

COUNCIL OF THE CITY OF PHILADELPHIA
JOINT COMMITTEES ON LEGISLATIVE
OVERSIGHT AND TRANSPORTATION
AND PUBLIC UTILITIES

Room 400, City Hall
Philadelphia, Pennsylvania
Thursday, December 2, 2010
1:20 p.m.

PRESENT:

- COUNCILMAN JAMES KENNEY, CO-CHAIR
- COUNCILMAN CURTIS JONES, JR., CO-CHAIR
- COUNCILMAN W. WILSON GOODE, JR.
- COUNCILMAN WILLIAM K. GREENLEE
- COUNCILWOMAN BLONDELL REYNOLDS BROWN

RESOLUTION 100638 - Resolution authorizing
City Council's Joint Committees on Legislative
Oversight and Transportation and Public
Utilities to hold public hearings on the
status and current findings of the
Philadelphia Airport's Master Plan and
Environmental Study.

- - -

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

COUNCILMAN KENNEY: Good
afternoon. We do not have a requirement
for a quorum since we are dealing with a
resolution. This is basically an
investigatory process, an effort relative
to the Airport expansion, potential
Airport expansion, our Airport, capital
improvements and just the overall what is
going on at the Airport or what is
planned and how we got to where we are in
the planning process.

As everyone in the room knows,
it's kind of a different situation where
it's a Philadelphia-owned airport,
located primarily in Delaware County,
with Council not having kind of direct
operation responsibilities, but doing
certain things legislative over the
course of the years that we require to do
to help the Airport get where they want
to be.

The purpose of this hearing,
from my perspective, is to get up to
speed as to where we are on the plan, how

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 the plan was developed, what the benefits
3 of the plan are proposed and what the
4 impacts on our Pennsylvania neighbors.
5 We're all Pennsylvanians, even though we
6 live in Philadelphia and live in Delaware
7 County. We're all in the same state, and
8 they are most impacted by the operation
9 of the Airport and have been for years.

10 So we want to just kind of
11 explore all that. We appreciate all the
12 elected officials and newly elected
13 officials that have come here today, and
14 I want to ask Mark Gale to come up and
15 get started so we can kind of flesh this
16 out a little bit.

17 Councilwoman Brown would like
18 to say something quickly.

19 COUNCILWOMAN BROWN: Good
20 afternoon. I want to add to
21 Mr. Chairman's comments as we flush out
22 where the expansion is going, as is
23 customary at these proceedings. There
24 remains consistent interest in making
25 sure that opportunities equal the

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 constituents that live in the area and
3 can benefit from it from an economic
4 workforce standpoint. So we want to hear
5 throughout the testimony where you are
6 around equal opportunities.

7 Thank you very much.

8 COUNCILMAN KENNEY: Good
9 afternoon and please identify yourself
10 for the record and proceed with your
11 testimony.

12 MR. GALE: Good afternoon,
13 Councilman Kenney and members of the
14 Joint Committee on Legislative Oversight
15 and Transportation and Public Utilities.
16 My name is Mark Gale. I'm the Chief
17 Executive Officer at Philadelphia
18 International Airport. Good afternoon.

19 COUNCILMAN KENNEY: Good
20 afternoon.

21 MR. GALE: Councilman, would
22 you like me to proceed with my testimony
23 straight through?

24 COUNCILMAN KENNEY: Please.

25 MR. GALE: I'm appearing before

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 you today to testify on Resolution 100638
3 and I'm very pleased to have the
4 opportunity to update you on the most
5 important economic development project
6 Southeastern Pennsylvania has seen in
7 decades, the expansion of Philadelphia
8 International Airport, commonly referred
9 to as the "Capacity Enhancement Program."

10 The Airport is already our
11 region's premier economic engine. From
12 Delaware to New Jersey, from Center City
13 to Chester, from the Far Northeast to
14 Eastwick, our Airport generates more than
15 \$14 billion in regional economic activity
16 and supports more than 141,000 jobs.
17 There are more than 200 companies at the
18 Airport, and those companies directly
19 create more than 42,000 jobs. These jobs
20 are at every skill level and are creating
21 real economic opportunity for our
22 residents. Despite the greatest economic
23 crisis in a century, the Airport has
24 continued to be a bright spot for the
25 City and the region and continues to

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 provide non-stop service to more than 122
3 cities across America and 37 destinations
4 across the globe.

5 The prosperity the Philadelphia
6 International Airport provides the City
7 and the region is at stake. We should
8 not assume that economic growth is a
9 given for our region. We are going to
10 have to fight to become a global region,
11 and we will need to encourage, not
12 discourage, people from and companies to
13 relocate here.

14 The expectation of executives
15 in a global economy is that they can step
16 out of their office door and easily be on
17 another continent ten hours later.
18 Global companies will only locate in
19 regions where their employees have access
20 to other offices around the world. The
21 high-value logistic companies that ship
22 premium goods by air and pay highly
23 competitive wages will not locate at
24 unreliable airports. The Airport needs
25 to provide an environment that allows

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 goods manufactured locally to be put on a
3 plane and shipped globally that same day.

4 The Airport's Master Plan
5 evaluated the Airport's future facility
6 needs relative to forecasted passenger
7 demand and operational demand and the
8 corresponding capacity of the facility to
9 accommodate this projected activity
10 efficiently and safely. Forecasts are
11 based on an analysis of historical
12 activity, recent trends affecting the
13 aviation industry and an assessment of
14 how these factors work together to affect
15 future activity. The most recent
16 forecasts presented in the FAA's Final
17 Environmental Impact Statement, otherwise
18 known as the FEIS, indicates that the
19 Airport will accommodate 760,000 takeoffs
20 and landings in the year 2030 and will
21 move 52.2 million passengers. By way of
22 comparison, Philadelphia handled 472,668
23 aircraft takeoff and landings in 2009 and
24 accommodated some 30.7 million
25 passengers. It has been determined that

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 the Master Plan forecasts continue to
3 meet the FAA's criteria for forecast
4 consistency even in the midst of the
5 recent economic downturn.

6 During the past year, in terms
7 of airfield capacity, the Airport is
8 currently experiencing an average delay
9 of 12 minutes per aircraft, which places
10 Philadelphia fourth in the nation in
11 terms of most delayed airports, and
12 according to the FAA, if no action is
13 taken, the delay is forecasted to grow to
14 20 minutes per aircraft operation.

15 Every minute of delay costs
16 airlines, which ultimately means it costs
17 customers and passengers. Affordable air
18 travel is critical to the success of this
19 region. As the Airport's CEO, I
20 regularly meet with airline executives,
21 new airline executives, to try to
22 convince them to bring flights and jobs
23 and economic activity to our city and to
24 our region. The number one concern I
25 hear from them regarding new service at

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 PHL are the historic flight delays and
3 inability to handle potential growth in
4 the future.

5 Competition among airlines is a
6 good thing. It typically results in
7 lower air fare and new air services,
8 destinations and products. According to
9 the FAA, the delays at Philadelphia
10 International Airport affect the national
11 airspace system. These delays impose
12 substantial costs in the time and money
13 for passengers and airlines, cargo
14 shippers and for other users of the air
15 transportation system.

16 The Airport and the FAA have
17 recently completed a ten-year planning
18 process and a seven-year environmental
19 review process that will ensure the
20 Airport has the facilities to meet and
21 support a vibrant regional economy. This
22 process included 20 public meetings and
23 four public hearings between August 2003
24 and October of 2008. A total of 29
25 different potential Airport

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 configurations were reviewed and analyzed
3 during this process. The ultimate
4 configuration that's been selected in
5 this Airport expansion will include a new
6 runway, two runway extensions, major
7 terminal modifications and the
8 development of an automated people-mover
9 system. This plan is the only serious
10 solution to address the problem of
11 chronic delays that have impacted the
12 Airport for years and threaten our future
13 prosperity. The fact that the evaluation
14 process took a decade to complete
15 underscores its thoroughness in carefully
16 exploring all the alternatives.

17 For any leader who supports job
18 growth and creation, Airport expansion is
19 a "must do" for this region. This
20 program will create over 45,000
21 construction jobs over a 12-year period.
22 That's nearly 4,000 jobs a year, plus
23 2,888 permanent on-Airport jobs. The
24 project will cost approximately \$5.3
25 billion and be funded with non-tax

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 revenues. As you know, the Airport is a
3 self-sustaining entity and operates
4 without the use of local tax dollars.
5 The regional impacts of construction
6 alone will be significant. For each
7 dollar spent on construction, another
8 \$1.27 is spent throughout the region.

9 I understand that there are a
10 number of witnesses to testify from
11 Tincum Township and Delaware County and
12 elected officials, and presumably this
13 will be in opposition to the Airport's
14 Capacity Enhancement Program. You are
15 likely to hear from a number of elected
16 officials and others who will testify
17 that Philadelphia does not need a
18 Capacity Enhancement Program. You will
19 likely hear testimony that the Airport
20 expansion will reduce average flight
21 delay by only 15 minutes. This statistic
22 is being manipulated by expansion
23 opponents. The average delay statistic
24 takes all delay and averages them over
25 all flight activity within a given year.

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 If you've ever been on an
3 aircraft and pushed back from the gate at
4 Philadelphia International Airport and
5 told that you are 25th in line and then
6 waited for an hour to take off to get in
7 the air, you understand the severe
8 impacts these delays cause. What you may
9 not realize is that Philadelphia
10 International Airport is the ninth
11 busiest airport in the United States.
12 It's the 11th busiest airport in the
13 world in terms of aircraft takeoff and
14 landings, and your flight delay cascades
15 delays across the country.

16 You will likely hear testimony
17 that the Airport expansion will increase
18 noise over Tinicum Township and Delaware
19 County. The reality is that because the
20 new runway alignment proposed as part of
21 this expansion routes more aircraft over
22 the Delaware River, the number of
23 residents impacted from takeoffs and
24 landings are likely to be reduced.

25 You are likely to hear

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 testimony that reflects quotes from
3 recent newspaper articles suggesting that
4 the Airport should expand in other
5 directions. These suggestions are simply
6 infeasible. The John Heinz National
7 Wildlife Refuge is on the north side of
8 the Airport and already causes some
9 safety concerns regarding potential bird
10 strikes. The Delaware River along the
11 south side of the Airport is a natural
12 obstacle, and while we can mitigate into
13 the river a small amount required to fill
14 for the runway, we obviously cannot move
15 further in that direction.

16 Recently, the Airport has
17 purchased three properties adjacent to
18 the east side of the Airport and expects
19 to purchase several additional
20 properties, as needed, for this program
21 and further expansion of the Airport on
22 the Philadelphia County side. While
23 these parcels will assist in facilitating
24 the CEP program, these properties alone
25 will not, by themselves, provide the need

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 to land for the new runway, which will
3 ultimately address the chronic congestion
4 and delay problems experienced at the
5 Airport.

6 You will likely hear testimony
7 that Airport expansion will force people
8 out of their homes and damage a
9 neighborhood. In the past six years, the
10 Airport has invested over \$24 million in
11 soundproofing in the homes in Tinicum
12 Township. We acknowledge that for some
13 time there had been conflicts with our
14 neighbors regarding land use at the
15 western end of the Airport. However, to
16 set the record straight, the Airport does
17 not have eminent domain power, so no one
18 will be evicted from their homes, and
19 construction is not imminent. The
20 Airport, as a willing buyer, seeks to
21 work with willing sellers. Tinicum
22 Township and Delaware County argued in
23 federal court that pursuant to the state
24 statute, the City -- pursuant to a state
25 statute, that the City needed permission

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 to purchase properties from willing
3 sellers. The federal judge ruled in the
4 City's favor and gave the City the
5 unfettered right to acquire any and all
6 real property in Delaware County
7 necessary for the Capacity Enhancement
8 Program.

9 You will hear testimony that
10 Delaware County, the Interboro School
11 District and Tincum Township will lose
12 tax revenues as a result of the
13 expansion. The reality is that Airport
14 expansion and the preservation of United
15 Parcel Service Distribution Center in
16 Tincum Township will ensure reliable tax
17 revenues and create new economic
18 development opportunities in the
19 township.

20 In 1998, the Airport entered
21 into a settlement agreement with Tincum
22 Township, Delaware County and the
23 Interboro School District under which the
24 Airport paid more than \$9 million for its
25 operations in the county, in addition to

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 nearly \$2.5 million in permit and
3 engineering fees for Airport construction
4 projects. When that agreement expired,
5 the City negotiated in good faith with
6 the township, county and school district.
7 From the beginning, the City was clear
8 that it would not accept limitations on
9 the ability to purchase properties in
10 Tinicum. The City increased its offer to
11 reflect this concession by the other
12 parties. Following numerous negotiating
13 sessions, the City thought it had reached
14 an agreement. Instead, the parties chose
15 to sue the City, which they have
16 subsequently lost in federal court.

17 The City recognized from the
18 beginning of the expansion process that
19 we have the responsibility to be a good
20 neighbor. We remain willing to work with
21 all parties and look forward to doing so.
22 The economic future of this region is at
23 stake, and it's too important for us not
24 to work together.

25 Councilman, if you would, I'd

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 just like to mention a couple of numbers
3 just for the record.

4 Our Master Plan envisioned a
5 forecasted growth period, forecasted
6 average of 3.4 percent growth per year.
7 We went back and we took a look at
8 Philadelphia's history over the last 40
9 years, long term, surviving ups and downs
10 in economic recessions and whatnot. Over
11 the last 40 years, the Airport has grown
12 at 4.1 percent on average per year.
13 That's over economic recessions, airline
14 deregulation, 9/11, mergers and
15 bankruptcies of airlines. In my time at
16 the Airport, many names that were quite
17 popular airlines - Eastern, Braniff, TWA,
18 Midway, Ozark, Republic, PanAm and
19 numerous others - have come and gone, but
20 the Airport has continued to still grow
21 to meet the needs of the region.

22 In fact, in 20-year increments,
23 we've doubled our passengers. In 1980 to
24 the year 2000, we went from 5 million
25 passengers to 11.9 million passengers.

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 From 1990 to just this year, 2010, we've
3 gone from 7.7 million passengers to 15.2
4 million passengers. They are implanement
5 numbers.

6 More airline changes are on the
7 way. Northwest Airlines is now a name
8 that is gone. Continental and presumably
9 AirTran will be gone soon due to merger
10 activity. But I am confident that the
11 Airport's long growth history will
12 continue, but only if we do the needed
13 improvements to provide the basis.

14 Thank you, Councilman.

15 COUNCILMAN KENNEY: Thank you
16 very much for your testimony.

17 Sir, do you have testimony?

18 MR. GALE: I'm sorry. Let me
19 introduce Mr. Calvin Davenger. He's my
20 Deputy Director for Planning and
21 Environmental Stewardship, and he is
22 actually with me today because in case
23 there were questions, because he
24 spearheaded the Master Plan effort for
25 the Airport.

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 COUNCILMAN KENNEY: Thank you.

3 The whole planning process
4 which you have concluded, which you have
5 said has gone on for ten years, have
6 there been meetings with or briefings
7 either the Chairman of the Transportation
8 and Public Utilities Committee or the
9 Chairman of the Commerce Committee here
10 in City Council? I mean, what
11 interaction with the legislative body has
12 the Airport had relative to selections of
13 the different plans that were out there
14 to be discussed, the one that was finally
15 chosen?

16 It seems as if it was done
17 outside of -- the Administration, I
18 assume, had input, but I was wondering
19 what legislative input there was
20 regarding this planning process.

21 MR. GALE: To answer your first
22 question, Councilman, no, there had been
23 no direct briefings that I am aware of to
24 either the Committee on Legislative
25 Oversight, the Committee for

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 Transportation and Utilities -- good
3 afternoon, Councilman Jones -- or even
4 the Committee of the Whole. I do stand
5 prepared to do that for you and give you
6 a full briefing, and I apologize that it
7 had not been done to this point.

8 COUNCILMAN KENNEY: Well,
9 apology is not necessary, but I'm
10 concerned about what the mindset was when
11 we're making plans to spend upwards of \$6
12 billion, and although you claim that it
13 is not taxpayer-funded money, it kind of
14 is, because it's coming out of the
15 pockets of folks who fly from
16 Philadelphia who are Philadelphians and
17 regional folks who fly out of
18 Philadelphia or fly in and pay those
19 facility charges.

20 So while I recognize we're not
21 asking our own individual taxpayers to
22 pony up money to pay for the Airport,
23 indirectly the public does pay for the
24 Airport. And I just -- I get concerned
25 when there's this long term -- we're

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 talking out to 2030, and there's been no
3 real input or at least information shared
4 with us, and that winds up getting us to
5 a point where we have to do this, because
6 it's just something that I'm very
7 concerned about. I know the other
8 members of this Committee are concerned
9 and the entire Council. I mean, that's
10 our airport. It's a Philadelphia entity.
11 We just don't know what's going on.

12 So I do have a few questions
13 that I just want to run by you for the
14 record.

15 What is the estimated cost of
16 the overall improvements?

17 MR. GALE: The FAA, after their
18 analysis -- I would come back and say
19 that the FAA began an environmental
20 review process on this starting in July
21 of 2003. So for the last seven and a
22 half years, they've been looking at
23 the -- it boiled down to two
24 alternatives, and the FAA selected a
25 preferred alternative in April of this

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 year and issued their final environmental
3 document in August of this year, and the
4 associated cost with that has been
5 identified at \$5.35 billion.

6 COUNCILMAN KENNEY: Is that
7 estimate inclusive of business relocation
8 costs, wetlands mitigation and utility
9 and rail relocation?

