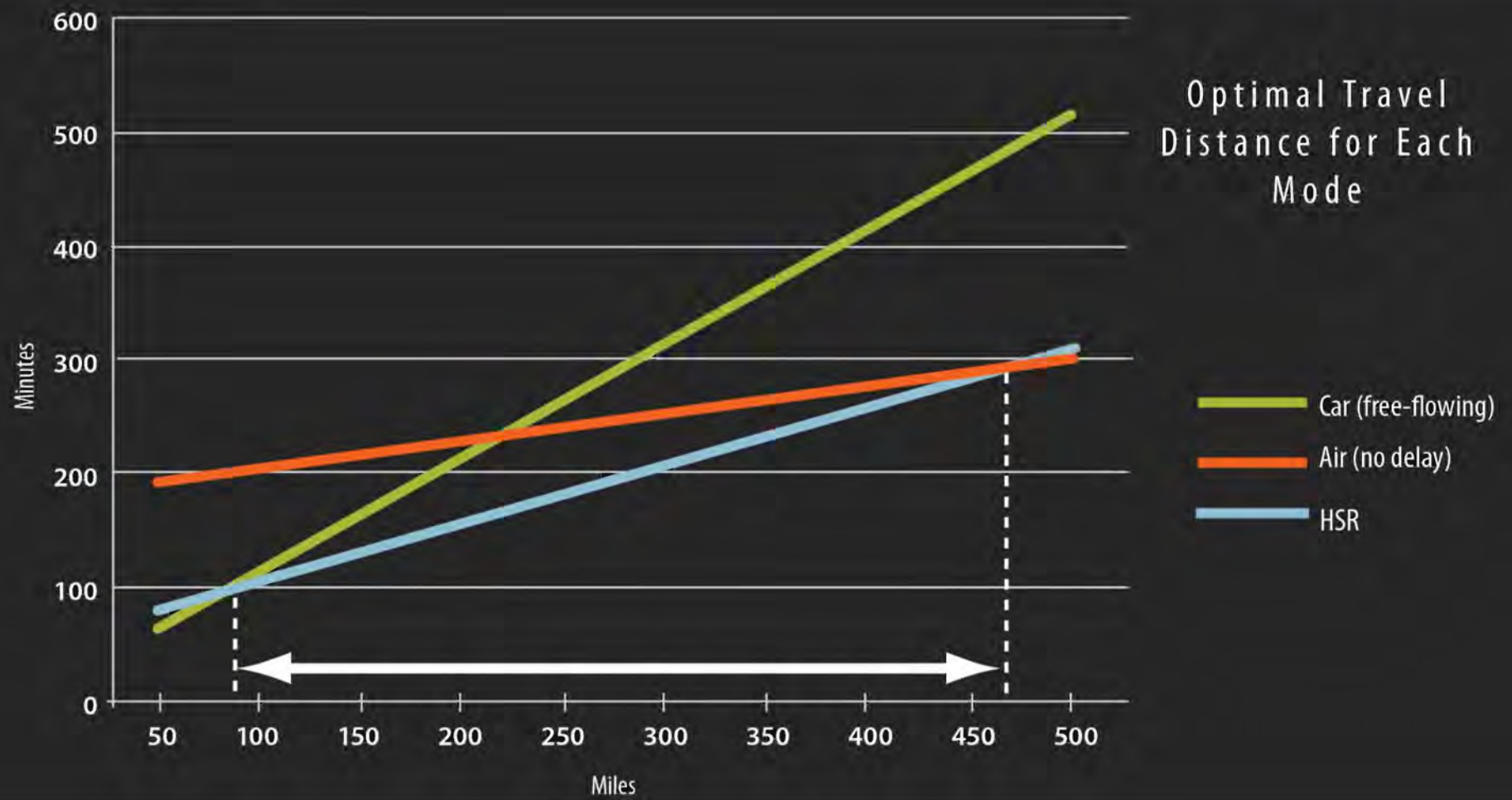
Optimal Travel
Distance for Each
Mode

- Car (free-flowing)
- Air (no delay)
- HSR



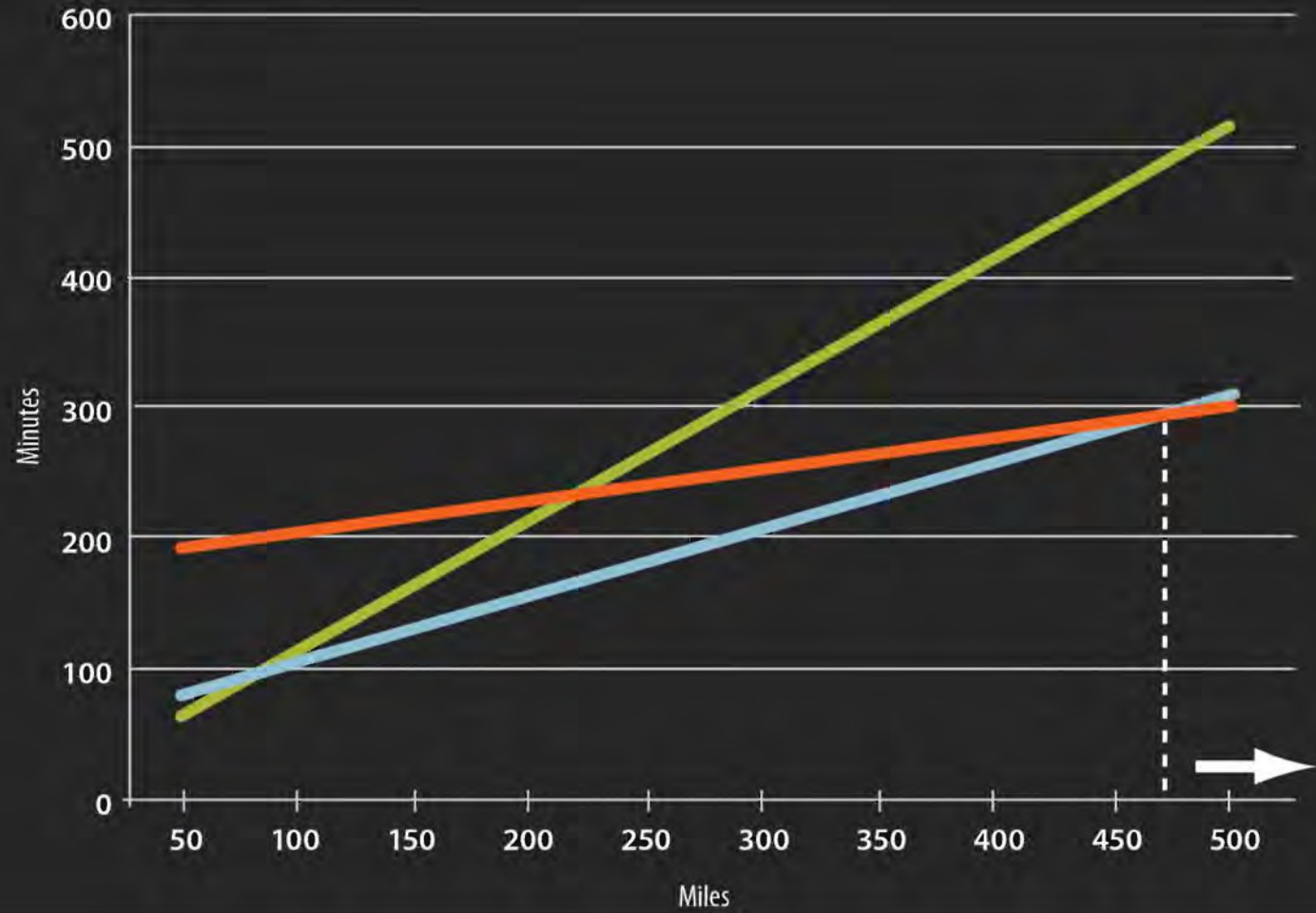
Optimal Travel Distance for Each Mode

- Car (free-flowing)
- Air (no delay)
- HSR



Optimal Travel Distance for Each Mode

- Car (free-flowing)
- Air (no delay)
- HSR



Optimal Travel Distance for Each Mode

- Car (free-flowing)
- Air (no delay)
- HSR

Express

Limited

