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BEFORE THE
COMMITTEE ON COMMERCE, SCIENCE & TRANSPORTATION
SUBCOMMITTEE ON AVIATION
UNITED STATES SENATE

HEARING ON CONGESTION AND DELAYS IMPACTING TRAVELERS AND FOCUSING ON POSSIBLE SOLUTIONS

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Mr. Chairman, Senator Lott and members of the Aviation Subcommittee it is a pleasure to appear before you today to offer Delta's views on the continuing problem of airspace congestion and the resulting impact on delays.

First and foremost, on behalf of all Delta employees and customers worldwide I want to thank and commend Senators Rockefeller and Lott for your leadership and commitment toward addressing the real solution to our congestion crisis, namely the funding, development and implementation of a modern, NEXTGEN Air Traffic Control System. We are indebted to you for tackling this decades-long challenge.

As I was preparing for this opportunity to speak with you, I happened to find some material from as far back as 60 years ago that highlighted that the aviation community faced then some of the same problems we face today with our Air Traffic Control System today. In the 1946 Delta Manual for Employees, the ATC system was described as a "modern" system of VORs, ILS approaches and analog-based radar. In over 60 years, little has changed with that system in spite of all the technological advances that have

occurred. But even more appropriate to my testimony here today, I happened to find an article from the July 26, 1968 issue of TIME Magazine. Responding to reports of aircraft experiencing extended takeoff, en-route and arrival delays of over two hours in the Northeast, then-"*Federal Aviation Deputy Administrator David D. Thomas laid the blame on congestion. Said he: 'What has happened is that the airports, particularly in the New York area, are finally approaching saturation."* Finally, in a 1956 letter to Delta employees, one of my predecessors, Charlie Dolson, distributed a pamphlet that listed the problems with the ATC system at that time as being too complicated, too cumbersome, lacking flexibility, and lacking capacity. Also, among its recommendations for the future, it states that *"Those responsible for air traffic control planning must develop a new ATC system that will be able to efficiently handle today's traffic and be capable of expansion so that it will be fully adequate for the foreseeable future. …This is not quite as large an order as it may sound. A lot of the preliminary work has been done [and] the solutions for almost all ATC problems are known; practically no invention is needed."* All this sounds painfully familiar five and six decades later.

As you can gather from the quote above, congestion and delays have been with us for quite some time, but today, they have reached yet another crisis point in certain regions of the country and in particular, at certain airports. In those locations demand has once again outstripped capacity. For any airline, particularly for Delta, where we try each day to provide the best service possible despite current ATC issues, it is an untenable situation. The impact has been extremely costly to Delta and its customers. We estimate that delays cost our airline more than $700 million a year. More importantly our

customers are paying the price with lost time, inconvenience, and ever-increasing frustration, and the maddening part is that, unlike in 1968, the technology to relieve many of the causes is readily available.

Let's be clear. Delays and congestion are our enemies, and we cannot be successful as a company or an industry if we do not strive to achieve best in class on time and operational performance. Our customers both demand and deserve that level of service. This past summer's performance in New York and JFK in particular are totally unacceptable, and we are taking aggressive steps with airports and government agencies to address the situation.

In our view, the unacceptable delay and cancellation rates for this summer -- the highest in history -- are primarily concentrated in specific regions of country like the northeast. As the largest operator in the New York area with 564 operations at the 3 principal airports -- JFK, EWR and LGA -- we saw a precipitous decline in on-time performance and increase in cancellations over the past year. When compared with other parts of our system, NY airports underperformed. The reasons are varied and complicated, but just as there is no one cause for the problem, likewise, there is no silver bullet for a solution. It is going to take outside–the-box thinking, aggressive use of available technology, and detailed planning by everyone involved first to mitigate the impact on our customers and eventually to solve the problem and allow for the inevitable future growth of our air transportation system.

We have done a detailed analysis of JFK because delays at that airport reached record levels this past summer. Our capacity over the past two years has increased 20 % -- roughly the same increase as the second largest operator, Jet Blue, and as other carriers that serve the airport. Each of us was responding to customer demand, and Delta's load factor performance during this period confirms that we are giving our customers the flights and destinations they desire.

In Delta's case, our goal was to restore JFK to its status as the preeminent U.S. International gateway. We increased the number of international destinations by 65% from 20 to 33. And of those 33 destinations, 21 are to unique markets like Mumbai, Moscow, Kiev, and Accra, that no other US carrier serves. Our competition in those markets is primarily foreign flag carriers, and in order to be successful in those unique international markets, we must feed those services with connecting traffic from all across the U.S. since only 50% of our traffic in those markets is local. This is where regional jets are essential, since they allow us to offer service to smaller communities like Portland, Buffalo and Norfolk. In the markets where we were initially forced to provide service with propeller-driven aircraft, we have aggressively substituted larger and faster regional jets and continue to upgauge to larger jets to reduce congestion and delays even further. Our goal remains to connect passengers conveniently in those communities with the larger gauge international and trans-continental flights serving the markets they desire.