10 Please identify yourself for
11 the record.

12 MR. DAVENGER: Yes. Good
13 afternoon. My name again is Calvin
14 Davenger. I'm Deputy Director for
15 Planning and Environmental Service.

16 The costs that are not included
17 in that number are some of the mitigation
18 costs associated with the enabling
19 projects to get the new runway in. The
20 cost is included in there as relates to
21 the UPS relocation.

22 COUNCILMAN KENNEY: But not
23 rail and utility or wetland mitigation?

24 MR. DAVENGER: Not all of those
25 costs, no.

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 COUNCILMAN KENNEY: How much is
3 the runway cost?

4 MR. GALE: For the new runway?

5 COUNCILMAN KENNEY: Yes.

6 MR. GALE: I believe the
7 estimated cost right now in order to move
8 UPS, to do the enabling projects that are
9 associated with that, I believe the new
10 runway is sitting somewhere approximately
11 around 1.6 billion.

12 COUNCILMAN KENNEY: Does UPS
13 support the relocation?

14 MR. GALE: We have been in
15 discussions with UPS, Councilman, for
16 approximately five years, and obviously
17 the Airport very much so wants UPS to
18 remain at Philadelphia International
19 Airport. They are a great corporate
20 citizen. They are a large employer, many
21 of which of their employees come from
22 Delaware County and Tinicum Township. As
23 far as the Airport is concerned, they do
24 provide landing fees to the Airport, but
25 probably more importantly, they provide

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 great cargo lift out of this area to the
3 rest of the nation and to the globe.

4 They have been willing to sit
5 with us and discuss opportunities about
6 relocating their facility to the other
7 side of the field. I think, as you may
8 know, UPS sits on their own property on
9 the south side. They are very careful as
10 they approach this, knowing the position
11 that they sit in, that if they're going
12 to relocate to another piece of land on
13 the other side of the Airport, that
14 they're not downsizing themselves too
15 much or putting themselves in the
16 position where they won't be able to grow
17 in the future, and our discussions to
18 date have been primarily about how to
19 provide that opportunity for them.

20 COUNCILMAN KENNEY: Does their
21 current location afford them the
22 opportunity to expand?

23 MR. GALE: Their current
24 location, they're able to expand their
25 facility to a certain degree, and part of

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 our discussion with UPS would be to
3 provide them an in-kind replacement to be
4 able to give them the ability to expand
5 to the same level that they would on a
6 new site.

7 COUNCILMAN KENNEY: But the
8 site -- does the site proposed for UPS's
9 relocation, does that afford them the
10 opportunity for expansion?

11 MR. GALE: We believe that the
12 site as identified in the final
13 environmental document, which does call
14 out for the acquisition of 72 private
15 residences and 12 businesses essentially
16 in Tinicum Township up to 4th Avenue, if
17 properly configured, could meet UPS's
18 needs, and it comes down to how the
19 building is situated and how the aircraft
20 ramp is laid out and access to the
21 facility is done, both air side as well
22 as land side.

23 COUNCILMAN KENNEY: What do you
24 believe the real cause of flight delays
25 are?

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 MR. GALE: In Philadelphia?

3 COUNCILMAN KENNEY: Because

4 I've heard different viewpoints on why
5 Philadelphia winds up being a
6 delayed-prone city, our airport, and
7 what's told to me is, primarily it's got
8 to do with our location between New York
9 and Washington, that when there are
10 issues relative to weather -- normally
11 weather, I would guess -- or congestion,
12 that our flight paths, our airspace, gets
13 pulled or yanked in deference to New
14 York, because they don't want to make
15 them more congested than they are, or
16 potentially for Washington, because they
17 don't want a U.S. Senator sitting on a
18 runway or a tarmac waiting for 25th in
19 line. So that our airspace, which is
20 obviously a finite amount of space, winds
21 up getting pulled and that's the reason
22 for the delays, not necessarily the lack
23 of another runway.

24 MR. GALE: There are two

25 primary answers to that, Councilman, and

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 I tell this to most that I discuss this
3 issue with. The Airport delays at
4 Philadelphia primarily come about for two
5 general causes. One is the Airport's
6 configuration. Its runways are spaced
7 too closely together in order to provide
8 independent streams to land simultaneous
9 operations. If you take the nation's top
10 30 airports, 20 out of the top 30
11 airports have that ability to do so.

12 COUNCILMAN KENNEY: We have
13 two, right? Because I see two coming --
14 just anecdotally, from South Philly I can
15 see at times two planes coming in at the
16 same time.

17 MR. GALE: I'm sorry,
18 Councilman. I'll clarify. During
19 inclement weather conditions. So, for
20 example, during good visibility
21 conditions, the Airport can land 60 to 65
22 airplanes, but on a day like yesterday,
23 we started out the day at 8 o'clock in
24 the morning with that number cut in half,
25 and that continued all throughout the

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 day. And as long as bad weather
3 continues, we will continue to experience
4 those delays without that capability.

5 As I said, 20 out of the top 30
6 large airports in the U.S. have that
7 capability now. Some of them, including
8 Charlotte, have the ability to run triple
9 streams into their facility. We're
10 fighting to just get dual streams right
11 now.

12 The other half of the equation
13 is the airspace, Councilman. You
14 mentioned it. We are situated between
15 New York and Washington centers. It's a
16 very heavy and congested segment of
17 airspace above us. The FAA,
18 Administrator Babbitt, has vowed that he
19 is going to push hard for what is known
20 as Next Gen, which is using new
21 technology, new equipment to better space
22 airplanes, that they don't have to fly
23 straight lines according to land-based
24 navigational aids. They'll be able to
25 fly curved routes in and more efficient

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 routes into the Airport.

3 However, almost everybody
4 agrees that the airspace fixes alone will
5 not work and take care of all the
6 Philadelphia International Airport's
7 problems, and the fixes that we'll do on
8 the ground will not take care of all the
9 problems. They have to work hand in hand
10 in order for us to gain any ground here.

11 So while we're moving ahead
12 with things on the ground to try to put
13 the proper infrastructure in place, we
14 are working with the FAA to make sure
15 that airspace issues are addressed
16 properly at the same time.

17 COUNCILMAN KENNEY: You
18 testified that there's an estimated 3.4
19 percent growth that's predicted for the
20 Airport, and you said actually in reality
21 over the years it's grown at 4 percent.

22 MR. GALE: Forty-year average,
23 4.1 percent.

24 COUNCILMAN KENNEY: What are
25 the estimates, the increased passenger

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 estimates, in airports surrounding
3 Philadelphia? For example, like Dulles,
4 which I understand is one of the more
5 faster growing airports in the country?
6 What's their projections; do you know?

7 MR. GALE: I don't have them
8 broken down by individual airport,
9 Councilman, but I just returned from --

10 COUNCILMAN KENNEY: Are they as
11 high as 3.4?

12 MR. GALE: Some are actually
13 quite higher than 3.4 percent, and a lot
14 of times the market is broken down by
15 major segments on a global forecast. On
16 an international aviation forecast,
17 traffic worldwide is forecasted to grow
18 at some 4.7 percent. In the U.S.,
19 depending upon who you listen to,
20 aircraft manufacturers who are building
21 new airplanes in response to requests
22 from airlines, over the next 20 to 30
23 years they're expected to put almost
24 30,000 new airplanes in the sky. Maybe
25 10,000 of those are replacement; the

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 other 25,000 are new aircraft.

3 So we're looking at anywhere
4 from about 2.8 percent growth nationally,
5 but depending upon where the location is,
6 that number could be 4, 5, 6 percent.

7 COUNCILMAN KENNEY: Does the
8 FAA do estimates per airport?

9 MR. GALE: Yes, they do,
10 Councilman.

11 COUNCILMAN KENNEY: What do
12 they estimate our growth to be?

13 MR. GALE: Our growth in the
14 terminal area forecasts are the numbers
15 that I think that we've reported out. We
16 can give those numbers to you, but the --

17 COUNCILMAN KENNEY: How do they
18 relate to the 3.4 that your folks are
19 estimating?

20 MR. GALE: There is a slight
21 difference. It's listed in the front of
22 the environmental document.

23 COUNCILMAN KENNEY: What's
24 their number?

25 MR. GALE: Do you have that,

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 Calvin?

3 You want per aircraft
4 operations or passengers, Councilman?

5 COUNCILMAN KENNEY: Well, I
6 guess plane movements would make -- if
7 we're talking about takeoffs and
8 landings.

9 MR. GALE: Okay. The EIS
10 forecast in the year 2025 calls for
11 686,000 aircraft operations on the EIS
12 side. The terminal area forecast, which
13 is the FFA's forecast, calls for 699,000,
14 a difference of 13,000 operations. So
15 it's pretty close.

16 COUNCILMAN KENNEY: Do the
17 airlines support the CEP?

18 MR. GALE: I think that any
19 time that we start talking very large
20 capital projects with significant
21 expenditures, I don't know of any
22 airports across the country, Councilman,
23 that they fully embrace it. We are in a
24 process right now with their airlines
25 talking through those issues about how

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 much exactly it's going to cost, how to
3 phase the projects in so that their costs
4 don't get so out of control that they'll
5 not want to fly to Philadelphia.

6 COUNCILMAN KENNEY: I guess the
7 question, not the CEP, do the airlines
8 support the runway?

9 MR. GALE: I believe that they
10 do. The benefits that come from the
11 runway in terms of the independent
12 separation, as I said, I think will yield
13 aircraft operating savings to the
14 airlines. In the year 2030, if these
15 improvements are in place, the estimates
16 that are in the final EIS document says
17 that the airlines will save some \$400
18 million a year in aircraft operating
19 costs.

20 COUNCILMAN KENNEY: My
21 understanding was, there was a recent
22 vote. Apparently there's a process that
23 you guys go through with the airlines and
24 the Airport operations people where they
25 have to have some type of vote, either

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 unanimous vote or -- I don't know how
3 it's weighted, but was there a recent
4 vote by the airlines relative to the CEP?

5 MR. GALE: When we propose
6 capital projects, according to our Use
7 and Lease Agreement, the airlines, it has
8 to go to what is called a
9 majority-in-interest vote for the
10 airlines to vote on, and there were
11 several land acquisition projects that
12 were identified. In the most recent
13 issue, the airlines approved the
14 acquisition of International Plaza, which
15 is right next to the Airport facility,
16 but did not approve all of the
17 acquisitions. We are back on the table
18 with them right now as we speak regarding
19 the approval for that process.

20 COUNCILMAN KENNEY: Land
21 acquisitions aside, because I know it's
22 all related, so the work that needs to be
23 done there or proposed to be done there,
24 but are they on board with you guys
25 relative to the need for this runway?

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 Because it's my understanding that
3 there's many other projects that could be
4 funded or will be funded as a result of
5 the CEP's approval. The runway is a
6 major portion of that, but there are
7 other portions of expenditures that
8 apparently the airlines really have no
9 problem with and agree to, but it seems
10 that the runway is the major bone of
11 contention. And if I'm not describing
12 that accurately, then please correct the
13 record.

14 MR. GALE: No. I think that
15 the issue is obviously, again, there are
16 significant costs associated with this,
17 and I think that the airlines would like
18 to have the benefit of what those
19 improvements are going to yield, but want
20 to be able to talk through what those
21 costs are going to be and how they affect
22 their rates and charges at the Airport.

23 Ultimately, for example, when
24 we actually do the calculations on what
25 our costs per implaned passenger is for

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 the operation of the Airport, which
3 includes debt service, that cost is
4 somewhere around \$10 per implaned
5 passenger. Today's figures, if you go to
6 JFK or one of the New York airports, that
7 cost for in-plane passenger is upwards of
8 \$22, \$25. At Miami, for example, which
9 just completed or is recently completing
10 a major capital expansion of over \$6
11 billion, their cost per in-plane
12 passenger is up over \$30.

13 So while we anticipate that our
14 cost per in-plane passenger due to debt
15 service coming online is going to drive
16 the cost upwards, we don't believe that
17 it's out of line with other major airport
18 expansion projects across the country
19 that have benefited from being able to
20 grow their airports, acknowledging the
21 economic engines that they are.

22 COUNCILMAN KENNEY: I guess you
23 could understand the concern relative to
24 a letter back in July where Southwest
25 Airlines contends that the CEP will

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 likely jeopardize service levels and the
3 cost levels projected by the CEP, many of
4 the air carrier routes in and out of
5 Philadelphia may be unsustainable.

6 Doesn't that give you at this
7 point reason to pause? Getting Southwest
8 here was such a tremendous accomplishment
9 for the flying public in this region.
10 That quote from a letter does leave me to
11 be concerned.

12 MR. GALE: I think that a
13 letter from Southwest that says if you go
14 forward with this, it may cause us
15 problems or the costs may become
16 unsustainable, I would put forth -- I've
17 worked very closely with Southwest
18 Airlines and U.S. Airways on both. I
19 value the presence of the U.S. Airways
20 hub and the international gateway. I
21 value what Southwest brings to the
22 Airport in terms of low fare competition
23 and keeping other carriers in check.

24 The other side of that
25 equation, Councilman, is how long does

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 the Greater Philadelphia region forego
3 the economic benefit that would come from
4 an airport that's able to handle
5 additional aircraft operations and
6 passengers efficiently, particularly when
7 those aircraft operations and passengers
8 are forecasted to come and our history
9 has shown that they will come. And we're
10 just trying to be good custodians of the
11 Airport and set the place up the right
12 way.

13 COUNCILMAN KENNEY: Over the
14 past number of decades, there's been on
15 and off discussion about an airport
16 authority, which currently does not exist
17 obviously. Who could determine whether
18 or not the Airport becomes an authority
19 similar to the DRPA or to any other
20 state-sanctioned authority? What would
21 that process be? It wouldn't be a local
22 process, right?

23 MR. GALE: It would be more
24 than a local process, Councilman, and
25 there's often -- it's a very complex

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 situation. Oftentimes when you talk
3 about either an airport authority or
4 privatization issues, you have to take a
5 look at monies that the FAA has invested
6 in the facility and grant assurances,
7 governance structures of how the place
8 will operate going forth in the future.

9 COUNCILMAN KENNEY: Can the FAA
10 veto an authority effort?

11 MR. GALE: I'd have to ask my
12 counsel on that. I don't --

13 COUNCILMAN KENNEY: And could
14 the state initiate an authority movement?

15 MR. GALE: I think that the
16 state has already at times put forth
17 bills in-house to talk about whether or
18 not authority should be looked at, not
19 just for Philadelphia but for Allentown,
20 Harrisburg and other airports, and I
21 think the Administration has responded
22 that that is not in their interest and
23 the way that they choose to go.

24 I would say that regardless of
25 the governance of the Airport,

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 Councilman -- and I do believe that the
3 City of Philadelphia takes good care of
4 its airport -- that regardless of the
5 governance, whoever is operating it, they
6 will have the same problems facing them
7 in terms of congestion and delay. They
8 won't go away.

9 COUNCILMAN KENNEY: I
10 understand. Obviously we live -- you
11 live in the airport world, which is
12 terrific, because you're doing a great
13 job.

14 MR. GALE: Sometimes the
15 Airport, Councilman.

16 COUNCILMAN KENNEY: And you're
17 doing a great job there. We live in the
18 political world and we recognize the
19 political realities of life and how
20 things change quickly.

21 MR. GALE: Understood,
22 Councilman.

23 COUNCILMAN KENNEY: As I look
24 west to the center of the state and even
25 further west to the western part of the

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 state, I do have some concerns as to what
3 actions could or could not be taken
4 relative to the governance of our
5 Airport. So I just throw that out there
6 as a concern.

7 MR. GALE: Thank you,
8 Councilman.

9 COUNCILMAN KENNEY: Councilman
10 Jones.

11 COUNCILWOMAN BROWN: Point of
12 information.

13 COUNCILMAN KENNEY: Point of
14 information. Councilwoman Brown.

15 COUNCILWOMAN BROWN: You're up
16 next. Go ahead.

17 COUNCILMAN JONES: Seniority.
18 Go ahead.

19 COUNCILWOMAN BROWN: On the
20 follow-up question of authorities, are
21 there any other airports in the country
22 that operate under an authority
23 governance?

24 MR. GALE: There are multiple,
25 Councilwoman. We can provide you with a

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 list of those that do. Many of the major
3 airports in the country, Chicago and
4 others, operate just as we do, under the
5 auspices of city government, but there
6 are other airport authorities that are
7 governing major airports across the
8 country. And, again, I think that
9 depending upon what the local situation
10 is, how they got to become an authority
11 versus an asset that's owned and operated
12 by the city government, there are pros
13 and con sheets on that, but nevertheless,
14 the challenges that present itself to an
15 airport will remain the same, how do you
16 grow it, how do you effectively manage
17 it, how do you keep your costs in check,
18 how do you make sure that that economic
19 engine is the strongest engine it can
20 possibly be for the area that it's
21 servicing, whether it be a city or an
22 entire region. In our case, it actually
23 is multiple counties on the Pennsylvania
24 side, multiple counties on the Jersey
25 side and reaching down into Delaware and

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 Maryland.

3 COUNCILWOMAN BROWN: Okay.

4 And, lastly, is there any end date? You
5 indicated that you've been in
6 negotiations with United Parcel Service
7 for five years. So is there an end date
8 that you're squeezed in or is it an end
9 date that's flexible and allows you to
10 fully and thoughtfully negotiate through
11 all the particulars of an ultimate
12 agreement?