Regional

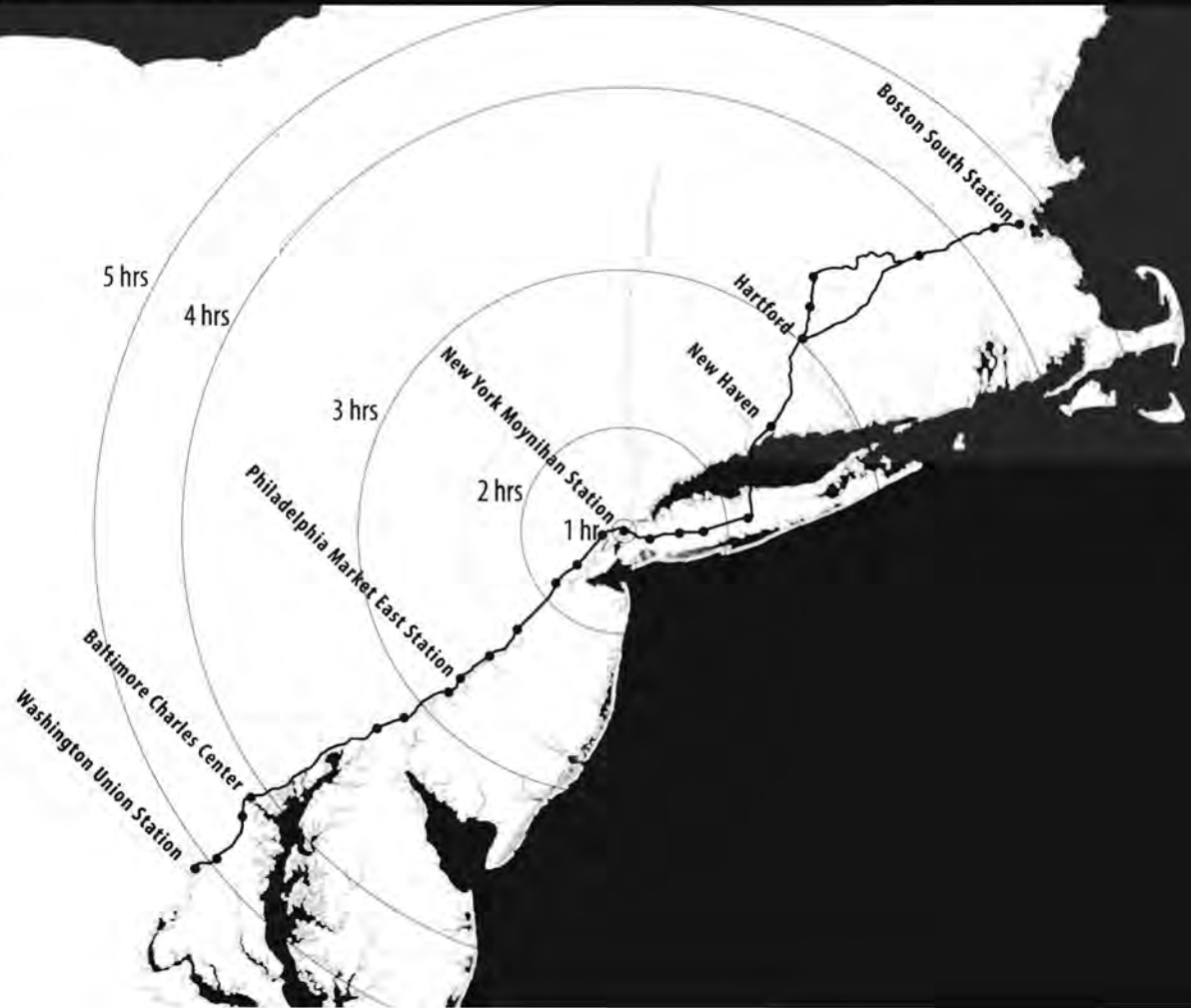
Statewide

State Line

Commuter Service

- All Trains Stop
- Some Trains Stop





Travel time by car



— Travel time by HSR

SYSTEM FEATURES

- 180+ mph (300 kph)** top speed
- 150+ mph (240 kph)** average speed
- 2** dedicated high-speed tracks
- 888** total track miles (1420 km)
- 87** miles of tunnels (140 km)
- 53** miles of elevated structure (85 km)
- 24** total stations
- 6** airports

