



Richard M. Daley, Mayor



Rosemarie S. Andolino, Commissioner

CDA Web Alert

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Chicago Tribune Editorial Supports the O'Hare Modernization Program

From Today's Chicago Tribune:

A sound bet on O'Hare

You might have missed it in the hubbub surrounding Mayor Richard M. Daley's retirement announcement, but the Chicago City Council just placed a billion-dollar bet on the city's economic future.

As the Tribune's Jon Hilkevitch and Julie Johnsson recently reported, the expansion of O'Hare International Airport has reached a difficult juncture. This page has long supported the airport growth plan, and we expect the next mayor to push aggressively so the airport can reach its full potential. To that end, the council last week approved a \$1 billion bond issue for this aviation-friendly project.

When the massive modernization and expansion of O'Hare began almost a decade ago, the plan assumed that more runways, gates and other infrastructure would be badly needed. And it assumed that airlines would be happy to contribute to the cause.

The terrible consequences of 9/11, the worst recession in a generation and the slow economic recovery have changed the outlook. The airline industry is struggling to eke out profits. This is a tough time to ask United and American to bear the brunt of any costly initiative, let alone a new western terminal at O'Hare that stands to help their potential competitors.

The airport project is at a crossroads, though. It can move forward, or stall. There's a risk in floating \$1 billion in new bonds to keep the project going, but we think the risk is low, and makes sense. We're bullish on the long-term prospects for aviation traffic to and through Chicago, and this is a golden time to lock in historically low interest rates.

The airlines are leery about the cost of the latest bond issue, which is supposed to be paid through passenger fees and other airport-related revenue - not city tax revenue. O'Hare jacked up its landing and rental fees already this year, and the hard-pressed carriers could challenge the bond-issue plan in court.

We strongly urge United and American to cooperate with the city. United is still talking; American has walked away. That's a huge mistake on the part of the airline. Chicago is essential to its interests. American needs to be at the table.

One smart - and likely - move is to postpone the western terminal indefinitely, in order to secure airline support for additional runways at O'Hare. Completing that expansion would help every carrier in the long run. Put bluntly: To remain viable in tough economic times, the project needs to focus on what will be most cost-effective in the near-term. Runway expansion, yes. Western terminal ... that can wait until consumer demand dictates it.

O'Hare could have been expanded on a smaller scale by adding a parallel runway and calling it a day. Instead, the city embarked on a far more ambitious project aimed at optimizing a vital economic engine for the city and the Midwest.

It's expensive. Very expensive. But ultimately, it is essential to the growth prospects for the Chicago regional economy. This is a world-class city. As world demand for access to Chicago builds, the city will be ready.

To read online visit: www.chicagotribune.com/news/opinion/editorials/ct-edit-ohare-20100916,0,4316273.story

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The Chicago Department of Aviation (CDA) is self-supporting, using no local or state tax dollars for operations or capital improvements at O'Hare and Midway International airports. Together, Chicago's airports generate more than \$45 billion in annual economic activity and create 540,000 jobs for the region. Please visit www.flychicago.com to learn more about the Chicago Department of Aviation.

The CDA continues to incorporate and expand sustainable initiatives for airport planning, operations and maintenance, concessions and tenants in accordance with the CDA Sustainable Airport Manual (SAM), released in August 2009. To view case studies, lessons learned and new technologies, and for more information on the SAM, please visit www.airportgoinggreen.org.

The O'Hare Modernization Program (OMP), introduced by Mayor Richard M. Daley in June 2001, transforms O'Hare's airfield from an outdated system of intersecting runways into a modern parallel runway configuration. The program will reduce overall delays at the Airport by 79 percent, and bad weather delays by 95 percent. It will create 195,000 new jobs and \$18 billion in additional economic activity each year. Please visit www.oharemodernization.org to learn more about the OMP.

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