13 MR. GALE: I think that the
14 negotiations that we've been in, not only
15 with UPS, as well as with our airlines
16 regarding the cost and the phasing of the
17 program, trying to negotiate a deal with
18 UPS, we'd like to see those wrapped up
19 within the next year. I apologize if I
20 didn't say it right out clear in my
21 testimony, but sometime within this month
22 we anticipate that the FAA will issue its
23 final record of decision, which
24 essentially says to the Airport sponsor,
25 we've evaluated this, we've addressed all

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 of the issues and concerns, and we will
3 give you authority to proceed with your
4 plan, provided you meet all the
5 mitigation measures that we've outlined
6 here, whether it be wetlands or other
7 issues that have to be identified. And
8 once we have that -- this has already
9 been a ten-year process. It will take us
10 ten years just about to get the new
11 runway into place. That's a 20-year
12 period from the planning timeframe till
13 when the runway will actually be
14 commissioned.

15 So we're going to want to move
16 quickly, as soon as we have that record
17 of decision.

18 COUNCILWOMAN BROWN: Thank you.

19 COUNCILMAN KENNEY: Chairman
20 Jones.

21 COUNCILMAN JONES: Thank you.

22 And thank you, Mr. Chairman, for driving
23 the hearings today.

24 This is a very important asset,
25 not just to our municipality but to the

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 region. So I share disturbing fact that
3 we have not spent more quality time
4 together other than during the budget
5 process. And during the budget process,
6 that is not a good time to evaluate an
7 operations plan. It is more designed to
8 impact your bottom line, your financial
9 needs and not your vision. And in that
10 vision, it needs to be a shared vision
11 with this body, because we're in this
12 together. We will sink, swim or fly with
13 you.

14 A couple of questions. As you
15 talk about the expansion at 4.1 percent
16 annual growth that is exceeding even your
17 own projections, what does that equate to
18 in real numbers by way of -- and what are
19 the main ways that that growth will
20 access the Airport?

21 MR. GALE: The 4.1 percent,
22 Councilman, was our historical look back
23 over 40 years. Looking forward, when we
24 were looking at how aggressive do we
25 think we need to be with the forecast,

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 what will we actually come in knowing
3 what we know about the past history, we
4 were in between somewhere between two and
5 a half percent on the low end and about
6 four percent or so on the high end, and
7 the 3.4 percent represents kind of the
8 middle ground in that. So 3.4 percent
9 average annual growth for passengers and
10 about 2 percent a year average growth for
11 aircraft operations.

12 COUNCILMAN JONES: And that's
13 in spite of post 9/11 security measures,
14 we've continued to grow?

15 MR. GALE: Yes, sir. Yes, sir.
16 And right now the forecast in the year
17 2009, it looks like 2010 will be very
18 close, if not a little bit better. We
19 did about 15 million, maybe a little bit
20 better than 15 million, implanements,
21 people getting on airplanes at
22 Philadelphia International Airport. By
23 the year 2020, that number is expected to
24 grow to 20 million.

25 COUNCILMAN KENNEY: Can I just

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 ask a question on top of that? You said
3 3.4 percent growth in passengers, 2
4 percent gross in plane operations.

5 MR. GALE: In aircraft
6 operations, yeah.

7 COUNCILMAN KENNEY: So as we
8 talk about the runway, it's the 2 percent
9 number that is important?

10 MR. GALE: That's the projected
11 growth.

12 COUNCILMAN KENNEY: My point
13 is, the improvements in terminal and
14 baggage handling and whatever other
15 things that move people, that's one part
16 of it, but when it comes to this
17 expensive runway development, it has to
18 do with the 2 percent number, not the
19 3.4, correct?

20 MR. GALE: It has to do with
21 both, Councilman, because you have to
22 balance your airfield and your land side
23 in an FAA plan.

24 COUNCILMAN KENNEY: But I'm
25 saying when we talk the 2 percent, we're

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 talking about the number of the planes
3 that take off and land?

4 MR. GALE: The 2 percent is the
5 projected growth for aircraft operations.

6 COUNCILMAN KENNEY: That's a
7 runway issue.

8 MR. GALE: That's for runway,
9 correct.

10 COUNCILMAN KENNEY: Okay. I'm
11 sorry. Go ahead.

12 COUNCILMAN JONES: That's all
13 right. That's value added.

14 I'd like to know in that growth
15 how much of that is commercial, how much
16 of that is freight and how much of that
17 breaks down to military hub.

18 MR. GALE: I can get you the
19 specific numbers, Councilman. In terms
20 of the Airport, there is very little
21 general aviation activity or corporate
22 type activity, although we do have some
23 corporate hangars at the Airport. The
24 Philadelphia Northeast Airport located in
25 Councilman O'Neill's district handles the

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 bulk of the general aviation traffic
3 servicing the Philadelphia area right
4 here. If that airport were not in
5 existence to handle that traffic, that
6 general aviation, the small aircraft,
7 private aircraft would be attempting to
8 get into Philadelphia International
9 making matters worse.

10 COUNCILMAN JONES: So the point
11 is that most of this is commercial
12 flights, people going to and from?

13 MR. GALE: It's commercial and,
14 frankly --

15 COUNCILMAN JONES: And the
16 military part?

17 MR. GALE: Military part we
18 don't handle. Occasionally you'll get a
19 military flight, maybe a handful a year.
20 Years and years ago -- and I date back
21 quite a bit at the Airport, Councilman --
22 we had a Military Airlift Command Post at
23 the Airport, where soldiers coming back
24 and forth through the facility on a daily
25 basis, but the Military Airlift Command

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 moved that out some 10, 15 years ago.

3 COUNCILMAN JONES: And in spite
4 of that, we continue to grow?

5 MR. GALE: In spite of that,
6 again, if you take a look at our history,
7 we are continuing that long-term growth
8 trend.

9 COUNCILMAN JONES: The second
10 part of my question was, how are people
11 accessing the Airport and how has this
12 growth affected the way people are
13 arriving and departing from the Airport?

14 MR. GALE: Well, one thing that
15 we can obviously tout for Philadelphia
16 that some airports can't tout is that we
17 not only have great surface access into
18 the Airport right off of I-95, but we
19 also have rail access in the Airport line
20 that just celebrated its 25th
21 anniversary, which provides direct access
22 downtown.

23 Our traffic that comes into the
24 Airport is split. Again, we can provide
25 you with actual specific numbers

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 according to our last surveys on how many
3 come by train, how many are coming by
4 just getting dropped off or how many are
5 actually parking their cars at the
6 Airport in the garages and the long-term
7 lots.

8 The Airport traffic in itself,
9 we are about 57 percent, according to the
10 last count, of origin destination traffic
11 and about 43 percent connecting traffic,
12 just transfers through the facility.

13 COUNCILMAN JONES: My issue is,
14 if we're on a growth trend that seems to
15 be continuing, how does that affect the
16 other modes of transportation by way of
17 highway access, by way of commuter
18 access? And in particular, there are
19 expansion plans of the high speed rail
20 line from Jersey, and I never understood
21 why. I want to pose the question here
22 now, why they would not continue on to
23 the Airport from the high speed line from
24 Jersey. It's about a mile difference as
25 to where they want to stop, and I didn't

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 understand why that would not be
3 something that you guys would advocate
4 for, which I think would increase our
5 rail traffic from the State of New Jersey
6 to our airport.

7 MR. GALE: We believe,
8 Councilman, that long term at the
9 Airport, rail connections, particularly
10 with, I should say, with the advent of
11 high speed rail, but, I mean, if high
12 speed rail materializes as projected and
13 the investments are made to the northeast
14 corridor with Amtrak where there's true
15 high speed, it is envisioned that at some
16 point along the way, service to some of
17 the smaller airports in the country that
18 currently connect into Philadelphia,
19 whether it's Harrisburg, whether it's
20 Wilkes-Barre, Scranton, other locations,
21 that rail access may become the mode of
22 choice to be able to take a high speed
23 train down to Philadelphia, let's say,
24 and connect abroad to catch a flight out
25 to go to Europe or some location. But

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 we're not there yet and --

3 COUNCILMAN JONES: But it is a
4 part of your plan and thoughts?

5 MR. GALE: Absolutely. I think
6 that long-term multi-modalism is key to
7 any airport's survival in today's day and
8 age, and the fact that we not only have
9 potential for good rail access and we
10 have surface access, we sit right along
11 the Delaware River, and I would not say
12 that it's not conceivable in the future
13 that coming in across the river from New
14 Jersey might not be the way that people
15 get to the Airport.

16 COUNCILMAN JONES: Well, I'm
17 glad to hear that that is a part of the
18 strategic plan, and in so doing, there is
19 a corresponding marketing plan to grow --
20 if you were to describe who and where
21 your patronage comes from, how do you see
22 that? Is it an expanding ring that will
23 become your marketplace, and can you give
24 us some description of that?

25 MR. GALE: And let me beg again

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 some forgiveness, Councilman. In the
3 presentation that I would be happy to
4 provide you later, I'll certainly
5 identify for you what we refer to as our
6 catchment area, those that use
7 Philadelphia International Airport, and
8 it goes out in rings as you've described,
9 with those that within an hour's driving
10 time, an hour and a half driving time, to
11 the point where you start to get close to
12 Newark or you start to get close to
13 Baltimore, and then we start to lose
14 traffic to those two areas.

15 So we're always looking at
16 leakage studies, things that we can do
17 better so that folks stop going into
18 Newark or to BWY and use our facility
19 moving forward.

20 In terms of air service
21 development, again, I'd have to say I
22 think our relationship with the airlines,
23 with U.S. Airways and the presence of a
24 hub and providing all those non-stop
25 services to cities all across the U.S.

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 and around the globe and the gateway and
3 the strength that that brings to
4 Philadelphia is good. It needs to grow.
5 It needs to get stronger to rival what
6 happens in Newark with the Continental
7 operation out of Newark as well as United
8 in Washington Dulles.

9 The presence of Southwest, the
10 presence of other low-fare carriers, such
11 as AirTran, are things that help keep
12 those fares in check and provide choice,
13 product, for folks what they want to fly
14 on.

15 COUNCILMAN JONES: Well, on
16 that note, as you plan to expand, how do
17 you expand your carrier base? Is there a
18 marketing strategy for that?

19 MR. GALE: We have internally,
20 which includes myself, an air service
21 team that looks at not only with our
22 consultants but we couple with
23 representatives from the Convention and
24 Visitors Bureau, with Select Greater
25 Philadelphia, the Chamber of Commerce to

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 identify strategies that if there are
3 carriers that may express an interest
4 flying in and out of Philadelphia,
5 whether they be domestic carriers or
6 foreign carriers, to pursue them with
7 some type of an incentive program in
8 order to entice them to come into
9 Philadelphia.

10 COUNCILMAN JONES: Can you
11 describe what your incentive programs are
12 currently, without any trade secrets
13 being divulged, but also what your
14 success rate has been?

15 MR. GALE: Well, I think
16 Southwest was our last major coo to get
17 into Philadelphia, and I would prefer not
18 to divulge those who I'm talking to right
19 now. But incentive programs airports use
20 across the country are somewhat guided by
21 the FAA, what they will permit us to do
22 and not do. So it may be entering into a
23 joint marketing or advertising program
24 for them. So if the carrier comes in,
25 they don't have to pay for their

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 advertising, but they get their name out
3 in order to generate support for them; to
4 possibly join with them to do some
5 capital improvements where their offices
6 are going to go and their ticket counters
7 and such. Many airports couple with the
8 airlines in order to get those going, but
9 they tend to be under a definitive
10 timeframe. The FAA doesn't like to see
11 them go on for more than a year or two
12 years. If it's for new entrance service,
13 a new carrier, or if it's to a new city,
14 they are more likely to let it go for a
15 while. They're the things that we kind
16 of tend to focus in on in order to entice
17 somebody to come here.

18 COUNCILMAN JONES: I want to
19 move and then let some of my colleagues
20 have some questions answered, but you
21 are -- and this is a term that may stick
22 with me for some time. There were
23 winners and losers by way of the stimulus
24 package funding. I would dub the Airport
25 as a major winner. Can you give us a

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 quick synopsis of how much you received
3 quickly, what it was spent for and how
4 much of that money has actually been
5 expended?

6 MR. GALE: We received from two
7 different sources stimulus funds back in
8 April and June of '09, respectively. The
9 first stimulus money that we received,
10 Secretary of Transportation Ray LaHood
11 came to town and gave us a check for \$5
12 million to be used for a runway
13 rehabilitation at the Airport, actually
14 the rehabilitation of our longest and
15 widest primary runway.

16 COUNCILMAN JONES: Is that
17 maintenance generally?

18 MR. GALE: It was actually a
19 complete rehab of the runway, stripping
20 off the old asphalt, repaving it, putting
21 in lights and things along those lines to
22 make sure that it is quite usable and
23 ready to take traffic for the next 20
24 years.

25 We've expended all those

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 stimulus funds.

3 The second piece was what we
4 got from the Department of Homeland
5 Security. There were two actual awards
6 that we got. Both of them were for
7 in-line security screening systems at the
8 Airport. One was for 19.9 million and
9 the other one was for approximately 7
10 million. So the grand total was in the
11 neighborhood of about \$26.9 million,
12 Councilman, and we are -- those projects
13 are underway as we speak for the in-line
14 baggage screening at Terminal A East in
15 the international side of the house.

16 COUNCILMAN JONES: Finally, you
17 said in your testimony that we are the
18 ninth busiest airport in the U.S., tenth
19 in the world, and that we now experience
20 15- to 20-minute delays, which makes us
21 fourth most delayed airport. And, again,
22 is the reason that is is because of the
23 single --

24 MR. GALE: I would clarify. I
25 think I have a typo in the testimony,

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 Councilman. We're the ninth busiest
3 airport in the U.S. in terms of aircraft
4 takeoff and landings, 11th busiest
5 airport in the world in terms of takeoff
6 and landings as of 2009. The two
7 airports -- you say how did you slip back
8 two in the world. There's two airports
9 that are ahead of us. That's Paris and
10 Beijing. They're the only other two
11 airports that run more aircraft
12 operations than Philadelphia in the
13 world. That's why we slipped back.

14 When you change the metric and
15 you take a look at it in terms of how
16 many passengers are you handling, we're
17 18th busiest in the U.S. and 37th in the
18 world. And you see the big shift, a big
19 drop in the rankings is because we fly a
20 lot of little airplanes in and out of
21 Philadelphia International Airport, a lot
22 of regional jets and smaller aircraft,
23 which tend to lead to congestion.

24 Now, the airlines are looking
25 at potentially upsizing those aircraft in

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 the future, but as the fifth largest
3 metropolitan area in the country, you can
4 see the disparity as to what's happening
5 with our traffic, why are we not getting
6 to where we need to get to. And you just
7 touched upon one of the single primary
8 sources of that fall-short there, is the
9 inability for our airport to operate
10 efficiently given how closely spaced our
11 primary runways are, our two primary
12 runways. They need to be approximately
13 3,000 feet apart. They're only 1,400
14 feet apart, and, therefore, we can't run
15 the number of operations that we should
16 be able to run as a major facility.

17 COUNCILMAN JONES: Thank you,
18 Mr. Chairman.

19 COUNCILMAN KENNEY: But
20 additionally, so the record is clear,
21 there's airspace issues that you did
22 allude to relative to New York and
23 Washington.

24 MR. GALE: And the airspace --
25 our EIS process was postponed or

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 suspended for a period of time while the
3 FAA actually proceeded with their New
4 York, New Jersey and Philadelphia metro
5 Airspace Redesign effort, and then our
6 EIS kicked back in afterwards. It is the
7 airspace -- the FAA's responsibility to
8 fix the airspace, Councilman, but we want
9 to make sure that everything that we're
10 doing on the ground isn't going to be for
11 naught if airspace can't handle the
12 aircraft that need to come our way.

13 COUNCILMAN JONES: I'm going to
14 keep this moving, because there are other
15 people to testify, but -- and you need to
16 be careful at how you answer this,
17 because the last time someone answered
18 this, I didn't see them anymore. They
19 were no longer in their job, but I'm
20 going to ask it anyway.

21 Is it true that other airports
22 pretty much run and operate their own
23 parking concessions and we're kind of an
24 anomaly here in Philadelphia having the
25 Parking Authority?

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 MR. GALE: I wouldn't say that
3 we're the only one, Councilman, because I
4 don't have all the research. From what I
5 know in looking at airports, major
6 airports around the country, most that I
7 know have direct control of their parking
8 operations.

9 COUNCILMAN JONES: Some of your
10 colleagues back there remember that
11 question being answered at a budget
12 hearing. I was sitting on that side of
13 the aisle, and I actually moved away from
14 him when he answered.

15 Thank you, Mr. Chairman.

16 COUNCILMAN KENNEY: Thank you
17 very much.

18 And there are no other
19 questions for you right now. I was
20 wondering if you could just hang a little
21 bit to respond, if needed.

22 We're honored to have a number
23 of current elected officials and newly
24 elected officials from federal, state and
25 county government in Delaware County, and

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 what I would ask them to do is if you can
3 all come forward and take the seats
4 inside the rail and determine amongst
5 yourself who would like to go first. I
6 don't want to make that decision.

7 (Witnesses approached witness
8 table.)

9 COUNCILMAN KENNEY: Let me say
10 for the outset that I really do
11 appreciate you coming, all of you coming
12 here today, and the current elected
13 officials, I want to thank you for your
14 hospitality towards us when we've made
15 trips to Harrisburg for assistance in
16 raising our sales tax, and I remember the
17 hospitable way we were treated when we
18 were lobbying for regional tourism money
19 back in the last budget process. So I
20 think this is an appropriate place for
21 you guys to be to express your issues and
22 your concerns that relate to your
23 constituents as we come west to do the
24 same thing for our constituents.

25 So welcome to the Chamber

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 again, and whoever would like to start,
3 please just identify yourself for the
4 record and proceed.