EXPRESS

Full Route Short Route



LIMITED



*only designated train stop

REGIONAL

Full Route Short Route



*Short Route (B) trains stop at Suffolk, Bradley, and Springfield.
*A trains stop at Worcester.

AIRPORT

Airport Regional Airport Limited



COASTAL

Coastal Limited Coastal Regional



COMMUTER SERVICES





What is the investment worth?

Total Benefits: \$71,881,503,917

Benefits (billions)	Nominal	Discounted (7%)
Safety	\$278.0	\$33.0
Maintenance	20.0	4.0
Economic Competitiveness	100.0	23.0
Environmental Sustainability	31.0	9.0
Residual Asset Life	28.0	2.0

Total Costs: \$52,268,426,964

Total Benefits

Benefit – Cost Ratio

Costs (billions)

\$468

\$71

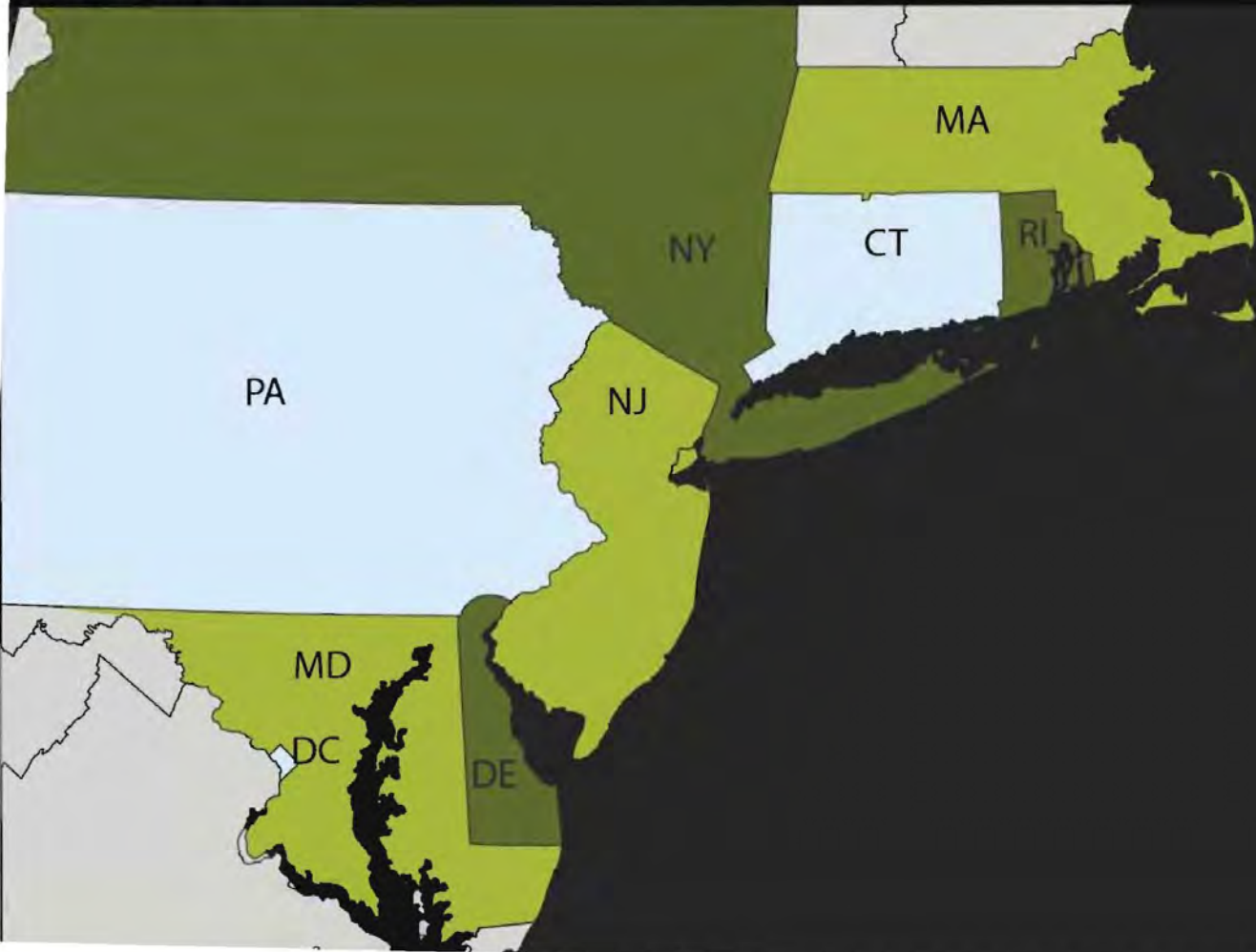
\$102

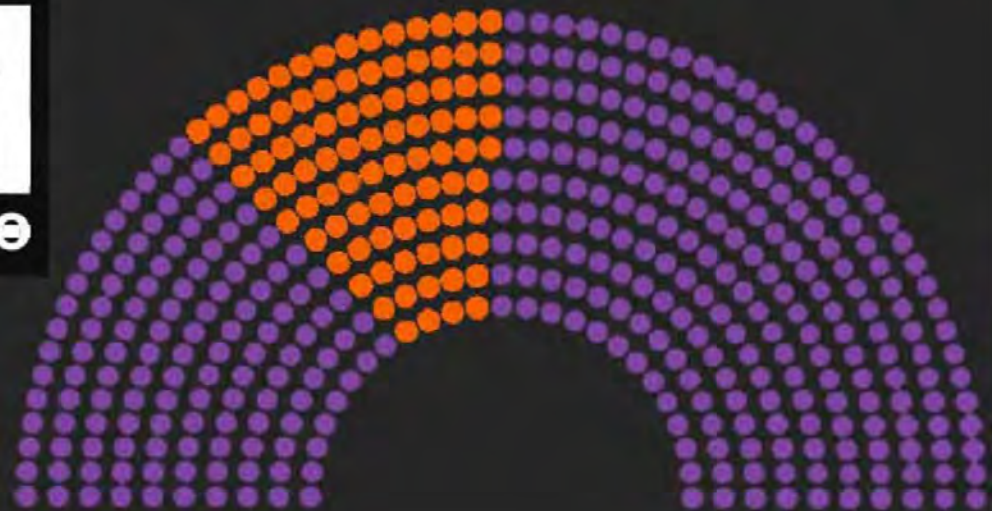
\$52

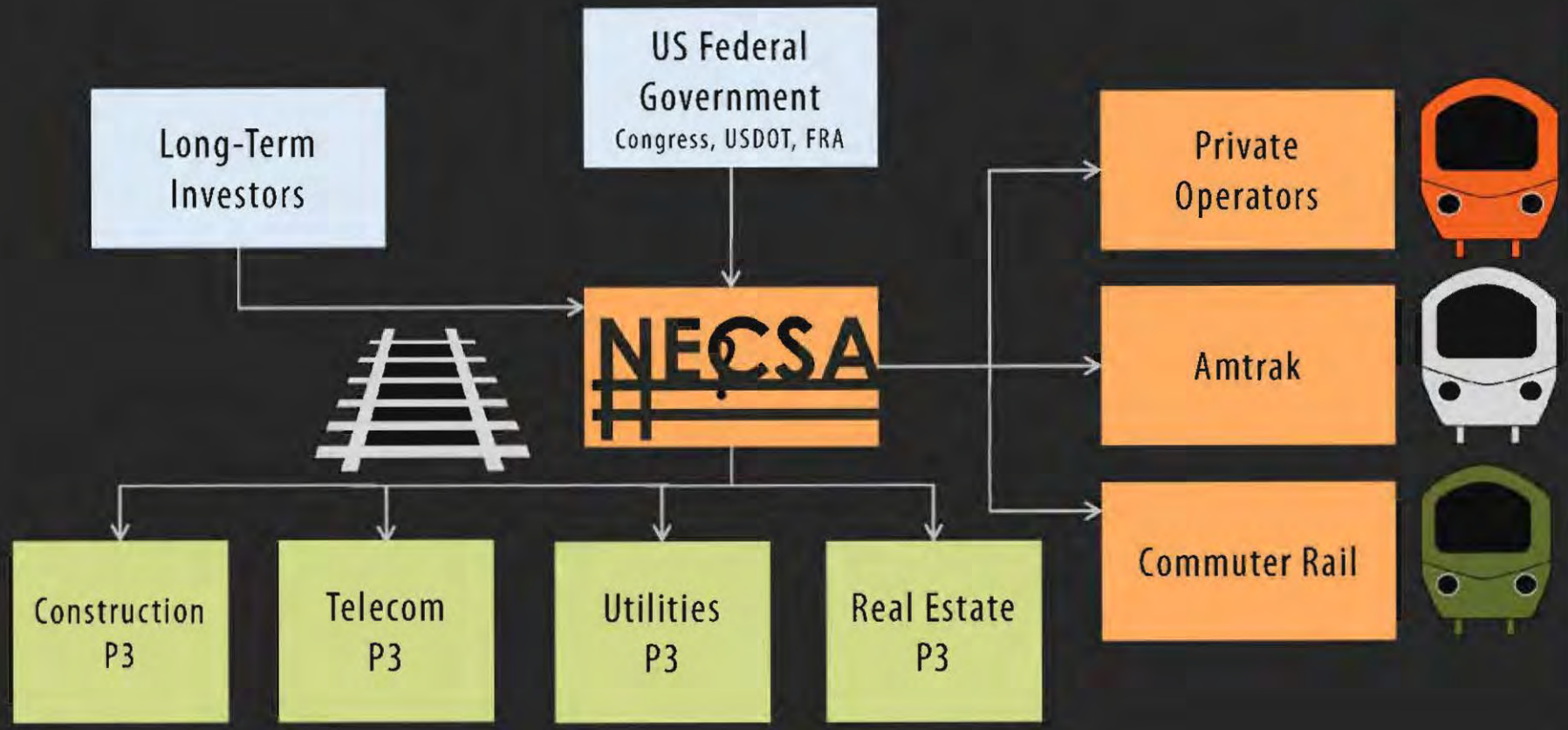
1.38

INSTITUTIONAL INNOVATION: MAKING HIGH-SPEED RAIL HAPPEN











INTERSTATE HIGHWAY SYSTEM



7.079 MILES

STATE FUNDS 10%

TENNESSEE

DEPT. OF HIGHWAYS

COST \$ 4,085,500

FEDERAL - AID FUNDS 90%