What Is Causing Increase in Delays at JFK in NY Area

As I said before, there is no one single cause of the delays and congestion in New York, but a common structural issue for the 3 largest New York airports is lack of airspace. If one looks at FAA delay numbers, the data shows that delays have increased in the New York Terminal Radar Approach Control (TRACON) and New York Air Route Traffic Control Center (ARTCC) as well as the 3 main commercial airports. Most revealing is the sharp decline in the ability of those airports to meet their published capacities. In particular, during the period from January through May, 2007, for JFK – with 4 available runways – the FAA published an average capacity – or call rate – of 84 operations per hour, yet the airport averaged only 68 operations per hour. The design capacity of JFK is in excess of 100 operations per hour. For a comparison, the FAA published a call rate of 75 operations per hour and delivered 65 for New York's LaGuardia airport – with only 2 available runways, which cannot be used simultaneously. This trend continued throughout the summer as actual operations were generally 20% lower than the call or flow rate.

LGA

-Max capacity - **80 ops/hr** with 2 runways
-Average called - **75 ops/hr**
(94% of max capacity)
-Actual operations - **65 ops/hr**
(81% of max capacity)

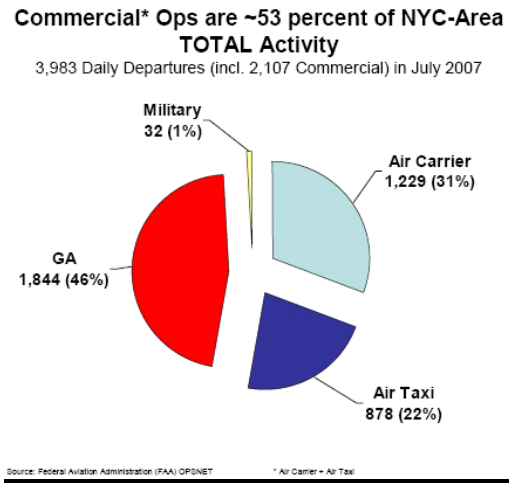
JFK

-Max capacity - **100 ops/hr** with 4 runways
-Average called - **84 ops/hr**
(84% of published)
-Actual operations - **68 ops/hr**
(68% of max capacity)

-**JFK should be able to support current operations at an acceptable performance level.**

There are many reasons for the lower flow rate. However, as a pilot, I noticed that the FAA routinely limited operations at JFK to only 2 of 4 runways. While weather is often a factor in reduced runway usage, there are many days where usable concrete sits idle while our passengers suffer from the resulting delays and congestion. We should not set artificial restrictions on operations until we are utilizing all available capacity at the airport.

Mr. Chairman, having identified the under-utilization of ground capacity at JFK, we fully understand that the next barrier to reducing airport congestion in the Northeast is the efficient use of airspace routes in the New York terminal control area. Demand has exploded in the New York TRACON by every category of users, each with different aircraft-operating capabilities but placing similar demands on the ATC system. According to FAA data for July 2007, commercial users combined accounted for only 53% of NY TRACON activity. The remaining activity was filled with the increasing use of business jets and General Aviation aircraft. Since 2000, Business jets with limited capacity have increased IFR operations approximately 36%, and their demand on the airspace is in most cases equal to that of commercial airliners with hundreds of passengers on board.



No one is denying those aircraft the right to utilize the airspace and the ATC system. However, the current FAA funding system places the bulk of the monetary cost on commercial airline passengers, which is unfair. Business jets should not only pay their fair share of air traffic management costs, but they should also incur any restrictions that are imposed on commercial operators. In the absence of a long term solution requiring a more balanced funding mechanism for corporate users, the most effective short-term solution is to limit their access to the system, just as we have seen at LaGuardia, and as we are likely to see at JFK and Newark.

Near Term Solutions

In response to the past summer's delays, the industry, government and the Port Authority of New York/New Jersey are all collaborating to develop near term steps and plans to ensure that we do not have a reoccurrence next summer at JFK and in the New York area. It is important to recognize that the congestion problems are most severe during the summer peak season, so DOT and the operators must begin planning now for future peaks at JFK, LaGuardia, and Newark, as well as in the Terminal control area, which encompasses 15 airports including very large General Aviation facilities like Teterboro. Therefore, any near term solution must address the fundamental structural airspace problems that affect ALL operators using the TRACON airspace.

The FAA recently released its final Environmental Impact Study for the redesign of the airspace in the Northeast. This is a long-overdue first step in opening up the airspace bottleneck over the Northeast. We will continue to work with the FAA to help facilitate timely implementation of the new routes.