5 SENATOR ERICKSON: Councilman,
6 thank you. I am Edwin B. Erickson and I
7 would defer to a newly elected official
8 at the federal level, Patrick Meehan, if
9 he would have any comments, and then I'll
10 proceed from there.

11 COUNCILMAN KENNEY:
12 Congressman-Elect, please identify
13 yourself.

14 CONGRESSMAN-ELECT MEEHAN:
15 Thank you, Senator, and thank you,
16 Councilman, for the courtesy of the
17 opportunity to speak with you here today
18 and particularly for the courtesy of
19 taking the time to reach out to the broad
20 spectrum of the community to talk about
21 this issue.

22 Let me be careful at the
23 opening of my comments, which will be
24 very brief, simply to express that
25 certainly I recognize that I am coming

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 here as a Congressman-elect, in all
3 deference to the sitting Congressman
4 right now, but for the record, identify
5 that Congressman Joe Sestak has expressed
6 strong criticism in the past of the FAA
7 design and some of the work that has been
8 done with respect to this project.

9 I come here expressing my
10 support and certainly great concern of
11 the impacts this will have in Tinicum and
12 the impact that it may have on that
13 neighborhood.

14 I point for the record some of
15 the work that was done at Congressman
16 Sestak's insistence, a GAO study that
17 looked at some of this that was some of
18 the conclusions from the FAA and found
19 that the FAA did not do a cost-benefit
20 analysis before implementing the
21 redesign, and the project benefit would
22 have a savings of only 18 seconds delay
23 for takeoff and 45 seconds for landings,
24 kind of a fact right from the beginning
25 that gives me some concern about what the

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 long-term implications of this project
3 would be.

4 Certainly there's a number of
5 other implications as well. I'm simply
6 doing due diligence at this point in
7 time, but, Councilman Kenney, I did in
8 the process of reaching out sit and talk
9 with folks from UPS. I was down there in
10 the aftermath of the issue concerning the
11 safety of packages that are coming
12 through our transport system, but used it
13 as a window to discuss this relocation.
14 And while I don't want to speak for UPS,
15 one of the issues that concerned me was
16 the concept of relocation and what it
17 would do to the redesign of the traffic
18 patterns. I mean, there are literally
19 hundreds of trucks that move through the
20 neighborhoods on a daily basis. Today,
21 they are largely accommodated by an
22 access road that's away from the general
23 traffic patterns, and to put that kind of
24 traffic into the neighborhoods is going
25 to be an example of the kind of thing

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 that could have dramatic implications.

3 I thank you for the courtesy.

4 My intention right now is to continue to
5 do the due diligence until such time as I
6 have an official capacity, but then I do
7 intend to participate directly with you
8 and others in looking to be sure that we
9 accommodate this in the best possible way
10 and assuring the genuine attention to the
11 concerns, particularly of the folks from
12 Tinicum.

13 Thank you, Councilman.

14 COUNCILMAN KENNEY: Thank you
15 for your testimony and congratulations on
16 your election. Good luck.

17 CONGRESSMAN-ELECT MEEHAN:

18 Thank you.

19 COUNCILMAN KENNEY: Senator.

20 SENATOR ERICKSON: Yes. Good
21 afternoon. My name is Edwin B. Erickson.
22 I am the Pennsylvania State Senator from
23 the 26th Senatorial District, which
24 includes Tinicum Township as well as a
25 large portion of Delaware County and two

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 municipalities in Chester County. I
3 appreciate the opportunity to present
4 comments during this hearing today. I
5 extend my thanks to you, Councilman
6 Kenney and Councilman Jones and members
7 of the City Council joint Committee on
8 Legislative Oversight and Transportation
9 and Public Utilities, for including me
10 today.

11 As you are aware, the majority
12 of the land mass occupied by the
13 Philadelphia International Airport is
14 located in Tinicum Township, Delaware
15 County. Because of their proximity to
16 the Airport, the residents of Tinicum
17 suffer from severe and substantial
18 negative impacts generated by the
19 operations at the Airport. We are told
20 that the redesign plan will add capacity
21 and significantly reduce delays at the
22 Airport. This may or may not be true.
23 However, the end results of this redesign
24 designated "Alternative A" will
25 exacerbate the negative impact that the

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 Airport activities have on Tinicum
3 Township and on many other municipalities
4 in Delaware County.

5 After reviewing the plan, I
6 believe that the Capacity Enhancement
7 Program proposed by the Federal Aviation
8 Administration, the FAA, and endorsed by
9 the City of Philadelphia is shortsighted,
10 ill conceived and detrimental to the
11 physical well-being and quality of life
12 of the residents of Tinicum. The FAA has
13 recognized that there will be significant
14 noise impacts and goes on to say that
15 there are no disproportionate adverse
16 effects on minority, low income or
17 Hispanic populations. From this
18 statement, are we to assume that the
19 people other than minority, low income or
20 Hispanics don't matter to the federal
21 government? All of the residents of
22 Tinicum Township will be impacted by
23 increased noise levels, as will many
24 other residents of Delaware County.

25 A number of years ago the

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 federal government agreed to soundproof
3 approximately 550 homes in Tinicum. This
4 work, I'm pleased to say, is finally
5 progressing, and that is only after years
6 of delay. This track record of delay
7 does not provide comfort to our residents
8 when other promises and representations
9 are made by the federal government as to
10 their commitments during the project.

11 The FAA plan contemplates
12 acquiring 72 housing units and displacing
13 80 businesses. The Final Environmental
14 Impact Statement concludes -- and this is
15 a quote -- "This is not anticipated to
16 result in a significant impact." This is
17 a preposterous statement if you view it
18 from the context of the homeowner or the
19 proprietor of the business. There is
20 obviously a very significant impact on
21 anyone whose home or business is taken.
22 The properties that are proposed to be
23 acquired are part of a viable and vibrant
24 community. Taking these homes and
25 businesses will have a negative impact on

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 the whole township.

3 Furthermore, there are
4 substantial negative financial impacts to
5 Tincum Township, Interboro School
6 District and the County of Delaware due
7 to loss of tax dollars on the properties
8 that will be taken. The combined loss is
9 almost \$2.9 million per year. The
10 biggest loser is Interboro School
11 District at \$2.148 million per year.
12 Tincum will lose \$442,000 per year, and
13 the county \$283,000 per year. None of
14 these entities can afford to lose these
15 funds.

16 It is not my intent to block
17 progress. However, I suggest that there
18 may be other solutions to enhancing
19 Airport capacity in our region. I
20 note -- and it was mentioned earlier --
21 that there is an airport in Northeast
22 Philadelphia that could be considered as
23 an expansion site, as well as airports in
24 the Lehigh Valley and in the vicinity of
25 Atlantic City, New Jersey that could be

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 used to alleviate flight delays at PHL.

3 I also note that land bordering the
4 Philadelphia International Airport was
5 used for non-Airport functions. The
6 hotels and other facilities on these
7 sites enhance the tax base in the City of
8 Philadelphia. If that land had been used
9 to expand the Airport, we would not be in
10 a position to destroy people's homes and
11 businesses. We would not be in a
12 position of one municipal government
13 benefiting at the expense of other
14 municipal governments.

15 Mayor Nutter and the Chairs of
16 the Southeastern Pennsylvania County
17 Governments -- and Jack Whelan is here
18 with us today -- reestablished meetings
19 to cooperate on issues at the regional
20 level. I extend my kudos to them for
21 agreeing to do this, and observe that
22 this is an issue that may benefit from
23 further discussion at a regional level.

24 My final comments relate to the
25 FAA. In the past I have written to the

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 FAA expressing unhappiness with their
3 process and with their conclusions. I
4 reiterate these concerns and further
5 observe that our federal government is
6 not protecting the people of Tinicum
7 Township. In fact, the Capacity
8 Enhancement Program proposed by the FAA
9 will destroy the very fabric of Tinicum
10 Township. They and the City of
11 Philadelphia should reconsider their plan
12 and focus on a more realistic plan that
13 does not pit the City against its
14 neighbor and that considers the
15 well-being of the residents of Tinicum
16 Township.

17 Before I end, I'd like to, of
18 course, thank you very much for including
19 us in this conversation today, but also
20 simply hold out to you that I would love
21 to extend the ability to further discuss
22 some of these issues, because I believe
23 that there are a number of worthwhile
24 things that we can do together.

25 Thank you.

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 COUNCILMAN KENNEY: Thank you,
3 Senator. I appreciate your comments.
4 State Representative.

5 REPRESENTATIVE MICCARELLI:
6 Thank you very much, Councilman. I'd
7 first like to begin by saying thank you
8 very much for having us here today.

9 COUNCILMAN KENNEY: If you
10 could identify yourself.

11 REPRESENTATIVE MICCARELLI: I'm
12 sorry. I'm State Representative Nick
13 Miccarelli from the 162nd District.

14 COUNCILMAN KENNEY: Thank you.

15 REPRESENTATIVE MICCARELLI:
16 Listening to the earlier committee,
17 Councilman Goode had asked the gentleman
18 who was sitting here before Mr. Gale from
19 the Airport about how the living wage
20 impacted Philadelphia compared to other
21 cities, Chicago, New York, and it really
22 struck me, because Philadelphia is quite
23 an anomaly in having one airport. We
24 really have to do a better job of taking
25 a look around the country of what we're

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 doing and how it's really going to affect
3 everyone around.

4 So I would begin my comments by
5 saying that the City Council ordinance
6 that was put in place many years ago
7 preventing Northeast Philadelphia Airport
8 from utilizing commuter flights or
9 commercial flights of any kind has a
10 direct impact on this entire process. So
11 your comment earlier about City Council's
12 oversight and influence is very real.
13 It's very real, and it's very important.

14 I will be submitting comments
15 for the record. I would just like to
16 make a few more points, if we have time.

17 COUNCILMAN KENNEY: Please.

18 REPRESENTATIVE MICCARELLI: We
19 do understand very much that this will
20 create jobs, but what does this plan mean
21 for Tinicum Township, for Delaware County
22 and for the Greater Philadelphia region?
23 It's going to mean 3,500 jobs displaced
24 from Tinicum Township right off the bat.
25 It's going to mean filling in 20 acres of

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 the Delaware River. It's going to mean
3 millions and millions in lost tax revenue
4 over the years to come. And you don't
5 need really an x-ray scanner to see that
6 this plan is flawed.

7 We live in a time now where we
8 talk more and more about fair trade,
9 increased social awareness, but right
10 here in Philadelphia, we are not being
11 good neighbors to our surrounding
12 counties.

13 I must also say that we want
14 PHL to be profitable. We want it to be a
15 strong entity and a good economic
16 generator for the region. We're merely
17 asking that those who are burdened
18 already by this airport not be further
19 exploited by bureaucrats whose goal is
20 short-term Band-aids as opposed to
21 long-term real solutions.

22 I would also like to say in
23 closing that we understand how much and
24 how important this airport is, but
25 dragging folks from their homes, filling

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 in 20 acres of a river and doing it all
3 to mask lackluster management and using
4 the federal supremacy clause as a means
5 to do it is simply unfair.

6 I would also like to say that
7 in Philadelphia and in Delaware County,
8 we can all reap the benefits of this
9 airport, of this important economic
10 generator, without hurting people further
11 than we already have.

12 One last comment I'd like to
13 make, Councilman. In response to one of
14 Mr. Gale's statements regarding a
15 regional airport authority, which has
16 been discussed. There's been bills
17 proposed in the State Legislature by
18 democratic members, by republican members
19 and by Senator Erickson here that we're
20 looking at.

21 I don't believe you proposed a
22 bill, but it's something that's in talks.

23 But the state government
24 certainly believes that we would have the
25 authority to in-place a regional airport

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 authority if we cannot come to some type
3 of consensus with City Council, with the
4 FAA to ensure that our residents are
5 protected.

6 COUNCILMAN KENNEY: And that's
7 why I raised the issue, because I have a
8 concern that that issue may be raised
9 again, but I want you to understand also
10 this is our first foray as the
11 legislative body into this process.
12 Perhaps we should have been here earlier,
13 but we're here now, and certainly the
14 Administration, we attempt to cooperate
15 with them on all the things that they do,
16 but there are times when each of us or
17 many of us have some disputes and we need
18 to hash it out.

19 So we too want to see our
20 airport be profitable and effective and
21 expand in rational ways so we can
22 accommodate the increased tourism and
23 commercial traffic, but recognize that
24 there's not an enemy -- there's no
25 enemies on this side of the table here.

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 REPRESENTATIVE MICCARELLI: And

3 we understand that.

4 COUNCILMAN KENNEY: And

5 understand from my personal perspective,
6 and I'm 52 years old. I guess when I was
7 back in the -- I was born in '58. So
8 sometime in the '60s in my neighborhood
9 in South Philadelphia, another federal
10 agency made a decision that -- it wasn't
11 the FAA; it was the U.S. Department of
12 Transportation -- to build an interstate
13 highway through a neighborhood in South
14 Philadelphia from Queen Village, which
15 wasn't Queen Village then, it was 2nd and
16 South, all the way down through Delaware
17 County and took literally hundreds of
18 homes and changed and destroyed the
19 fabric of that neighborhood, because
20 where that superstructure sits now, which
21 carries all those people back and forth,
22 there used to be living there, which was
23 a vibrant neighborhood also.

24 So I have a historical

25 perspective on federal government

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 decisions on people's lives, so...

3 REPRESENTATIVE MICCARELLI:

4 Certainly, Councilman. And as Senator
5 Erickson said earlier, we certainly look
6 forward and we certainly share your --
7 many of your frustrations in the process
8 that has gone on so far and the way that
9 this has been dictated to many, not only
10 our residents but our elected officials
11 at a county level and a state level.

12 I would also say that the I-95
13 example is a good one. There are many
14 other ways. There are many other ways
15 that we can go about implementing this
16 Capacity Enhancement that do not include
17 removing people from their homes. So as
18 I understand it, it is one option. There
19 are certainly ways that we can go about
20 doing it and accomplishing the same goal
21 of generating revenue for the region
22 without displacing citizens.

23 COUNCILMAN KENNEY: Thank you
24 for your testimony.

25 Commissioner.

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 COMMISSIONER WHELAN:

3 Councilman, my name is Jack Whelan and
4 I'm the Chairman of Delaware County
5 Council. I'm here with two of my
6 colleagues on Delaware County Council,
7 Tom McGarrigle, who is seated to my left,
8 and to my immediate left, Mario Civera,
9 which I think many of you know here.

10 I want to start by simply
11 saying that on Delaware County Council,
12 we recognize the importance of the
13 Philadelphia International Airport. We
14 recognize it as a very viable economic
15 engine, and we appreciate it. I can tell
16 you from Council's position, outside of
17 the issue of public safety, we spend a
18 tremendous amount of time on economic
19 development, and part of that is
20 certainly the Philadelphia International
21 Airport. It was very helpful to bring
22 Harrah's Casino as one of the first
23 casinos in this region before
24 Philadelphia had their casinos in the
25 City of Chester, which has been a

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 tremendous asset to us. The Airport
3 helps with that. Of course, bringing
4 Major League Soccer into the City of
5 Chester and into Delaware County, it's
6 very important that we have a viable
7 airport. I don't believe that we would
8 have right now Hollywood coming into
9 Delaware County with a major motion
10 picture movie studio being constructed as
11 we speak today if it wasn't for the
12 Philadelphia International Airport.

13 However, the Airport cannot
14 simply engage in activity that is going
15 to be detrimental to the residents of
16 Delaware County, and there has to be some
17 limitations, there has to be some
18 controls, and we've come up with
19 solutions. We've come up with proposals
20 that seem over the years to have been
21 ignored.

22 Personally, I have spent about
23 five years at this point in time working
24 on issues with the Philadelphia
25 International Airport and how they affect

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 Delaware County. It started, as alluded
3 to by Mr. Gale, with the Flight Redesign
4 Project that the FAA had instituted, and
5 I can tell you from the constituency in
6 Delaware County that when the FAA came in
7 and gave the ability of the pilots to
8 turn over Delaware County, we had
9 thousands of people coming out in
10 protest. There was a hearing set up. I
11 believe it was at the Holiday Inn on
12 Route 291. They had to close the door.
13 Over 1,000 people came and protested as
14 to the effects of what the Airport was
15 doing when they redesigned the airspace.

16 That continues today. However,
17 we're somewhat lucky in that when the FAA
18 first came into Delaware County, they had
19 proposed three aerial gates to turn over
20 Delaware County, three aerial gates to
21 turn over New Jersey. After repeated
22 lawsuits, which were unsuccessful and
23 very financially prohibitive, but after a
24 period of time and years of litigation,
25 which ultimately went to the District

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 Court of Appeals in Washington where I
3 was present, ultimately what resulted
4 from all of that litigation, all of the
5 negotiations and all of our positions is
6 one aerial gate. Instead of the planes
7 going strictly at a heading of 250 over
8 the Delaware River, now they're able to
9 go at a heading of 268, which is over
10 some land in Delaware County. Typically
11 they would reach an altitude of 3,000
12 feet before they would turn, and now
13 they're able to turn a little earlier
14 than 3,000 feet.

15 We today still get complaints
16 in Delaware County over that. We have
17 people calling. There's a noise hotline
18 that's operated by the Airport. It's
19 constantly busy. We're constantly told
20 that people call the noise hotline and
21 they can't even get through because it's
22 constantly busy.

23 I can tell you that the people
24 in Tinicum have suffered with the
25 Philadelphia International Airport for

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 over 40 years, and now they're being
3 slapped in the face again, because now
4 it's not just taking what normally would
5 occur at the Philadelphia International
6 Airport, now we're going to take away
7 your homes, now we're going to take away
8 your businesses and now we're going to
9 make life more difficult because we're
10 going to bring the Airport much closer to
11 you.