U.S. DEPT. OF COMMERCE

BUREAU OF PUBLIC ROADS

PROJECT I-40-5 II 213

INTERSTATE HIGHWAY SYSTEM



7.079 MILES

COST \$ 4,085,500

STATE FUNDS 10%

FEDERAL - AID FUNDS 90%

TENNESSEE

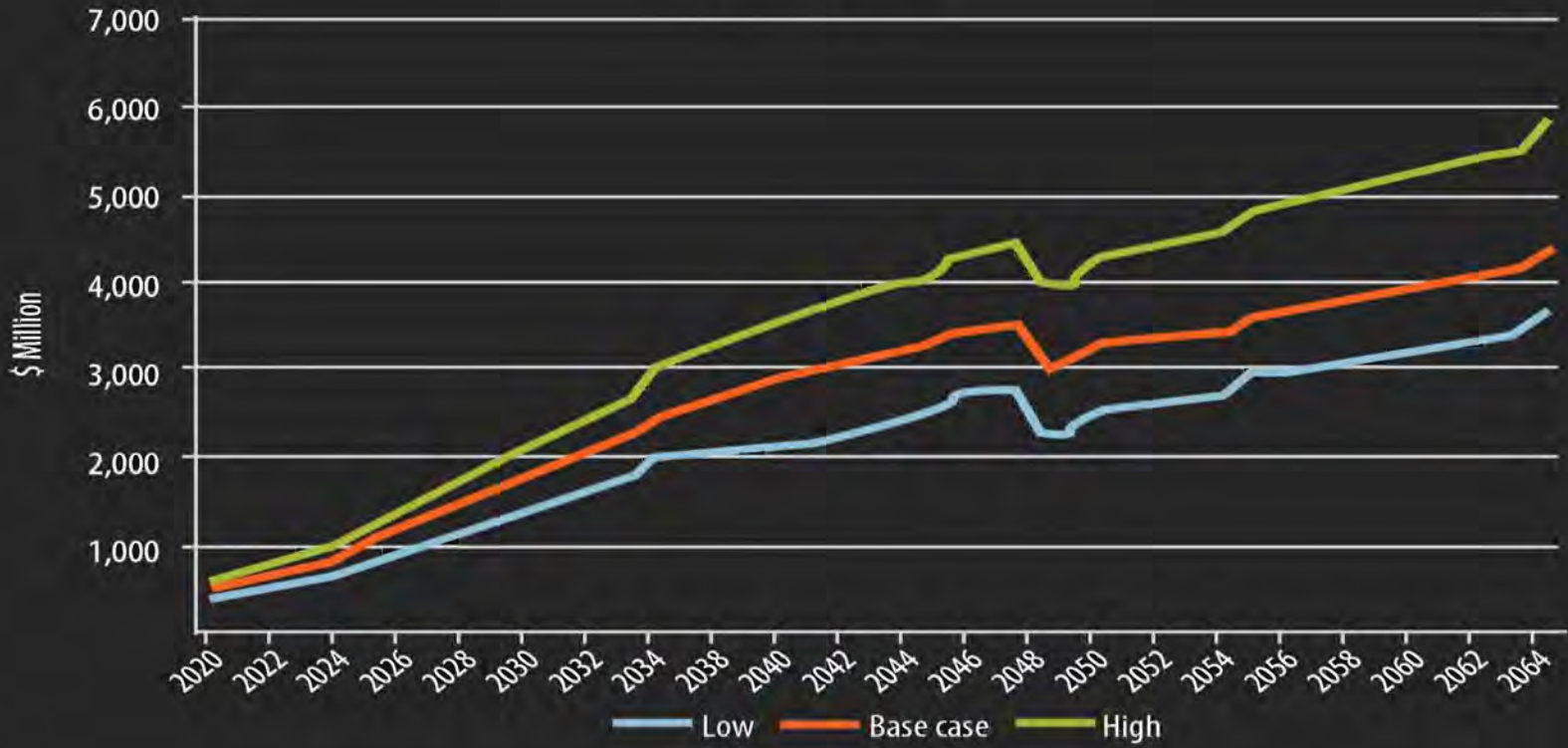
U.S. DEPT. OF COMMERCE

DEPT. OF HIGHWAYS

BUREAU OF PUBLIC ROADS

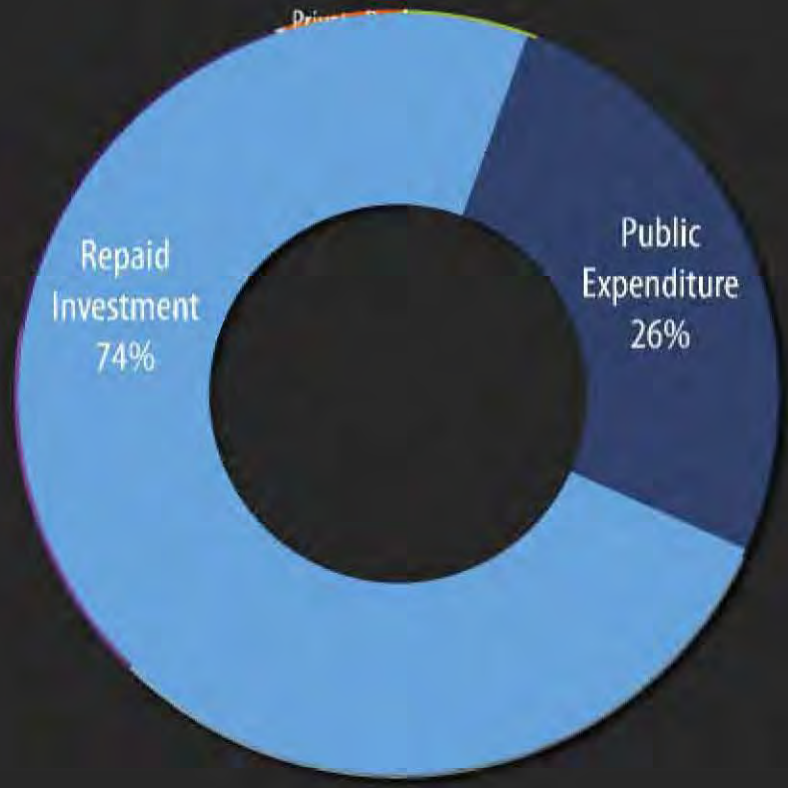
PROJECT I-40-5 II 213

Operating Profit



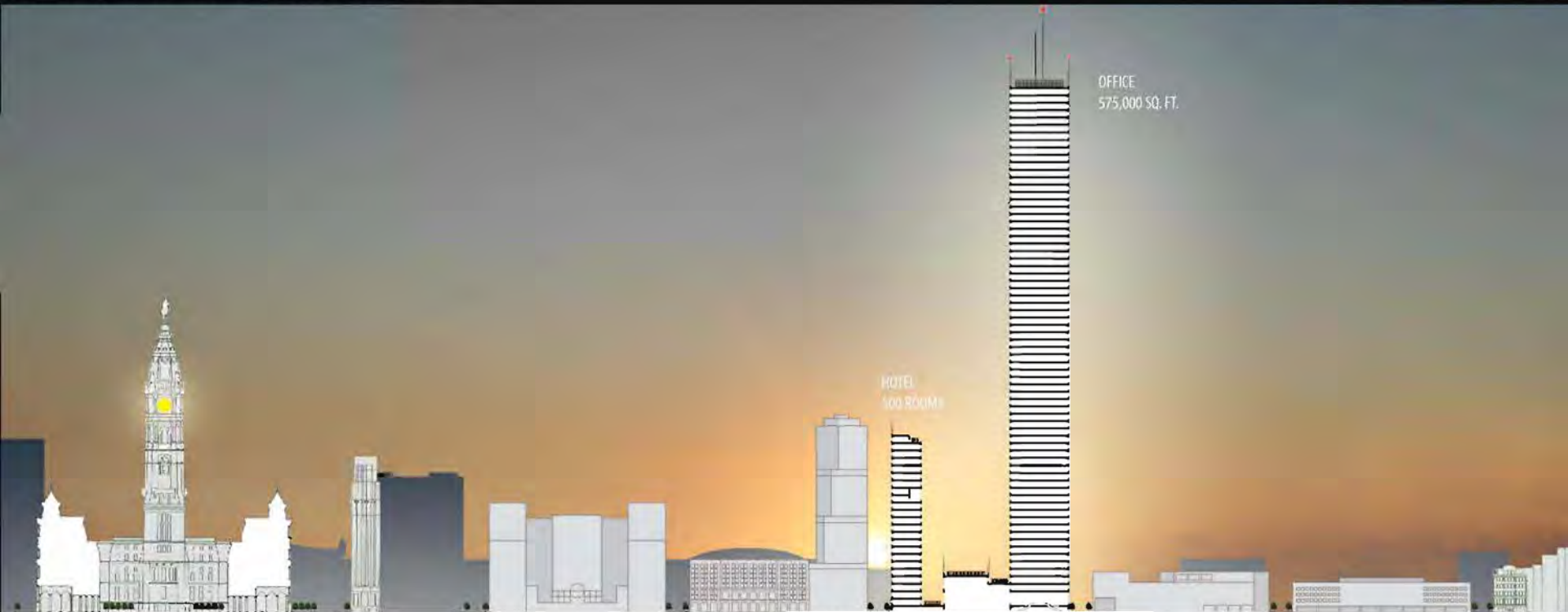


Project Payback





The **METROPOLITAN** *Role*



BROAD ST. LINE

TROLLEY

MKT/FRK. LINE

HSR

