

STATEMENT OF
THE HONORABLE JERRY F. COSTELLO
SUBCOMMITTEE ON AVIATION
HEARING ON
CONGESTION MANAGEMENT IN THE NEW YORK AIRSPACE
JUNE 18, 2008

- I welcome everyone to our Subcommittee hearing on

Congestion Management in the New York Airspace.

- I want to welcome our colleagues, Senator Charles Schumer,

and Congressman Chris Shays, to our hearing. I am

interested in hearing their perspectives on this issue.

- Over the last year, we have seen record delays and congestion

in the skies with nearly 27 percent of flights delayed,

according to the Bureau of Transportation Statistics (BTS).

The Department of Transportation Inspector General (DOT

IG) found that of those delayed, 88,234 flights were delayed

over an hour; 7,659 had ground delays of between two to

three hours; and almost 1700 flights were delayed over three hours.

- The New York area airports have been hit particularly hard with delays. According to the BTS, less than 60 percent of flights arrived on-time at these airports in 2007. These airports, at present, do not have adequate capacity to meet the demand and, as such, the Department of Transportation (DOT) has capped operations at JFK, LaGuardia, and Newark; 83, 83, and 75 slots respectively.
- I believe any type of administrative cap is a short term solution to a long term problem. At O'Hare for example, the short term solution to congestion and delays at the airport was to cap the airport. The long term solution is making additional capacity improvements, like the O'Hare

Modernization Program. On Monday, the FAA announced that the cap is being lifted as the new runway comes online in the Fall.

➤ DOT is not only proposing to cap the NY airports, but also to auction a percentage of those slots at each airport. Many have questioned both the DOT's legal authority for such a proposal, and the likelihood that slot auctions would decrease congestion and delays. Under one of the proposals, the auction revenue would revert to the air carriers -- in no way guaranteeing that the proceeds would be used to mitigate congestion and delays in the New York airspace.

➤ In my view, auctioning slots is a bad deal for consumers. During these tough financial times for our carriers, consumers are being asked to pay more for less. Any

additional costs to access these markets more than likely would be passed on to consumers, resulting in higher fares and absolutely no guarantee of congestion and delay reductions. Further, service to small communities has already been affected by carriers pulling down capacity because of increased fuel prices. Should auctioning be allowed, carriers could potentially limit service to small communities in favor of access to more lucrative markets.

- I am interested in hearing from our witnesses on how they believe the DOT caps and slot auctioning proposals will affect service and pricing in the New York airspace, and if there will be any significant reduction in congestion and delays as a result of these measures.

- With that, I want to again welcome our witnesses today and I look forward to their testimony.

- Before I recognize Mr. Petri for his opening statement, I ask unanimous consent to allow 2 weeks for all Members to revise and extend their remarks and to permit the submission of additional statements and materials by Members and witnesses. Without objection, so ordered.