12 I can tell you that my
13 negotiations through Tinicum Township
14 officials, Tinicum has been more than
15 reasonable, the officials in the City of
16 Tinicum. They've approached
17 representatives from the Airport and the
18 City of Philadelphia, and they have said
19 that we are willing to negotiate with
20 you, but we don't want to have the runway
21 into the residents. We don't want to
22 bring the air traffic closer to the
23 residents, but we will allow you to
24 expand Airport operations as a way of
25 compromise.

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 But the problem is that the
3 Airport wants to create additional
4 runways, expand current runways, and
5 that's going to have a devastating effect
6 not only, though, on Tinicum Township,
7 because we've heard a lot about Tinicum
8 here today so far, but it's going to have
9 a substantial impact on Prospect Park,
10 Ridley Township. It's going to have a
11 substantial impact on the City of
12 Chester. It's going to have an impact on
13 Sharon Hill, Folcroft, Glenolden. All of
14 these smaller municipalities that are
15 affected by the Airport would certainly
16 be affected by the Capacity Enhancement
17 Project. And you've heard -- you can
18 pick up, I guess, the book today, the
19 executive summary, and you can see
20 candidly how the FAA has indicated the
21 adverse effects of the Capacity
22 Enhancement Project, the effect on the
23 environment, the effect of noise.

24 Mr. Gale said you're going to
25 hear a lot about noise. Well, noise has

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 been a problem. It was a problem before
3 the Airspace Redesign Project and it's
4 been a problem as we sit here today, and
5 it's going to be worse of a problem.
6 It's going to be a greater problem once
7 the Capacity Enhancement Project is
8 completed. And it's not fair to the
9 residents of Tinicum Township. It's not
10 fair to the residents in the neighboring
11 communities to be subject to noise where
12 you can't walk outside of your -- in your
13 yard to a barbecue and cook a hamburger
14 and be able to talk to the person next to
15 you because the airplanes are drowning
16 out the noise.

17 So it's been a constant problem
18 in Delaware County, especially in these
19 communities, but we've got complaints
20 from Rose Valley, Swarthmore, Nether
21 Providence, Upper Providence over air
22 traffic. And it becomes even more of a
23 problem when the weather is affected,
24 like yesterday as Mr. Gale has indicated.
25 It's even more of a problem then. Our

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 complaints escalate at that point.

3 COUNCILMAN KENNEY: Because of
4 their circling?

5 COMMISSIONER WHELAN: Well,
6 yeah, because they're circling and
7 because they change the way they come in
8 to an easterly flow as opposed to a
9 westerly flow, or they change the way
10 they take off too and that there's some
11 changes that go on that affect different
12 neighborhoods when this occurs.

13 One of the things -- when we
14 had hired experts when we were in our
15 litigation, we were at the height of the
16 litigation, we had experts, and those
17 experts came in and they consulted with
18 Delaware County Council, and what they
19 said to the County Council -- and I think
20 you've alluded to it earlier when you
21 made your statements, and, that is, that
22 80 percent of the flight delays in
23 Philadelphia International Airport are
24 weather related. And we're not going to
25 be able to change the weather.

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 Now, I understand that there's
3 new technology, and Mr. Gale referred a
4 little bit to that. There's new
5 technology coming out where you can
6 simultaneously take off or simultaneously
7 land safely even in adverse conditions
8 because of the new computer technology.
9 Steve Kelly from the FAA had briefed us a
10 little bit on that in the past. So that
11 is probably going to be available in the
12 future.

13 But when you look at who uses
14 the Philadelphia International Airport --
15 there was a question by the Councilman as
16 to who makes up the -- who is the patrons
17 of the Philadelphia International
18 Airport. The predecessor of Mr. Gale,
19 Mr. Isdell, had told me personally -- and
20 this statistic may have changed -- that
21 almost 50 percent of the users of the
22 Philadelphia International Airport come
23 from the State of New Jersey. So it only
24 makes sense, Councilman Kenney, that if
25 we are going to expand operations, that

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 those operations should be expanded in
3 Atlantic City.

4 Atlantic City wants to expand.
5 They have the room to expand, and they
6 have the willingness to expand. I was
7 personally contacted when we were dealing
8 with the Flight Redesign Plan and the
9 opposition to the Flight Redesign Plan by
10 the representatives from Lehigh Valley
11 International Airport. They were begging
12 for the airlines to open up operations in
13 Lehigh Valley, literally begging, where
14 this individual appeared at a Delaware
15 County Council meeting to address
16 Delaware County Council to ask for
17 support to expand the Airport in Lehigh
18 Valley.

19 There is no reason whatsoever
20 that we could not develop those airports.
21 And New Castle County is another
22 underutilized airport. Those three
23 airports that actually form a triangle
24 right around the area of Philadelphia
25 could be used to expand. And I'm not

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 suggesting that commercial flights go
3 over to these. We want our business
4 flights to stay in the Philadelphia
5 International Airport, but there's
6 nothing wrong by giving incentives,
7 whether they be negative or positive
8 incentives, to a family that wants to go
9 to Disney World, to drive an hour and a
10 half -- where they would leave from the
11 Philadelphia International Airport, drive
12 an hour and a half to Atlantic City, park
13 your car there, there's free parking, get
14 on a flight there and go to -- and fly
15 out of Atlantic City International
16 Airport to help reduce the congestion at
17 the Philadelphia International Airport.
18 This has never been explored. It's never
19 been utilized, and I believe that the
20 reason is because the airlines are
21 probably against it. But if the airlines
22 wanted to go into the Atlantic City
23 International Airport or Lehigh Valley, I
24 guarantee you they would start expanding.
25 So we need to give the airlines

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 encouragement to go that route.

3 I don't think you're going to
4 be able to expand the rails to encourage
5 people to utilize them, but you can
6 certainly expand the use of the other
7 regional airports in order to reduce the
8 congestion in Philadelphia.

9 And I understand Mr. Gale wants
10 to get all these people into Philadelphia
11 International Airport. I understand
12 that. I understand the business
13 associated with it, but it comes at a
14 price and it comes to a point, so we need
15 to look at other options, and that's what
16 Delaware County Council has been
17 suggesting. Because I can tell you,
18 there's one call I got a couple years
19 ago, is that kids in the schoolyard were
20 running for cover because these aircraft
21 were flying so low that they thought
22 there was some type of raid going on.
23 And this is only a couple of miles from
24 the Airport. Right in the immediate
25 vicinity of the Airport in the Delaware

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 County area, you have 8,000 kids that go
3 to school, multiple hospitals in that
4 particular region. So God forbid there
5 was an incident with a bird strike or a
6 plane that had to land. They need to be
7 able to land in the Delaware or they need
8 to be able to go back to the runway and
9 be able to land.

10 Delaware County has always been
11 supportive of the Airport. We've always
12 been supportive of the City of
13 Philadelphia. Delaware County Council
14 works closely with Mayor Nutter. Mayor
15 Nutter had formed the Metropolitan
16 Caucus, which is the five counties to
17 come together to talk about regional
18 issues. Now, we haven't talked about the
19 Airport, I think for obvious reasons,
20 because of Delaware County's position and
21 Delaware County's concern, but we have
22 talked about other issues such as
23 regional development, emergency
24 preparedness, and we understand as what
25 you said earlier, terrorism, natural

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 disaster, it doesn't stop at the border
3 of Philadelphia.

4 Delaware County is here to
5 support the City of Philadelphia and the
6 need, and we know that Philadelphia is
7 here to support Delaware County. We need
8 to work together to develop a plan that
9 is not going to affect the residents of
10 Tinicum and is not going to affect other
11 communities in Delaware County.

12 Thank you.

13 COUNCILMAN KENNEY: Thank you
14 very much for your testimony. And it
15 seems you spent so much time on airport
16 issues, you could fly a plane.

17 COMMISSIONER WHELAN: I feel
18 that way, but I wouldn't get in the plane
19 with me.

20 COUNCILMAN KENNEY: About
21 turning radiuses and 260 degrees and
22 3,000 feet. You sound like you're on a
23 microphone in a U.S. Air jet.

24 I'm sorry. Who else is --
25 please identify yourself.

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 COMMISSIONER GIANCRISTOFORO:

3 My name is Tom Giancristoforo. I'm
4 President of the Board of Commissioners
5 in Tinicum Township, Delaware County.

6 Ladies and gentlemen, as
7 Council President of the Board of
8 Commissioners of Tinicum Township,
9 Delaware County, I've come before this
10 Joint Committee to express Tinicum
11 Township's opposition to your approval of
12 the Philadelphia International Airport's
13 Master Plan and Environmental Study.

14 While called the Philadelphia
15 International Airport, in reality both
16 Tinicum Township and Delaware County have
17 a larger stake in the operations of the
18 Airport than does the City of
19 Philadelphia. Approximately two-thirds
20 of the Philadelphia International
21 Airport, including its runways, lie
22 within borders of Delaware County; more
23 specifically, Tinicum Township. The
24 question one might ask under these
25 circumstances is why Tinicum Township and

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 Delaware County get so little respect and
3 consideration when it comes to input on
4 vital decisions affecting our county, our
5 community and our residents.

6 The Airport's Master Plan and
7 Alternative A under the Capacity
8 Enhancement Program will result in
9 irreparable harm, create the most
10 disruption and require the biggest
11 sacrifice of existing homeowners and
12 businesses within Tinicum Township. The
13 Airport expansion will serve as a giant
14 economic boon to the City of
15 Philadelphia, while creating enormous
16 social and environmental harm to the
17 surrounding community. Neither the
18 City's Master Plan nor the Environmental
19 Study serve as either a reasonable or
20 feasible plan as required under the
21 provisions of the National Environmental
22 Policy Act. Reasonable alternatives to
23 solve the congestion and delay problems
24 in the Philadelphia Airport have not been
25 fully or sufficiently considered. The

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 Board of Commissioners of Tinicum

3 Township feel that there continues to be

4 an urgent need for this Joint Committee

5 to propose further studies on a number of

6 issues before casting its vote. Among

7 those are, number one, operational

8 improvements and new technology which

9 have come into existence since the

10 original plan was initiated and

11 developed; with air traffic in a steep

12 decline and no projected -- not projected

13 to significantly increase in the

14 immediate future, additional studies of

15 regional or other hub airports require

16 further consideration; the Master Plan

17 did not adequately consider a

18 redistribution and reduction in air

19 traffic during peak travel periods;

20 sufficient consideration of blending of

21 alternative and available plans under

22 present conditions; and, last, further

23 analysis of the social and environmental

24 issues impacting the region must be

25 conducted before finalizing these plans.

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 The social and environmental
3 issues impacting Tinicum Township and
4 Delaware County under the Master Plan and
5 Environmental Study which is presently
6 before you cannot be understated. The
7 residents of Tinicum Township, one of the
8 oldest communities in Pennsylvania, have
9 been under a constant and growing barrage
10 of harmful effects arising from the
11 Airport's operations, none of which
12 immediately impact any resident of the
13 City of Philadelphia. Tinicum Township
14 residents have seen a dramatic increase
15 in noise, air and water pollution
16 affecting all of its residents and
17 businesses. They live under constant
18 safety risk in the event of an aircraft
19 discharge or catastrophic disaster.
20 Expansion of the Philadelphia
21 International Airport will have an
22 immediate and severe environmental impact
23 to the John Heinz National Wildlife
24 Refuge with adverse effects on the
25 migration of wildlife and the ecosystems

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 within the refuge itself.

3 Where in the plan did the
4 developers consider that this
5 disintegration of a neighborhood where
6 people's lives are intertwined and with
7 our public facilities, parks and schools?
8 None of the plans have adequately
9 considered the cumulative effect of the
10 Airport expansion on the very fabric of a
11 community or the quality of life within
12 the community.

13 The proponents of the plan are
14 quick to espouse its economic benefit to
15 the region, but fail to consider the
16 additional burdens placed on Tinicum
17 Township from additional vehicular
18 traffic, police and fire support, and the
19 cost to the local community to maintain
20 roads and highways adjacent to the
21 Airport, while the City of Philadelphia
22 continues to erode our community tax base
23 at the expense of Tinicum Township.

24 The loss of tax revenue to
25 Delaware County and of our school

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 district and Tinicum Township will strike
3 a serious blow to the community's needs
4 to provide public service to its
5 residents. Would the City's
6 non-challenged approval be so quick and
7 easy if we stood before you as residents
8 and taxpayers of the City of
9 Philadelphia? We think not.

10 This Joint Committee and City
11 Council at large must ask itself whether
12 or not the plan before you is the one
13 which best serves the purposes intended,
14 and while doing so, with the least amount
15 of impact on the surrounding communities
16 and environment.

17 For a number of years, Tinicum
18 Township has made every effort to reach
19 out to the City's leadership in an effort
20 to find a common solution to mutual
21 issues of interest to Philadelphia and
22 its surrounding neighbors, only to find
23 the City unwilling to compromise. While
24 we consider legal options as a last
25 resort, we have found that the City's

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 lack of interest in a resolution leaves
3 us no recourse. We will not surrender
4 our community to the self-centered wishes
5 of the City of Philadelphia and the
6 Philadelphia International Airport.

7 A careful analysis of these
8 unanswered questions should give this
9 Joint Committee pause in its deliberation
10 and consideration of these plans until an
11 appropriate determination of the
12 potentially adverse and detrimental
13 effects of its implementation will have
14 on the lives and thousands of neighboring
15 citizens.

16 We as a community and as
17 leaders are urging the Committee to
18 reject the Master Plan and Environmental
19 Plan until such time as these additional
20 studies can be conducted to ensure the
21 safety and livelihood of those residents
22 living directly in the path of opposed
23 Airport expansion.

24 And in closing, I would just
25 like to ask that the record remain open

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 for additional rebuttal to Mr. Gale's
3 comments.

4 COUNCILMAN KENNEY: Thank you
5 very much for your testimony. I
6 appreciate it.

7 Who is up? Good afternoon.

8 MR. RAZZI: Good afternoon,
9 Councilman.

10 COUNCILMAN KENNEY: Please
11 identify yourself.

12 MR. RAZZI: My name is Brian
13 Razzi. I'm a School Board Director of
14 the affected school district, Interboro,
15 and I appreciate Council's time and
16 willingness to listen to our problems
17 here.

18 COUNCILMAN KENNEY: Thank you.

19 MR. RAZZI: I'd like to read a
20 short statement.

21 COUNCILMAN KENNEY: Yes. Thank
22 you.

23 MR. RAZZI: Our school district
24 will lose over \$2 million a year in tax
25 revenue if this plan currently is

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 implemented. That is almost five percent
3 of our school budget. Unlike the City of
4 Philadelphia schools that receive 72
5 percent of their funding from the state,
6 we at Interboro receive less than 10
7 percent.

8 Our budget is mostly funded by
9 tax dollars of the local residents and
10 businesses. The Tinicum school that will
11 be affected has just been awarded a
12 National Blue Ribbon by the federal
13 Department of Education, one of only 13
14 schools in the entire State of
15 Pennsylvania and one of only 300 schools
16 in the entire country.

17 If the expansion is approved,
18 this plan will displace over 25 percent
19 of this Blue Ribbon school's students.
20 Please think of how this will affect
21 these students, who worked so hard to be
22 one of the best schools in not only the
23 state but the country.

24 In closing, I'd just like to
25 ask you to please imagine if this school

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 was in a Philadelphia neighborhood like
3 Fishtown, Rittenhouse or Queen Village.
4 Please ask yourself if you would still
5 support this project.

6 Thank you for your time.

7 COUNCILMAN KENNEY: Thank you
8 very much for your testimony.

9 Senator.

10 SENATOR ERICKSON: Councilman,
11 may I just mention one other thing,
12 please?

13 COUNCILMAN KENNEY: Yes, sir.

14 SENATOR ERICKSON: We also have
15 with us today Joe Hackett, who is a State
16 Representative-Elect. Joe is sitting
17 back here.

18 COUNCILMAN KENNEY: Thank you.

19 Are there any other elected
20 officials that would like to be on the
21 record?

22 (No response.)

23 COUNCILMAN KENNEY: Seeing
24 none, I don't think there's any
25 questions. We hear you loud and clear,

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 and we appreciate you taking the time to
3 come in.

4 I would suggest that -- I mean,
5 this is the first time I can remember in
6 my 20 years here of having this kind of
7 dialogue with a county government from
8 outside of Philadelphia or from state
9 legislators from outside of Philadelphia,
10 but I would leave that door open for
11 further discussions on other issues,
12 whether they are public safety related or
13 Airport related or anything else,
14 economic development. I think we would
15 do ourselves well to continue to work
16 with each other, not only with the
17 Administration but the legislative body.

18 Councilwoman Brown has a
19 question.

20 COUNCILWOMAN BROWN: Good
21 afternoon, gentlemen. I want to be sure
22 I heard what I think I heard. Are you
23 suggesting that there have not been
24 consistent, regular, deliberative
25 discussions around this plan with the

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 immediate community that's going to be
3 impacted? Is that what I'm hearing here?

4 COMMISSIONER GIANCRISTOFORO:

5 We have had communications --

6 COUNCILMAN KENNEY: Just
7 identify yourself.

8 COMMISSIONER GIANCRISTOFORO:

9 Tom Giancristoforo, President of the
10 Board of Commissioners in Tinicum
11 Township.

12 Yes, we've had numerous
13 meetings with Ms. Cutler and people from
14 the Philadelphia International Airport,
15 but honestly, we've gotten nowhere.
16 We've tried to sit and bargain, and our
17 main sticking point here is stay away
18 from the residential homes. We have to
19 consider this is the hardest times that
20 people are going through right now. And
21 we have senior citizens, we have retired
22 people living in this area that they want
23 to take their homes. They want to buy
24 the homes. I say take. No; they want to
25 buy the homes.