REGIONAL RAIL

PATCO

6.5 min

5.5 min

1.0

1.0

4.5 min



8.8 MILLION SQ. FT. BUILDOUT POTENTIAL
\$35 MILLION ANNUAL TAX REVENUE

MARKET EAST STATION

CONVENTION CENTER

CITY HALL



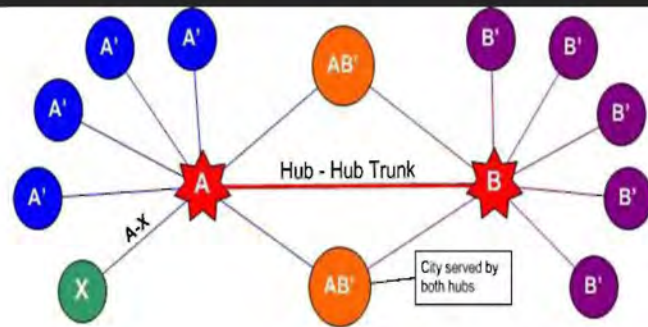
IMPACT ON AVIATION



2,300,000 Riders Accommodated



Frees nine slots an hour in NYC





GARE AEROPORT CHARLES-DE-GAULLE TGV :
PASSEZ DIRECTEMENT DU TGV A L'AUTOM.

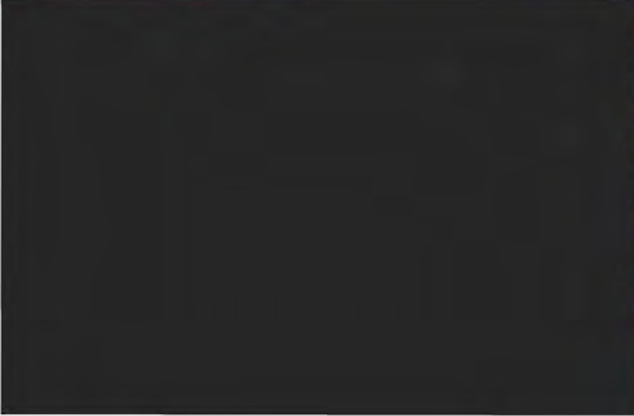
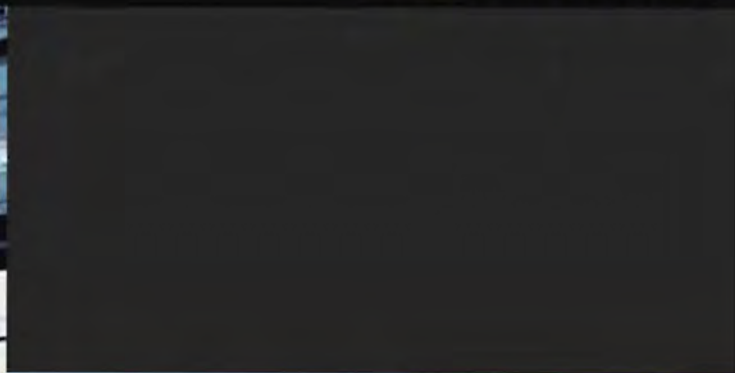


Prenez le temps d'aller vite.