Delta and other carriers have put forth a series of specific recommendations to address the airspace concerns in the NY region. These include:

- Accelerating the NY/NJ Airspace redesign Project
- Addressing the reduction in airport throughput (actual operations falling short of the "called" rate)
- Utilizing available technology to reduce spacing on final approach
- Utilizing multiple runways at EWR and JFK
- Improving surface management (traffic flows between runways and gates)
- Expanding the use of Area Navigation (RNAV) procedures where aircraft are able to fly tightly controlled routes
- Eliminating miles-in-trail departure restrictions to airports greater than 500 miles away
- Utilizing "capping" and "tunneling" techniques to expedite departures
- Realigning/relocating arrival, departure and overflight routes to further facilitate deconfliction
- Creating new routes where practical
- Installing Omnidirectional Airport Lighting on selected runways to aid arrival in hazy conditions

Let me briefly highlight two specific initiatives that Delta believes will pay large and immediate dividends. First, JFK is an airport that was designed to handle a large volume of traffic with an appropriate mix of large and small aircraft, commensurate with its international gateway status. It has four excellent runways that should be capable of

handling 100 operations per hour in good weather. As I mentioned earlier, the flow rate over the summer often fell well short of the "call rate," or level of operations the tower said it could handle on that day. The reason was that only two runways were being utilized. Fundamentally, any future FAA plans that address congestion at JFK must include consistent setting and publishing of operational flow rates that optimize ground capacity at the airport.

The second area that could yield major efficiency gains is expanded use of RNAV arrivals and departures. RNAV allows aircraft to fly specific vertical and horizontal routes accurately. In the past, aircraft relied on less-accurate navigation sources that required increased spacing between aircraft due to what was then-acceptable navigational inaccuracy. With RNAV capability, which most of today's commercial airliners have, virtually all of that inaccuracy is removed and aircraft can fly arrivals, departures, and en-route tracks with precision. The Atlanta airport implemented RNAV arrivals over 2 years ago and the results have been significant. The program, combined with other airport improvements, is expected to save Delta approximately $30 million per year and has reduced delays on average between 2.6 to 4.5 minutes per departure. This program should be implemented at JFK next summer.

In taking steps in the near term to develop the right solutions, FAA should use demand management or rationing only after all other available capacity enhancements are in place, and then still only as a last resort. We believe a broad range of cooperative steps

by the operators, including voluntary schedule reductions during peak periods, will produce real improvements.

Delta has already announced plans to ensure we reduce operations during the most congested peak periods of the day at JFK next summer, but we need the cooperation of other carriers – both foreign and domestic – to ensure those operations are not simply backfilled. We applaud DOT/FAA for taking the initial step of requiring all carriers to submit their schedules for next summer to determine demand levels before making decisions about appropriate actions to reduce operations.

In our view, theoretical concepts like congestion pricing or auctions will not push international flights out of JFK's peak hours. Instead, they will eventually harm consumers by increasing ticket prices. In addition, such pricing mechanisms will harm feeder flights from smaller communities by making them uneconomical. Simply put, we have to operate throughout the day and at peak hours to meet our international schedules, which are dominated by a system of international time slots.

Finally, we believe DOT must appoint a "czar" to lead the Northeast congestion initiative. This was done in South Florida in recent years when delays became severe, and you can readily see the positive results. There needs to be one person accountable for boosting capacity who is empowered with broad authority to make decisions that address individual and regional issues.

Customer Impact

Ultimately, the primary beneficiary of these improvements will be the consumer, who bears the brunt of extended tarmac or taxiway delays. We recognize, however, that unforeseen delays will occur, and to mitigate their impact Delta has implemented very detailed and comprehensive plans both at JFK and throughout our system. At JFK our plans include close coordination with the Port Authority of New York/New Jersey (PANYNJ) to get inbound or outbound flights with extended ground delays to a gate. These plans are activated for all delays whether they involve extreme weather or other circumstances that lead to customer inconvenience.

Consistent with our Customer Service Commitment adopted in 1999 and our internal Operations Control Center (OCC) procedures, Delta has enhanced its well-defined processes to ensure that extra provisions including adequate food and water, and servicing of lavatories, are made available to flights with ground delays or holds exceeding taxi time plus one hour. In addition, our OCC is notified of any lengthy delay and each such flights is closely monitored to promote timely communication with the flight crew and station to determine the best course of action for our customers, whether it be cancellation, a return to terminal, or continuation to destination. For any delay reaching two hours, Company Senior Executives are notified to inform them of the situation and enlist their involvement in the decision-making process. As the Chief of Operations, I personally receive these calls, and our OCC remains very proactive in making sure our customer's needs are met.

At JFK, we hired an additional 500 front line personnel in the past year to ensure that we could better serve our customers needs as we grew our operation. We also implemented a plan to meet the needs of Delta customers stranded in our two terminals for extended periods due to excessive delays or cancellations. These included the purchase of extra cots, and preparations to ensure that customers are provided with water, snacks, soft-drinks, meal and hotel vouchers, and that all unaccompanied minors and elderly or disabled passengers receive special attention.

Mr. Chairman, we have taken proper steps to minimize the impact on our customers who experience lengthy delays, missed connections, or cancellations due to ATC congestion. We urge the Committee to continue allowing the carriers the opportunity to develop procedures and commitments based upon their unique customer and operational requirements.

Mr. Chairman and members of the committee, thank you for the opportunity to address you personally on these very important issues. I will be pleased to answer any questions you may have.