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 COUNCILWOMAN BROWN: Sure.

3 COMMISSIONER GIANCRISTOFORO:

4 And imagine yourself being retired, your
5 wife being retired and you're enjoying
6 life a little bit and have to move now
7 and start over again. And the price of
8 homes in Tinicum Township, where are they
9 going to move to when they get what the
10 value of their home is in Tinicum
11 Township? Our home values is quite
12 different than Springfield or
13 Concordville, if you're familiar with
14 that kind of area. You're talking about
15 \$300,000 homes, and Tinicum averages
16 maybe \$150,000 to \$200,000 homes.

17 So this is what hurts me the
18 most as President of the Board, is that
19 we have people that are going to be
20 drastically affected. Their lives are
21 going to be drastically affected.

22 COUNCILWOMAN BROWN: Change
23 forever in many ways.

24 COMMISSIONER GIANCRISTOFORO:

25 Yes. Yes. Can you imagine being retired

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 and you're just settled down and you're
3 trying to enjoy life and, hey, you got to
4 go out and buy a new home because they're
5 coming in to take your home. For what
6 reason?

7 COUNCILWOMAN BROWN: Allow me
8 to take this a step further. So the
9 yield of those meetings have been written
10 correspondence which stipulates that the
11 ask and the proposals of the residents is
12 not acceptable or not doable, or what?
13 Because we live in a world where if it's
14 not in writing, it doesn't exist.

15 COMMISSIONER GIANCRISTOFORO:
16 The residents do not want -- they don't
17 want this expansion into the residential
18 area. We have commercial property that
19 the Airport has been looking at, and I
20 think earlier Mr. Gale's testimony, the
21 Scott Plaza, that has not -- we have not
22 even been approached about the Scott
23 Plaza property. I know it's been a
24 desire of the City -- of the Airport for
25 many years to acquire that property, and

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 I don't have a problem opening up a
3 dialogue for them to acquire that
4 property.

5 Another property was the
6 Henderson track. There's a lot of open
7 space there. There's, I believe, I'm
8 going to guess, 110 acres. We don't have
9 a problem opening up a dialogue in
10 talking about the Henderson track.

11 COUNCILWOMAN BROWN: As an
12 alternative location proposal?

13 COMMISSIONER GIANCRISTOFORO:
14 Well, yes, as an alternative. Open
15 space, you know, we can sit down and
16 talk. We can negotiate. But when you
17 tell me you're coming in and taking
18 70-some homes, we can't even talk about
19 allowing expansion of the Airport one
20 inch into Tinicum Township if that's the
21 attitude.

22 It's very frustrating to us.
23 We've worked with the Airport for many,
24 many years and we want to be a good
25 neighbor to the City of Philadelphia.

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 COUNCILMAN KENNEY: Thank you.

3 Representative.

4 REPRESENTATIVE MICCARELLI: If

5 I may, Councilwoman, just to kind of

6 piggyback on Commissioner

7 Giancristoforo's statements. From a GAO

8 report -- and these are not our words;

9 this is from a GAO report in May of 2010

10 regarding meetings and an attempt at

11 dialogue. "Airport officials in

12 Philadelphia have told us they do not

13 want to support federal efforts,

14 including regional airport planning, that

15 could lead to losing or diverting flights

16 from their airport to other airports in

17 the region."

18 So to say the tenor of the

19 meetings was unproductive may be an

20 understatement.

21 COUNCILWOMAN BROWN: Okay,

22 then. Thank you very much. I needed to

23 know that that is what I thought I heard.

24 Thank you very much.

25 COUNCILMAN KENNEY: And, again,

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 thank you very much for coming in. We
3 appreciate your point of view.

4 (Thank you.)

5 COUNCILMAN KENNEY: Mr. McCann,
6 Ms. Waldrek and Mr. Kalesnick, please.

7 (Witnesses approached witness
8 table.)

9 COUNCILMAN KENNEY: Good
10 afternoon. Thank you for your
11 attendance. Whoever wants to go first,
12 please identify yourself for the record.

13 MR. McCANN: Good afternoon.
14 My name is David McCann and I am
15 President of the citizens group called
16 RAAED, which stands for Residents Against
17 Airport Expansion into Delaware County.

18 I have some prepared statements
19 that I wanted to read to make sure that
20 we got some things on the record, but I
21 also wanted to mention that some of the
22 things that are contained within my
23 prepared comments have been addressed.
24 Actually, a perfect example was State
25 Representative Miccarelli's remarks about

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 that Government Accountability Office
3 report, which we would be happy to
4 furnish to this Committee, showing the
5 City Airport officials' lack of tolerance
6 or concern with working with airports in
7 the region.

8 COUNCILMAN KENNEY: Your formal
9 testimony will be entirely recorded for
10 the record. So anything you want to add
11 relative to your feelings about the issue
12 is fine, but whatever you hand in will be
13 done as part of the permanent record.

14 MR. McCANN: Very good. Thank
15 you.

16 I'll go through my prepared
17 statements rather quickly, again, because
18 some of the issues contained in them have
19 already been mentioned, but I also have
20 some comments. So I certainly -- I'm
21 going to make sure that I address it
22 again, but I really want to take an
23 opportunity to thank you for doing this.
24 I really mean that.

25 COUNCILMAN KENNEY: You're

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 welcome.

3 MR. McCANN: It's very
4 refreshing to see that you're taking this
5 thing seriously, and to hear your remarks
6 when you prefaced this discussion here
7 today about recognizing that we're all
8 Pennsylvanians, recognizing that this
9 Airport is important to all of us and
10 that we're all supposed to be on the same
11 team, to hear that come from you really
12 gives me some optimism that we'll be able
13 to make some progress, and I appreciate
14 that.

15 COUNCILMAN KENNEY: Well, I
16 believe it, and I think the rest of us
17 believe it also.

18 MR. McCANN: Very good.

19 You're holding a public hearing
20 on the status and current findings of the
21 Philadelphia International Airport's
22 Master Plan and Environmental Study.
23 Immediately following the hearing you
24 will meet to consider the action to be
25 taken on the plan and the study. We are

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 a citizens group whose members live
3 primarily in and around Tinicum Township,
4 Delaware County. We see our community
5 facing gradual extinction as PHL
6 continues to expand further and further
7 into Delaware County. This is a major
8 concern for us, yet we understand the
9 need for regional economic prosperity and
10 a transportation infrastructure that will
11 support the goal.

12 The PHL Master Plan you will
13 consider involves the Capacity
14 Enhancement Program that will cost
15 billions of dollars to implement, but
16 will fail to eliminate or even come close
17 to alleviating aircraft congestion and
18 delays at PHL. It will also result in
19 irreparable harm to our community and
20 others.

21 In 2007, the FAA redesigned the
22 airspace in the New York, New Jersey,
23 Philadelphia region and has encouraged
24 PHL to expand its runway capacity.
25 Viewed in modal isolation, the FAA

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 determined these actions to be essential.

3 In reality, they are not. The proposed
4 runway Capacity Expansion at PHL will not
5 solve any -- will not solve the delay
6 problem and is, therefore, a huge waste
7 of money.

8 Official FAA documents reports
9 by the Office of the Inspector General of
10 the Department of Transportation, the
11 Government Accountability Office and the
12 Transportation Research Board
13 convincingly demonstrate that an
14 additional runway at PHL will not reduce
15 delays. There's actually a cited quote
16 in this, and we'll hand in a copy of
17 these prepared statements, but it is from
18 an FAA's internal memo and it roughly is
19 addressing what the Councilman had
20 mentioned before that Philadelphia's
21 location situated between New York and
22 Washington airspace is a major hindrance.
23 And so you can add runways and it's not
24 going to make a difference, because we're
25 still going to play second fiddle to the

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 New York and Washington, DC airport
3 traffic.

4 The Federal Aviation
5 Administration's Projected Future Demand
6 and Capacity Report, which is the
7 capacity needs in the national airspace
8 system 2007 to 2025 analysis of airports
9 and metropolitan area demand and
10 operational capacity in the future, finds
11 that even with planned expansions and
12 improvements, the New York, New Jersey
13 and Philadelphia airports will all
14 experience severe congestion in 2025 with
15 lengthy flight delays, requiring yet more
16 capacity expansions. However, in the
17 National Academy of Science's Airport
18 Cooperative Research Program, Report No.
19 31, it also says that innovative
20 approaches to addressing aviation
21 capacity issues in costal mega regions
22 makes it clear that the major of airports
23 on the east and west coast, including
24 Philadelphia International Airport, are
25 already operating beyond capacity and are

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 physically inhibited from expanding to
3 the point that they can serve
4 unconstrained aviation demand.

5 This report finds solutions to
6 the demand capacity gap problem must
7 include airline acceptance of market
8 measures, including flight caps and slot
9 pricing, reliance on underutilized
10 existing nearby airports and shifts of
11 some air traffic to surface modes. It
12 states new and innovative processes are
13 needed if aviation capacity issues in
14 these congested coastal mega regions are
15 going to be successfully addressed.

16 While airport congestion is
17 already severe in the New York, New
18 Jersey, Philadelphia region, it will only
19 worsen with population increases if we do
20 not take a realistic look now at our
21 transportation needs and options and
22 develop comprehensive, integrated,
23 intermodal plans for meeting current and
24 future transportation demand.

25 A recent report by the Office

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 of the Inspector General of the United
3 States Department of Transportation
4 concludes that in the New York region,
5 the three principal causes are a small
6 and densely occupied airspace, limited
7 capacity among the region's three main
8 airports, and continued growth in air
9 traffic. This continued growth in air
10 traffic is aggravated by airline
11 policies, including a move toward more
12 regional jets and fewer wide bodies, a
13 desire to concentrate operations in just
14 a few major hubs and insistence in
15 scheduling far more flights during peak
16 periods than airports can handle.

17 But neither the FAA nor the
18 airlines support congestion pricing or
19 caps on the number of flights set to
20 airport capacities, and, therefore, New
21 York airspace and airports are overloaded
22 most of the time.

23 The airspace congestion and
24 airport delays in the New York area spill
25 over to PHL, which shares much of the

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 same airspace, as I had mentioned earlier
3 with the internal FAA memo. In other
4 words, a major non-weather cause of delay
5 at Philadelphia International is
6 congestion and related delay in the New
7 York and New Jersey metropolitan area.
8 Adding more runways at Philadelphia
9 International cannot overcome this
10 problem. Further, even if somehow this
11 weren't the case and the Next Gen and
12 Airspace Redesign could eliminate New
13 York and New Jersey delay impacts on
14 Philadelphia International, adding one
15 more runway at an enormous cost of over
16 \$6 billion cannot dramatically increase
17 landing capacity. Only one plane can
18 land on a runway at a time. The chosen
19 Capacity Enhancement Program Alternative
20 A also constrains potential capacity
21 because of the need to hold planes that
22 need to cross an active runway until
23 inbound and outbound plane traffic clears
24 and the need to coordinate traffic on two
25 active intersecting runways, which is

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 17-35 and 9L-27R.

3 What all this means is that the
4 Capacity Enhancement Program is a hugely
5 expensive and fatally flawed effort to
6 increase PHL's capacity and reduce flight
7 delay. It cannot deal with delays
8 imposed by priority given to New York and
9 New Jersey air traffic over PHL and
10 shared airspace, and it cannot
11 accommodate enough new PHL traffic volume
12 to close the demand capacity gap.
13 However, the Capacity Enhancement Program
14 will impose devastating impacts on
15 communities near the Airport,
16 particularly Tinicum Township, in which
17 two-thirds of Philadelphia International
18 is actually situated, and it will create
19 significant environmental damage.

20 There are better ways of
21 addressing current and future
22 transportation needs than spending
23 taxpayer and investor funds. These start
24 with establishing a new integrated
25 intermodal national transportation plan

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 based on assessment of projected
3 transportation demand and capacities and
4 appropriateness of all transportation
5 modes to meet that demand.

6 If you would like additional
7 information, we would be happy to provide
8 you with third-party documents which
9 prove to be helpful. If you'd like to
10 meet to further elaborate on the thoughts
11 contained in this open letter, we would
12 be happy to do that as well.

13 We ask that you defer
14 consideration of the Master Plan for
15 Philadelphia International Airport and
16 the related environmental study and that
17 you undertake a detailed review and
18 assessment of the information and
19 documents referred to in this open letter
20 prior to approval of any further
21 expansion at PHL.

22 The FAA's typical "trust us, we
23 are the experts" approach is not
24 acceptable. Billions of taxpayer and
25 investor dollars are at stake, as is the

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 quality of life for the community
3 surrounding Philadelphia International
4 Airport, which also includes area within
5 the City of Philadelphia.

6 As stated above, there is a
7 critical need for regional transportation
8 infrastructure that will support economic
9 prosperity, and regional planning must
10 occur and action must be taken. The
11 Capacity Enhancement Program is not a
12 solution.

13 Based on prior press release
14 and media accounts and even testimony
15 that we've heard already today, you will
16 probably hear testimony from Airport
17 officials and representatives from the
18 Mayor's Office which frequently cites the
19 term "region" or even "nation." It is
20 important to point out even the Capacity
21 Enhancement Program and the Airport CEO's
22 testimony earlier today, this is a
23 national problem. The delays that occur
24 at Philadelphia International Airport are
25 having a negative impact on our entire

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 national economy, because it's causing
3 delays at other airports. When you hear
4 these officials speak about the term
5 "region" or "nation," don't be fooled.
6 This is an attempt to provide the
7 impression that these officials are
8 acting in the region's and nation's best
9 interest and that full consideration to
10 those needs was undertaken, and that is
11 not true. And I think the greatest
12 example of that rather to be redundant is
13 just to go back and cite the report that
14 State Representative Miccarelli had just
15 put in there. That Government
16 Accountability Office report was designed
17 to investigate these problems with
18 airport delays and congestion, and the
19 reality of the situation is, even with
20 federal support, meaning that there'll be
21 federal funding to try and work into a
22 regional airport planning, Airport
23 officials in Philadelphia are on the
24 record in that report as not willing to
25 support that if it means losing or

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 diverting any flights out of that
3 airport.

4 There's also been some
5 inconsistencies when you've tried to
6 speak. Our organization was formed in
7 October, and what we've been trying to do
8 is get people more informed on the
9 issues, because, quite frankly -- I'm
10 going to defer away from some of these
11 prepared statements and address a few
12 issues.

13 First of all, I want to
14 compliment Councilman Kenney here. When
15 you made reference to the CEO up here
16 when you said, well, it's not taxpayer
17 dollars, it's not really a factual
18 statement, because in reality, we all are
19 paying that, those that service -- that
20 use the Airport, and that is the kind of
21 gamesmanship, if you will, or shell games
22 that you see these organizations play
23 when I'm talking about officials from the
24 Airport and the FAA with some of these
25 meetings. And I'll give you some

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 examples.

3 They've run several programs.

4 There was the extension of Runway 17-35.

5 There was the Airspace Redesign Project,

6 and then there was the Capacity

7 Enhancement Program. When they would

8 hold these meetings in public, people

9 would attend and they would have a

10 question. Now, the one thing that all

11 three of those programs have as a common

12 denominator is addressing congestion and

13 capacity problems at Philadelphia

14 International Airport. But when you

15 would attend a public meeting on that,

16 officials from the FAA would not respond

17 if it wasn't about that particular

18 program. In other words, to try and

19 effectively fight this as a citizen, you

20 would have to find time to make sure that

21 you could attend all these different

22 meetings on all these different programs

23 to try and do this, and you're going up

24 against people who are there being paid

25 to be there, you're going up against

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 people who hire consultants who have
3 large supporting groups and they have all
4 these terminology that tries to confuse
5 people, and I think that that example of,
6 well, these are non-tax dollars and you
7 being able to see through that is an
8 example of some of the things that have
9 frustrated me as an individual and as the
10 leader of this organization in trying to
11 convey that message to normal, everyday
12 citizens so they can understand and
13 relate to exactly what's transpiring.

14 But you also have to look at
15 the fact that not willing to work with
16 other airports or -- there's a Rutgers
17 University study that I don't know if
18 Senator Erickson cited or not, but
19 Congressman Joe Sestak and Congressman
20 Rob Andrews was involved with this, too.

21 There was a Rutgers University
22 study that was done that showed if you
23 were to divert merely 10 percent of the
24 air traffic at Philadelphia International
25 Airport, the average flight delay would

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 go from 23 minutes to 9 minutes, just
3 with 10 percent. And when the federal
4 government does an investigation and
5 looks at the fact that perhaps we'll be
6 able to spend federal dollars to do a
7 true regional airport planning, and
8 Philadelphia officials at the Airport
9 say, absolutely not, we're not interested
10 in any kind of regional planning. So it
11 really infuriates me to sit there and
12 listen, to see press releases come from
13 Mayor Nutter's office, to see the Airport
14 CEO or other people from the Airport go
15 on record as saying it's so important to
16 the region, this is so important for the
17 region, but they don't act in the
18 region's best interests, and that's
19 proven. We have those Government
20 Accountability reports. We have those
21 quotes from the newspaper articles.

22 It's time to put all the cards
23 on the table and acknowledge that it is a
24 shortsighted political priority to try to
25 stuff every single plane into that one

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 airport because it produces direct
3 revenue into their coffers. That's a
4 fact. And it's a shame.