SNCF
GARE AEROPORT CHARLES-DE-GAULLE
TGV
SNCF

TGV vous ouvre les portes du monde. Chaque jour, au départ de 70 villes, TGV vous emmène au cœur de l'aéroport Roissy Charles-de-Gaulle. Vous accédez ainsi facilement à plus de 1000 vols internationaux quotidiens. TGV est une marque de la SNCF.

tgv.com





www.design.upenn.edu/hsr2011



3 million tons of carbon monoxide



3,500 lives



2.9 billion hours in reduced travel time



5.4 billion gallons of gas



\$4.3 billion in highway maintenance



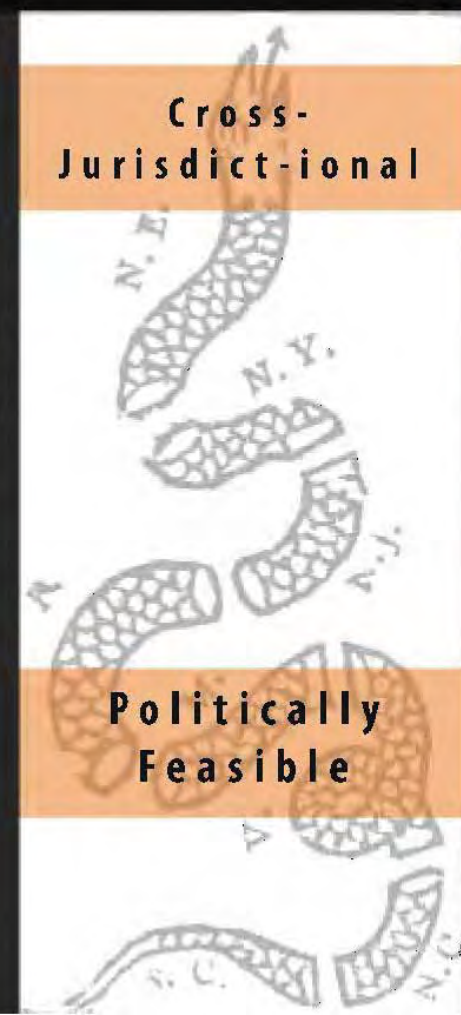
Accountable

Transparent



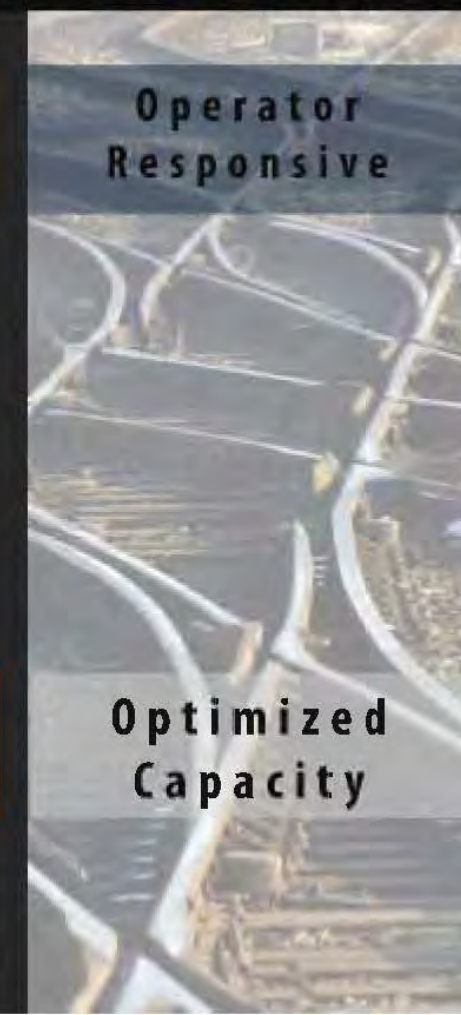
**Financially
Sound**

**Market
Responsive**



