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June 21, 2010

Metropolitan Council
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Via E-mail: data.center@metc.state.mn.us

Attention: Mr. Peter Bell, Chair
Mr. Bob McFarlin, Chair, Transportation Committee

We are grateful for the opportunity to speak at the Transportation Committee meeting, June 12th. Presumably, the committee's recommendations will be taken up at the next Met Council meeting. The Met Council, we believe, needs to at least amend the conditions and address the issues in greater detail

SMAAC only addressed some of the six conditions, which we liked *in principle*, a small step forward, but *questioned in detail*, as less than clear and useful. It was disappointing that the conditions remained as worded. This leaves too much room for interpretations that are inconsistent with the details in the 11-page Advisory Information item dated June 10, 2010.

1) Formal LTCP updates every five years is the *usual* Met Council procedure, and the first condition can be read as a mild rebuke of the Metropolitan Airports Commission (MAC) for the years that formal LTCP Updates were skipped. **Or it can be read as not requiring annual CIP reviews for compliance with the approved plans.**

We realize that the Expansion and new runway were separated from the usual planning cycle by the Legislature, but this exception ought to have ended when the expansion projects were suspended in 2002. Many aspects of Transportation Policy were impacted by 9/11 and the temporary reduction of economic activity and travel that followed.

A little history: Little noted but significant changes were made under the cover of uncertainties immediately after 9/11. These included delaying most expansion projects and a reduction in capital spending at MSP by an announced 80 percent in 2002. With respect to the current LTCP, and the 2020 "Vision," three key pieces were not mentioned. These underlie SMAAC's comments on conditions 1, 2 and 3.

- MAC added a 2002-03 capital project, 44 regional gates to be leased to Northwest Airlines. These gates led to disconnects between the local passenger capacity needed for economic growth (as projected in 1998, FEIS/ROD) and annual operations. MSP was subsequently used more as a hub. Peak operational rates were nearly doubled before the new runway was opened, but both passenger use and capacity were reduced *compared to earlier forecasts*.
- Local passenger use was assumed, not measured. Changes were made in the passenger facility charge basis that obscured reporting of *local* boardings. Fares, however, remained 30 to 40 percent higher (comparable origin cities and distances traveled). But by 2005, changes in the Northwest hub-and-spoke system had increased the distances flown from city to city -- by re-routes through fewer hubs -- and historically high fuel costs forced Northwest Airlines into bankruptcy. Several financial adjustments were made by MAC that helped Northwest Airlines. Also, reduced schedules disproportionately reduced local seats, increased local fares, or both.

- More hub-airline gates and terminal facilities led to less seat supply for local business travel when Delta reduced schedules and downsized aircraft after the 2008 merger. MAC reported seats available for boarding (total passenger capacity) and the airlines reported overall passenger use (capacity degraded by load factors) Each was up compared to plan. See EXISTING AIRPORT, page 3 of the Advisory.
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2) Rate, or operations per hour, determines the safe use of an airport, tempered by runway hours, flight demand, visibility, instrumentation, and weather. If even 120 operations an hour (40 maximum per runway, as used for airport air traffic control planning) were assumed, MSP's theoretical annual operational capacity would be 1.4 million operations.

The range of hourly operations at MSP that sum to 340,000 is from 40 (24-hour days) to at least 156 (the daily peak attained many times since the new runway became operational). *A range of 390 per cent is no basis for planning or review.*

The use of MSP capacity for needed transportation services is related to annual operations only by several parameters, including annual economic forecasts, business plans, and population. Use of MSP, however, is more dependent historically and actually on the hub activity, the fleet mix and size, number of runways and orientation, number of gates, and other factors. *Use is mostly dictated to the airports commission by the airlines, not derived from economic need or growth.*

The condition should be more like this: **if the peak-hour use of MSP regularly exceeds some limit (say 135 operations or more per hour) but local passenger boardings are less than expected need (say 27,000 local boardings per day on average for 3 months), the LTCP and CIP must be revised.**

3) Certainly noise and pollution around MSP must be regulated. **But the condition expresses a preference for mitigation rather than abatement.** In principle, a Part 150 Noise Compatibility Program might provide a useful balance. However, *in practice*, projected DNL contour maps are seldom accurate, being based on airline schedule and fleet mix forecasts that are unreliable at best (and purposefully false at worst). Many other inputs to the model, including runway use percentages, hardly ever are realized. Peak-hour rates and the duration of these daily peaks are not accurately modeled: **high rates increase source noise (higher power settings), limit noise-reducing procedures (continuous-slope descents, adherence to RNAV departures over lesser-populated river valleys or noise corridors) and disperse flight paths (increasing exposure).**

5) The LTCP also needs to acknowledge **that airport operations increase air pollution and greenhouse gas emissions near the airport.** Environmental reviews of capital projects and operations at MSP are minimized. The MAC has unfairly encapsulated public environmental input through NOC and resisted discussing scientific studies showing a connection between airport operations (including noise events) and serious public health and school performance issues. We think it is unbecoming for such important studies to be ignored in Metro Minnesota in favor of DNL modeling and limited mitigation under CFR14 Part 150. The funding mechanism collects fees from passengers, not the airlines, and protects airlines from liability not only for unavoidable pollution, but also for disregarding noise abatement procedures in practice at hubs.

6) We think a "general discussion" of finances is way less than enough. Our reading is that the LTCP Update assumes Delta will restore its schedules to pre-merger levels as a major hub and later increase the hub banks (of aircraft) corresponding to the then-available gates at Lindbergh. Delta leases fewer gates today than Northwest in 2004-05 and has the right to reduce its operations from today's 800 per day to 400 per day as a loan condition, or further, if the State loan is repaid. The projected demand for gates and slots is based on assumptions about Delta Airlines' plans, rather than on Delta's minimal commitments recently negotiated in revised covenants associated with the State loan and lease agreements.

Minnesota has the Hobson's choice: *expansion to a less safe monopoly hub without sufficient local seats (and continued high fares), or a steep decline in airline use and extensive debt that limits attaining needed air transportation services.*

The MSP 2030 LTCP Update isn't a long-term transportation policy or a plan supporting more Minnesota jobs and economic growth, and in our opinion, the conditions suggested are too vague to make it so. I will be available at the June 23rd Council meeting, and to your staff if needed, to discuss our concerns and answer questions.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read "James R. Spensley".

James R. Spensley
President, SMAAC

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