5 But I'm very encouraged by the
6 reaction that I'm seeing today from City
7 Council to see this dialogue, to see this
8 willingness. And I have to say, normally
9 I would be surprised by it, but
10 considering my dealings with these people
11 at these meetings, I'm not surprised to
12 hear that you've been left out of the
13 loop, that this program has been going on
14 for ten years and there's never really
15 been a serious discussion with the
16 legislative body of City Council. And
17 it's a shame, but now it seems like
18 you're getting caught up pretty fast, as
19 evidenced especially by the amount of
20 support that we have from our elected
21 officials.

22 And I also want to make sure
23 that we drive home a very strong point
24 with us, too. Sometimes people can be
25 confused and they think that we're

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 against the Airport. They think that
3 we're against any kind of progress.
4 That's not true at all. The Airport is
5 part of the culture of our community.
6 We're the birthplace of Pennsylvania.
7 Tinicum is the first permanent settlement
8 in Pennsylvania, 1643. This is where
9 Pennsylvania started. We like having the
10 Airport there. It employs a lot of
11 people in our community. It's convenient
12 for us when we do travel by plane, that
13 when you land, you're literally home.
14 People say, oh, yeah, I'm home, but we're
15 definitely home.

16 However, you have to look and
17 see, you're not going to work with these
18 other airports. You're not going to use
19 Northeast Airport. We're reasonable
20 people. If you really are going to be so
21 controlled by revenue generation that you
22 don't want to share any planes with any
23 other airport in the region, you want to
24 hold on to all those dollars, then use
25 the Northeast Airport.

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 There was testimony at a
3 township hearing that I have the
4 transcripts from where the City's
5 Aviation Solicitor admitted the runways
6 at Northeast Airport are long enough to
7 handle commercial air traffic. And they
8 used to handle commercial air traffic.
9 It was a Part 139 certified airport, and
10 the City voluntarily relinquished that
11 Part 139 certification in 1989.

12 And if I can touch briefly on
13 what the Part 139 certification means.
14 Those are requirements that the federal
15 government has for airports to serve
16 commercial air traffic that deals with
17 things like firefighting and rescue
18 service, some police service if you're
19 going to serve commercial air traffic.
20 Northeast Airport was a Part 139
21 certified airport until 1989, again, when
22 the City voluntarily relinquished it.

23 So our point is, if you don't
24 want to work with other airports in the
25 region, then use the other airports you

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 own. I'm sure that the improvements or
3 expansions that can be done there would
4 be a lot cheaper than the \$6 billion
5 price tag, which ironically the questions
6 that Councilman Kenney produced earlier
7 started to develop ideas now that it's
8 going to be more than 6 billion. Figures
9 weren't given on some of those other
10 environmental concerns.

11 And I'd also like to draw your
12 attention to the resolution that this
13 Board had for calling for this hearing.
14 Part of what's quoted in that resolution
15 is expanding the Airport's environmental
16 commitment. Now, you've got to stop and
17 think. They want to fill in 24 and a
18 half acres of the Delaware River. They
19 want to take 72 homes and 80 businesses.
20 They want to relocate a portion of the
21 U.S. Army Corps of Engineers. They want
22 to relocate a Sunoco fueling pier. They
23 want to shut down Hog Island Road, which
24 Congressman Meehan referenced would cause
25 all kinds of truck traffic into our town

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 from UPS, because that's the road that's
3 primarily servicing the UPS terminal.
4 You've got to think about this. Billions
5 of dollars, filling in 25 acres of the
6 Delaware River. I would say that it's
7 not necessary and it flies in the face of
8 this resolution calling for the Airport's
9 expanded environmental commitment.

10 And I certainly would want to
11 pledge again our support to work with
12 your group. And I only have a couple
13 more points, because I know that our
14 founding member --

15 COUNCILMAN KENNEY: I just want
16 to give you a timing issue. We're
17 running up against a License and
18 Inspection hearing, which is scheduled
19 for 3:00. We'll go a little bit over,
20 but I don't want to --

21 MR. McCANN: Well, in the
22 interest then, Councilman, I will just
23 leave you with one other point. I had
24 had other information, but, again, it
25 seems like --

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 COUNCILMAN KENNEY: Well, you
3 can provide us with other additional
4 information.

5 MR. McCANN: And I've actually
6 spoken with your staff. They were very
7 helpful, so it looks like we'll be able
8 to have a meeting in the future. But I
9 will direct everybody's attention to one
10 final thing for me, and that was on
11 October 11th. There was a press
12 conference held by President Obama at the
13 White House and it was dealing with
14 transportation infrastructure, and it was
15 a bipartisan press conference. He had
16 secretaries of transportation from both
17 republican and democratic administrations
18 and he had governors and mayors,
19 including Mayor Nutter, and part of what
20 he was talking about with transportation
21 infrastructure included all modes of
22 transportation, including airports and
23 runways. And the President was quoted as
24 saying that we need to focus less on our
25 shortsighted political priorities and

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 more on our national economic priorities.

3 And I would submit respectfully to this
4 legislative Board here that trying to
5 stuff every single airplane coming into
6 Philadelphia into that one airport to
7 maximize your own revenue rather than
8 opening up to a regional dialogue and
9 regional planning is nothing more than a
10 shortsighted political priority that is
11 not focusing on our national economic
12 priority.

13 COUNCILMAN KENNEY: Thank you
14 for your testimony.

15 Please identify yourself.

16 MS. WALDREK: Dolores Waldrek.

17 COUNCILMAN KENNEY: Dolores,
18 please pull that microphone closer to
19 you. Thanks.

20 MS. WALDREK: Well, what I'm
21 going to say has already been said, but I
22 took time to write this, so I am going to
23 read it.

24 Good afternoon, ladies and
25 gentlemen of Council. My name is Dolores

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 Waldrek and I am one of the 72 residents
3 you want to displace at fair market
4 value, which doesn't seem fair to me
5 since I'm not the one to initiate the
6 sale. I have a very comfortable home,
7 except for the Airport traffic, but I
8 chose to move there 24 years ago. Now
9 these folks want to come in and take my
10 home and my family's way of life to
11 benefit the Airport and the City of
12 Philadelphia.

13 I wish they would look
14 internally to the operations of the
15 Airport, which creates its own delay
16 problems, instead of disrupting a
17 community, displacing a neighborhood,
18 filling in almost 25 acres of the
19 Delaware River, taking out over 80 acres
20 of wetlands, destroying ecosystems,
21 relocating a Sunoco pier, rerouting a
22 railroad, closing Hog Road making a
23 dangerous safety issue for the residents,
24 just to name a few aspects of the Master
25 Plan, while all along ignoring studies

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 and proven solutions to lessen delays
3 from diverting flights to other airports
4 in our region.

5 They're willing to move the UPS
6 corporation to a new state-of-the-art
7 facility at no expense to them, but are
8 going to put my family into financial
9 debt, all for the sake of an expansion
10 project that may not even work. Why
11 doesn't anyone consider other options?
12 How about moving that crane and could you
13 utilize the Navy Yard and keep all the
14 profits, or revamp the Greater Northeast
15 Airport and still keep the profits?

16 A Rutgers study found that
17 diverting just 10 percent of the flights
18 would result in reduction in delays.

19 Then there's the burden to
20 Delaware County taxpayers, the Interboro
21 School District, and as Mr. Razzi said
22 earlier, Tinicum Elementary was awarded
23 the Blue Ribbon of Excellence. What will
24 that do to our school?

25 I'd like to ask Mayor Nutter,

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 is that putting children first? How can
3 you say this and at the same time deny
4 the revenue owed to our school district,
5 the taxpayers of Tinicum Township and all
6 of Delaware County since May 2007?

7 This burden has already
8 affected our communities and schools.
9 This huge loss can be made right if
10 billions of dollars generated annually
11 were distributed fairly beyond your
12 borders, at least to match the extent the
13 Airport extends into our borders. If
14 majority rules, perhaps it should be more
15 accurately called the
16 Tinicum-Philadelphia International
17 Airport.

18 Additional noise and pollutants
19 seem to be the only things you're willing
20 to offer. The time, resources and
21 millions spent on the sound insulation
22 program will be wasted when condemned and
23 sent to landfills. Yet another slap in
24 the face of citizens trying to live
25 within their means and manage their

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 budget.

3 They have not been a good
4 neighbor. In fact, it sounds much like
5 merry old England's attitude towards the
6 colonists. As Mr. McCann said, we are
7 the first permanent European settlement
8 in the Keystone State. Such tyranny
9 would have appalled the likes of Ben
10 Franklin and should stir any decent
11 person to search for a fair resolution.

12 What is fair? If Alternative A
13 is to become reality, then fair market
14 value for my home would be anything but
15 fair. Residents fixed on income, senior
16 citizens, single parents, young families,
17 new homeowners with no equity, people
18 already hit with the present economical
19 woes would be hard-pressed to recoup such
20 losses. The loss of natural habitats and
21 the unknown effect on us all needs to be
22 considered.

23 What is fair? To make every
24 effort to keep my family whole and not
25 put me in a hole, not to be burdened with

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 a new mortgage that I did not initiate,
3 not to be punished for maintaining my
4 property and paying my share to live in
5 Tinicum, a close-knit community built on
6 family values, and not to be bullied by
7 the City of Brotherly Love and forced out
8 through condemnation. And fair, without
9 a doubt, would include payments of monies
10 owed to Tinicum Township, the Interboro
11 School District and all of Delaware
12 County for the use of their land so my
13 neighbors left in the wake of your
14 decision can maintain a decent way of
15 life.

16 Thank you for the opportunity
17 to be heard.

18 Dolores Waldrek.

19 COUNCILMAN KENNEY: Thank you
20 very much for your testimony.

21 MR. RAZZI: There's just one
22 other thing I wanted to add as I rushed
23 through. I'm sorry. I wanted to draw
24 your attention to Council that Mayor
25 Nutter in this past October created a

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 19-member Advisory Board for the Airport,
3 and I look at the list and I see that --
4 I believe somebody from that Commission
5 is going to be testifying. I wanted to
6 make you aware that our town, it's no
7 secret, we're the most impacted by the
8 Airport. How many of those 19 members
9 are from Tinicum Township on that Airport
10 Advisory Committee?

11 COUNCILMAN KENNEY: I would
12 venture none.

13 MR. RAZZI: Zero. That's
14 correct. So when you heard President
15 Giancristoforo express frustration about
16 when we deal with Airport officials, how
17 you justify having 19 people on a board
18 and you don't have one from the town
19 that's most impacted gives you an idea of
20 what we've been experiencing, just like I
21 found out you've been experiencing being
22 in the dark for ten years.

23 COUNCILMAN KENNEY: Thank you.

24 MR. RAZZI: Thank you.

25 COUNCILMAN KENNEY: Please

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 identify yourself for the record.

3 MR. KALESNICK: Frank

4 Kalesnick.

5 I'd like to thank the Council
6 for having us here today. I'd like to
7 apologize for not having a written
8 statement, because I wasn't aware that I
9 was going to testify today.

10 COUNCILMAN KENNEY: That's

11 fine.

12 MR. KALESNICK: But I'm one of
13 the 72 homes. My parents bought that
14 house in the '40s. They've raised eight
15 children in it. I've been in it for over
16 50 years. I've raised six children in
17 it. And it hits me on a personal note.
18 If somebody -- if I want to leave my
19 house, I want to be able to leave my
20 house because I want to, not because
21 someone is telling me that I have to
22 leave.

23 I have brothers that live
24 within the 72 homes. Three of them will
25 be displaced. I have cousins. I have

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 nieces that live in the same
3 neighborhood. And it's a personal note
4 and it's a family.

5 COUNCILMAN KENNEY: I hear you.

6 MR. KALESNICK: That's all I
7 have to say.

8 COUNCILMAN KENNEY: I
9 appreciate you taking the time to come
10 in, put a human face on it. Thank you.

11 MR. KALESNICK: Thank you.

12 COUNCILMAN KENNEY: Thank you
13 very much for your testimony.

14 MR. RAZZI: Thank you.

15 COUNCILMAN KENNEY: I'm sorry.
16 Councilwoman Brown.

17 COUNCILWOMAN BROWN: Just 30
18 seconds. Activism is exceedingly
19 important, and I need to commend you on
20 your leadership. It's strong and it's
21 clear and for your members of the 70
22 homes really representing and, as
23 Chairman Kenney said, putting a face on
24 those families who potentially will be
25 impacted, we really do appreciate your

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 testimony.

3 (Thank you.)

4 COUNCILMAN KENNEY: Thank you.

5 John Saler and Jack Ferguson,
6 please, and Mr. Morr and Ethan Ross. You
7 can come forth as a panel, please.

8 (Witnesses approached witness
9 table.)

10 COUNCILMAN KENNEY: Mr. Saler,
11 I assume you're going to lead us off.
12 Please identify yourself.

13 MR. SALER: Chairman Kenney,
14 Chairman Jones and members of the Joint
15 Committee, my name is John Saler. I was
16 recently named Chairman of the
17 Philadelphia International Airport
18 Advisory Board by Mayor Michael Nutter.
19 I also serve as Chairman of the
20 Government and Public Affairs practice
21 group at the law firm of Stradley Ronon
22 Stevens and Young, and I appreciate the
23 opportunity of testifying to the Joint
24 Committee.

25 Back in 1987, Mayor W. Wilson

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 Goode asked me to serve as a Board member
3 on the Airport Advisory Board. I served
4 in that capacity for 12 years under both
5 Mayors Goode and Rendell.

6 Back then, the Airport had
7 basically three terminals and a very
8 large architecturally hideous Quonset hut
9 known as the International Terminal.

10 There were only a few flights to Europe
11 and only maybe two were direct.

12 Basically, PHL was a commuter airfield
13 with a baggage delivery system that
14 rivaled the Pony Express.

15 Fast forward to present day and
16 I'm proud to say Philadelphia
17 International is a vital, thriving,
18 pardon the pun, top flight airport. It
19 is the economic gateway to the Delaware
20 Valley and the 11 surrounding counties,
21 pure and simple. It affords this region
22 jobs, jobs and more jobs, some 141,000
23 jobs to be exact that our Airport
24 generates.

25 As Mark Gale explained earlier,

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 the Capacity Enhancement Program will
3 generate another 45,000 construction jobs
4 for approximately 12 years. However,
5 there are costs to expansion, the real
6 dollar tangible costs as well as the
7 human cost, which we just listened to.
8 We know all about that, and I think we
9 all agree that the human cost is probably
10 more important than any. And I think
11 that we would like to alleviate a lot of
12 those costs as much as possible, because
13 if we don't come to terms with this great
14 economic gateway to the Delaware Valley,
15 it could close for business in the eyes
16 of the foreign and domestic corporate
17 traveler, and I would hate to see our
18 first-class international status end up
19 in the proverbial baggage compartment
20 forever.

21 Thank you.

22 COUNCILMAN KENNEY: Thank you
23 very much.

24 Please identify yourself and
25 proceed.

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 MR. FERGUSON: Thank you,

3 Councilman Kenney and Councilman Jones

4 and members of City Council Joint

5 Committee, for having me here today to

6 support the Resolution 100638,

7 Philadelphia International Airport's

8 expansions defined as the Capacity

9 Enhancement Program. I'm Jack Ferguson.

10 I am the incoming President and CEO of

11 the Philadelphia Convention and Visitors

12 Bureau, the official tours and promotion

13 agency for the City of Philadelphia. We

14 are responsible for the marketing and

15 selling of Philadelphia as a convention

16 group tour and international tourism

17 destination. We compete with our

18 counterparts around the globe to

19 generally generate more than \$1 billion

20 in economic impact annually in the City

21 and the region for its businesses and

22 residents. As a result, more than

23 100,000 people in the region are employed

24 in the hospitality industry.

25 In a recent survey of national

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 meeting planners called Metropoll, 642
3 respondents said the ease of getting to a
4 destination is among the top three
5 reasons cities are selected for
6 conventions. Convenient airline service
7 is extremely important when site
8 selections are made. We need to remember
9 that planners and their attendees have
10 choice, and we want them to choose
11 Philadelphia and return.

12 Our customers want to know that
13 as we expand the Pennsylvania Convention
14 Center, we must expand our hotel package
15 and our air service that we offer. If we
16 want to stay seriously competitive in the
17 meetings, conventions in the
18 international market, we must establish
19 Philadelphia as the most welcoming place
20 for international business, students,
21 conventions, tourists and locals.

22 The number one priority to us
23 is getting -- to us getting there is to
24 have a most efficient and effective
25 airport. Continued growth and efficiency

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 is key to -- of travel and is key.

3 The airlines and the FAA are
4 managing and running their operations in
5 the airspace with more success, but
6 considering the dense air traffic in the
7 northeast, Philadelphia must expand the
8 runways or the Airport will remain status
9 quo when it comes to efficiency and
10 travel. That impacts all of us, locals
11 and visitors.

12 As many of you know,
13 Philadelphia has risen from the 21st most
14 visited destination in the United States
15 for overseas to now the 12th, an
16 estimated 700,000 visitors annually.
17 However, the gap between our competitors,
18 Boston, Washington, DC, Chicago, is
19 significant, each receiving around 1.2
20 million visitors per year. Philadelphia
21 has a tourism product and expanded
22 Convention Center opening in just three
23 months and an infrastructure that merits
24 international visitation in that range.
25 An emphasis on the Airport expansion will

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 help us get there.

3 One of the main reasons for our
4 dramatic increase in connection with our
5 international consumer marketing campaign
6 that was launched in 2002 is the
7 Philadelphia International Airport.