**Cross-
Jurisdictional**

**Politically
Feasible**



**Operator
Responsive**

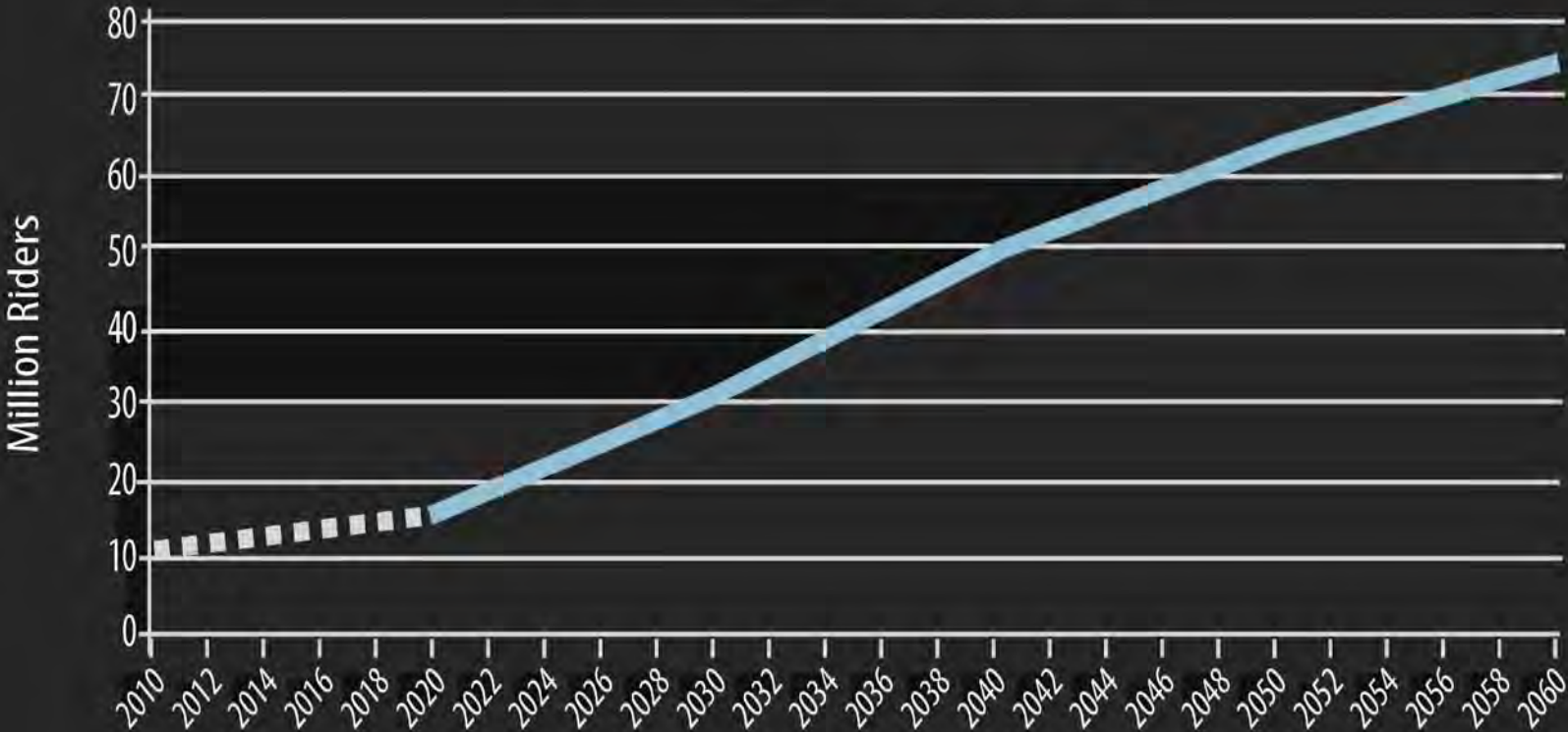
**Optimized
Capacity**



OWNERS
MBTA
AMTRAK
ConnDOT
MTA



Projected NEC High-Speed Rail Ridership





TIFIA

TRANSPORTATION
INFRASTRUCTURE
FINANCE *and*
INNOVATION ACT

EXPAND



RRIF

RAILROAD
REHABILITATION
and
IMPROVEMENT
FINANCING

EXPAND



QTCB

QUALIFIED TAX
CREDIT BONDS

EXPAND

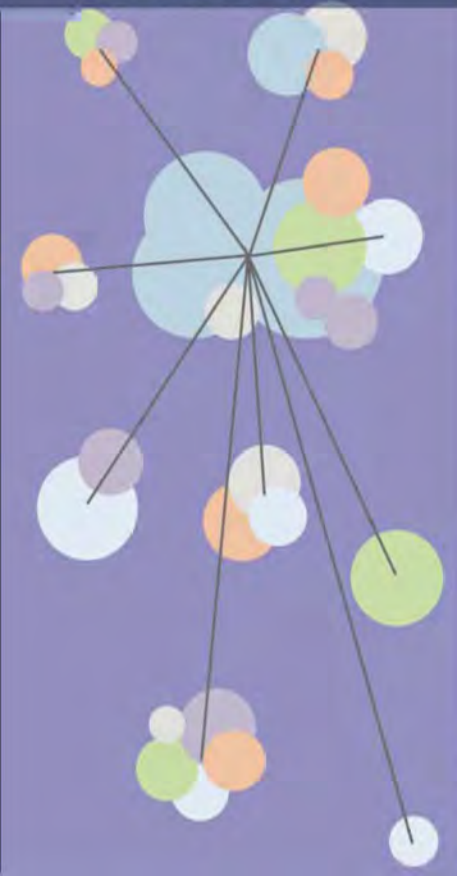


USIB

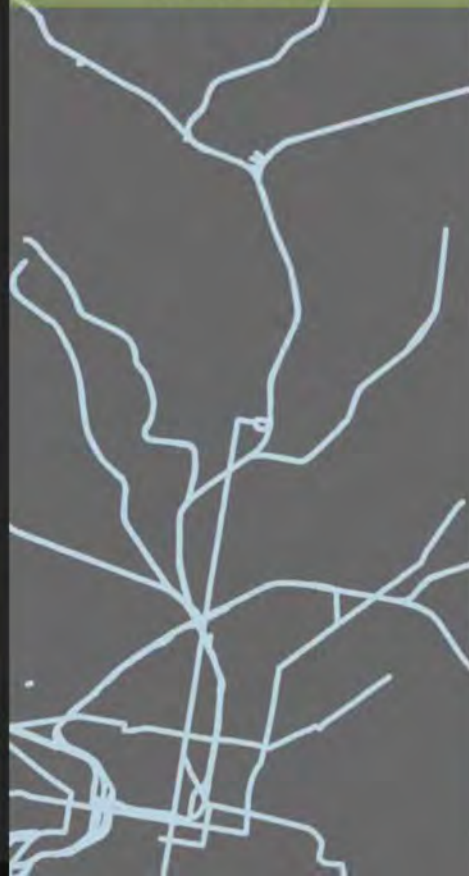
UNITED STATES
INFRASTRUCTURE
BANK

CREATE

**FOSTER
CENTRALITY**



**CONNECT
THE REGION**



**INCENTIVIZE
DEVELOPMENT**



**THINK
REGIONALLY**