8 Under the leadership of Charles Isdell
9 and now Mark Gale's leadership, we lured
10 new flights here. As a result of the new
11 flights, new people and new money started
12 to come here, generating a greater
13 economic impact. The same thing occurred
14 with the addition of Southwest Airlines
15 and created more cost-effective flights
16 domestically, which has meant significant
17 savings to our visitors and our locals
18 alike.

19 In order to grow as a
20 destination and compete for leisure and
21 business visitors from overseas, we must
22 also add direct service from faster
23 growing markets of China, Brazil, South
24 Korea, Japan and India. We are now the
25 only major city in the United States

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 without connections to those fast-growing
3 markets. To catch up with our
4 competitive set, Boston, Washington, DC
5 and Toronto, we must have flights from
6 the Mideast, Asia, Latin America and
7 Africa in our long-range plans.

8 According to research done by a
9 major credit card company, rapid growth
10 is already occurring in visitations to
11 Philadelphia from China and Brazil, where
12 expenditures from travels have doubled in
13 the past year. Just imagine what we
14 could reap if we had direct flights to
15 get there.

16 Many U.S. associations and
17 societies offer the leading annual
18 meetings of their kind in the world. For
19 example, the American Society of
20 Nephrology has 55 percent international
21 travelers. The American College of
22 Rheumatology has 65 percent
23 international, and like the international
24 trade show arriving in Philadelphia just
25 after the Center expands is the largest

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 trade show of its kind in the world
3 regarding lighting, with 50 of the top
4 100 Fortune 100 global companies
5 participating.

6 The Infectious Disease Society
7 of America in 2009 had 25 percent
8 international attendees. That was up
9 from five percent only two years prior.
10 Of the 50 large conventions that we
11 annually book into the Convention Center,
12 nearly 30 percent are international
13 attendees. As the American Association
14 societies and trade shows grow and
15 Philadelphia is selected as the
16 destination, more and more of these
17 conventions and trade shows are growing
18 in the numbers of international attendees
19 from Western Europe, Asia and the
20 emerging brick countries, especially the
21 life sciences. In fact, 50 percent of
22 all the business that goes into the
23 Pennsylvania Convention Center is now
24 life science related. These same groups
25 demand efficient, hassle-free service in

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 traveling to and throughout the United
3 States. Our primary example is BIO,
4 which is returning in 2015, ten years
5 after they last were here. A life
6 science convention like BIO brings great
7 business potential to the City,
8 domestically and internationally. It's
9 during these conventions that business
10 takes a look at -- excuse me. It is
11 during these conventions that businesses
12 take a look at the City they are meeting
13 in and decide if they want to come back
14 as leisure travelers, do business here or
15 in some cases move their businesses here
16 as well to Philadelphia.

17 As everyone considers this
18 today, please keep in mind the big
19 picture. How do we grow as a destination
20 and continue to generate new jobs and
21 economic impact. The potential impact of
22 these decisions is immense. How often
23 have you been on a flight into
24 Philadelphia and you've heard the airline
25 crew saying there are delays in

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 Philadelphia?

3 Delays and congestion will only
4 grow if we don't make changes for the
5 long term for the entire region. To
6 achieve this, Philadelphia needs
7 efficient domestic and global airlines,
8 access that is only possible through
9 Airport expansion.

10 Thank you again for your time
11 today and serious consideration of these
12 long-term impacts on your decisions.

13 COUNCILMAN KENNEY: Thank you.

14 Before you start, it's
15 interesting because your comments
16 regarding Southwest reminded me of the
17 first time I suggested that Southwest be
18 given a few gates at the Airport, and the
19 Administration at the time vowed to never
20 let it happen and actually had an open
21 meeting, a very public meeting, with the
22 head of U.S. Air locally, telling --
23 Mayor Street telling him, Don't worry,
24 we're not going to let that happen.

25 So I guess Administrations from

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 time to time can be wrong in their
3 approach to the Airport.

4 The only other thing I would
5 raise -- and this is something that
6 Mr. McCann raised -- and this is not
7 obviously -- Mr. Saler, this is not your
8 call, but as Chairman of the Advisory
9 Board, I too am kind of surprised that if
10 the bulk of the land is in Delaware
11 County, we have no members of the
12 Advisory Board that are from Delaware
13 County.

14 MR. SALER: We do. We have
15 two. We don't have any from Tinicum.

16 COUNCILMAN KENNEY: Oh, okay.
17 Who are the --

18 MR. SALER: Andy Reilly, who is
19 on the Delaware County Council, and Dave
20 Woods, who is Chief of Staff to Senator
21 Pileggi.

22 COUNCILMAN KENNEY: I was not
23 aware of that. I apologize.

24 Mr. Morr.

25 MR. MORR: Chairman Kenney,

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 Chairman Jones, thank you very much for
3 the opportunity to speak with you today.
4 In the interest of time, I have prepared
5 a written statement and I'll ask that it
6 be submitted for the record. Let me just
7 introduce myself and make a few comments.

8 I am President and CEO of
9 Select Greater Philadelphia, which
10 markets an 11-county tri-state area,
11 Greater Philadelphia, including
12 Philadelphia County. That is -- and
13 Delaware County, for that matter. That
14 is intended to attract companies to
15 locate or expand in our region.

16 The organization is an
17 affiliate of the Greater Philadelphia
18 Chamber of Commerce and is the operating
19 program of an organization called the CEO
20 Council for Growth.

21 Simply put, commerce has always
22 occurred where trade routes cross.
23 Today, trade routes cross at major
24 international airports. This is really
25 about the future competitiveness of the

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 Greater Philadelphia region. That's why
3 the CEO Council believes that the
4 Capacity Enhancement Program and the
5 improvements at Greater Philadelphia
6 International Airport are the number one
7 infrastructure investment that's required
8 to make us competitive as a region going
9 forward.

10 For the region to prosper, it
11 needs to continue to compete effectively
12 on a global scale, and to do that we have
13 to be well connected to the national and
14 global aviation network.

15 Currently, as you've heard,
16 Philadelphia International is sometimes a
17 bottleneck, with delays that impact
18 passengers here, the carriers and
19 businesses all across the air
20 transportation system. The reason FAA
21 has spent time in an environmental impact
22 process is to address the impact of this
23 airport on the national system of air
24 transportation, and improving that impact
25 is a key element of this capital program.

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 Select frequently talks

3 directly with companies who among their
4 decision criteria are their ability to
5 reach various parts of the country or the
6 world through air transportation, and
7 what we hear from those companies and
8 frequently from site selection
9 consultants is that there are times when
10 Philadelphia International, the way it's
11 configured today, is an impediment to our
12 future economic growth rather than an
13 enabler as it should be.

14 We made a lot of progress over
15 the last decade or so. Terminal A-West,
16 the new Southwest gates, the security
17 improvements that have been made and the
18 people operating the Airport and leading
19 this city have done a great job, but we
20 can't stop there, that in order to
21 continue the progress for us to compete
22 in the 21st century, Philadelphia must
23 expand and improve the service for all
24 travelers who come in to the Greater
25 Philadelphia region. Frankly, we believe

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 that will not be possible without the
3 Capacity Enhancement Program.

4 We have heard a lot today about
5 the desire to utilize other airports
6 across the region in lieu of expansion at
7 Philadelphia International.

8 Unfortunately, we live in a world
9 where -- a deregulated airline world, and
10 that decision was made in the late '70s.
11 Today, the carriers can operate wherever
12 they want to. They don't have to operate
13 where they're required to. If they
14 wanted to operate at one of those other
15 airports today, they could do that, but
16 they choose not to because it's in their
17 economic interest to operate at a major
18 connecting point.

19 COUNCILMAN KENNEY: Is that
20 even with the terrible delays?

21 MR. MORR: I'm sorry?

22 COUNCILMAN KENNEY: Is that
23 even taking into consideration the
24 terrible delays that are experienced at
25 the Airport? I assume the time is money

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 also. Distance is money and time is
3 money.

4 MR. MORR: Remember that the
5 airlines are responding to ultimately to
6 the customer. So they go where the
7 customer wants to be, and so --

8 COUNCILMAN KENNEY: I'm not
9 suggesting that they go to Atlantic City
10 or Lehigh Valley. All I'm saying is if
11 the delay issue at Philadelphia
12 International is so paramount an
13 impediment, would they not be making
14 noise to maybe land somewhere else?

15 MR. MORR: They're here because
16 the customers are here. Just so you
17 know, prior in my career, I actually
18 began in economic development running a
19 non-profit that did air service
20 development for Washington Dulles
21 International Airport and helped take the
22 traffic there from 47 flights a day to
23 over 600. I also worked on securing an
24 authority for the airport, a very
25 different circumstance in Washington in

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 those days than what you have here. The
3 reason we sought an authority in
4 Washington was to create a financing tool
5 to be able to finance the improvements
6 that have happened at both Dulles
7 International Airports. Here you have an
8 enterprise organization that is already
9 capable of issuing debt to finance
10 projects. So you really don't need a
11 separate authority to do that. You can
12 do it within the existing governance
13 structure.

14 What I'd like to do is just
15 close by saying that expansion of the
16 Airport is one of the most important
17 regional economic development projects
18 that we will see in the next decade, and
19 a sincere effort has been made in this
20 process. There have been some 20 public
21 meetings and four public hearings as part
22 of the FAA's environmental process to get
23 to the point where we are today. This is
24 not something that has not been out in
25 the world at large. People have been

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 invited to participate in that process
3 going forward.

4 Capital development --

5 COUNCILMAN KENNEY: People
6 other than those who are sitting in this
7 room.

8 MR. MORR: Well, I hear what
9 you say. Obviously --

10 COUNCILMAN KENNEY: For those
11 folks who have to vote on Airport bonds,
12 it would seem kind of sensible to have
13 some involvement directly with this body.
14 And that's not your call. You mentioned
15 it and I'm raising the issue that we're
16 sitting here today partly because of that
17 problem.

18 MR. MORR: I suspect that that
19 problem will be solved in a matter of
20 moments. But the capital programs are
21 difficult to plan and to mobilize. It
22 takes years to do so. The challenge here
23 is, we have to operate the development of
24 this Airport so that it doesn't get out
25 too far ahead of the carriers and their

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 economic capacity, but that it's not too
3 far behind them, because I guarantee you,
4 if the economy takes off and air traffic
5 increases by 10 or 15 percent, they will
6 be the people most concerned about the
7 cost of delay at the Airport.

8 So we have to be responsible
9 stewards of the community. We've got to
10 anticipate the future and to assure that
11 Philadelphia International and the entire
12 region are prepared and able to compete
13 in the global economy. It's for that
14 reason that we wholeheartedly support the
15 CEP and recommend that it move forward as
16 expeditiously as economically feasible.

17 Thank you.

18 COUNCILMAN KENNEY: Thank you
19 for your testimony. Before we get to our
20 last witness, I don't think any of us
21 disagree with you, and I don't think that
22 even the folks who came in to complain
23 about the CEP necessarily disagree with
24 you, but the realities of the Airport is
25 that it's constrained and that it is

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 located primarily in a county other than
3 Philadelphia. So if you're concerned
4 about the potential of an authority, if
5 you're concerned about when Jack and we
6 go to Harrisburg to talk to folks about
7 tourism support and they're angry,
8 there's a possibility we're going to have
9 a problem there. When people come to
10 testify that they believe that their
11 school district is going to be majorly
12 impacted by this plan and we go to
13 Harrisburg this year and next year in a
14 difficult situation with our schools, I
15 don't want those folks mad.

16 So the Airport does not, as you
17 know, does not exist in a vacuum.
18 Obviously there are other interests and
19 other cause and effects that come as a
20 result of what the Airport decides to do.
21 One cause and effect was where we've been
22 in this process. Number two, one cause
23 and effect is the fact, honestly, that
24 both houses of the Legislature and the
25 Governor is now the republican party.

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 That's a reality.

3 Now, do I think the Governor or
4 any leadership in the Legislature want to
5 hurt the Airport? Absolutely not. I
6 think they recognize the Airport is the
7 economic generator and job creator that
8 you all describe it as and its potential,
9 but when folks are angry about impacts,
10 they do things that sometimes have a
11 cause and effect that I don't want to
12 see.

13 And when we first put this
14 hearing out and people were like a little
15 jumping up and down about our witness
16 list, I think it's appropriate to have
17 folks who are impacted by our plans or
18 what we're going to do have a say, and
19 that's the reality of the politics of
20 what we're dealing with.

21 MR. MORR: I absolutely
22 understand what you're saying, and in
23 fact, in Washington the way we got to
24 where we were was due to exactly this
25 kind of concern over noise impacts at

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 Washington National. So I have a long
3 history of understanding. I'm very
4 sympathetic to the people who are most
5 directly impacted, some of whom bought
6 their homes after the Airport was there
7 and knew it was there, but chose to live
8 there in any case.

9 But what has to happen -- we
10 all have multiple interests in this
11 process. I may be impacted by aircraft
12 noise because I live near the Airport,
13 but on any given day, I may have a
14 daughter that's coming in to the City and
15 I care about her being able to arrive and
16 depart on time and safely, or I may also
17 be a businessowner that cares about my
18 employees being able to reach out to
19 customers so that it's not -- we don't
20 have one single interest as we sit in
21 these meetings, and I'm very sympathetic
22 to the folks in Tinicum Township. I
23 think the Airport is trying to find a way
24 to be the best neighbor it can be and
25 still accomplish its objective as a key

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 component of the economy of a much
3 broader region.

4 COUNCILMAN KENNEY: Just let me
5 finish up with Mr. Ross and then whatever
6 comments Councilman has. That's all I
7 have on the list. I don't think there's
8 anyone else. That's fine. Okay. Thank
9 you.

10 Please identify yourself.

11 MR. CONNOR-ROSS: Good
12 afternoon, Councilmembers. I just have a
13 brief statement.

14 COUNCILMAN KENNEY: Thank you.

15 MR. CONNOR-ROSS: My name is
16 Ethan Connor-Ross. I'm the Research
17 Director at the Greater Philadelphia
18 Tourism Marketing Corporation. I'm
19 testifying today on behalf of our
20 President and CEO, Meryl Levitz, who sits
21 on the Airport Advisory Committee and is
22 out of town attending meetings of the
23 U.S. Travel Association Policy Council.

24 GPTMC's mission is to make the
25 five-county Philadelphia region a premier

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 destination through marketing and image
3 building that increases business and
4 promotes the region's vitality. Key
5 tourism infrastructure, including
6 attractions, hotels, restaurants and
7 certainly the Philadelphia International
8 Airport, are critical to that mission.

9 Visitors who arrive by plane
10 stay longer, spend more and are more
11 likely to stay in a hotel than those who
12 arrive by other methods. Thus, they have
13 an even greater impact on the economy,
14 bringing new dollars into the region.

15 The Airport is also important
16 in building the impression of a
17 destination. For many visitors, the
18 Airport is the first introduction to a
19 city, and in some cases, it will be the
20 only impression if they're passing
21 through. The quality of their experience
22 at the Airport helps define their
23 perception of Philadelphia and impacts
24 their likelihood of visit in the future.
25 A world-class airport can be a tool in

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 helping to attract tourists, not just
3 deliver them to their destination.

4 The Capacity Enhancement
5 Program has the potential to bring in an
6 additional 6 million passengers a year by
7 2025. These passengers will conduct
8 business in the region and, as leisure
9 tourists, will eat in our restaurants,
10 shop in our stores and sleep in our
11 hotels. The expansion of the
12 Philadelphia International Airport is a
13 key component in making Philadelphia a
14 premier destination, increasing
15 visitation and fueling our regional
16 economy.

17 The forecasted increases in
18 Airport traffic are consistent with the
19 increased visitation we have seen over
20 the past decade. When GPTMC first began
21 marketing in 1997, 27 million domestic
22 visitors came to the Philadelphia region.
23 In 2009, despite a down economy, we
24 welcomed 36 million, a 35 percent
25 increase, and that figure is expected to

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 grow in 2010.

3 Philadelphia has also seen
4 major increases in international
5 visitation over the past decade. Our
6 hotels have benefited greatly, with
7 leisure room nights in Center City
8 tripling during that time. These
9 additional visitors help our restaurants,
10 attractions and businesses.

11 The addition of airline
12 capacity has been a major part of this
13 growth. The new international terminal
14 and the addition of Southwest flights in
15 2003 and 2004 helped spur immediate
16 growth in both international and domestic
17 visitation.

18 Increased visitation is good
19 for each of our counties, because
20 visitors see nearby activities, not
21 county lines. Around 15 percent of
22 visitors report visiting both the City of
23 Philadelphia and one or more of our
24 suburban counties.

25 Tourism is a critical component

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 of the economy of our entire region.

3 Visitors spending generated an impact of
4 more than 8 billion in 2009 and supported
5 five percent of all jobs in the region.

6 While Philadelphia is the primary
7 destination for the majority of visitors,
8 the impact is significant in each county.

9 Visitor spending generates an impact of
10 3.5 billion annually for our suburban
11 counties - 763 million for Bucks County,
12 797 million for Chester County, 674
13 million for Delaware County and 1.32
14 billion for Montgomery County. More than
15 47,000 jobs in our suburban counties are
16 supported by tourism.

17 Hospitality has been a major
18 growth industry for Greater Philadelphia
19 over the past decade, and with
20 ever-improving attractions, restaurants
21 and an expanded Convention Center, we
22 have great potential for further growth.
23 Airport expansion is a critical part of
24 this growth. If we can't accommodate
25 additional visitors, they will not be

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 able to come and our businesses will miss
3 out on significant economic
4 opportunities.

5 Thank you.

6 COUNCILMAN KENNEY: Thank you
7 very much.

8 Councilman Jones.

9 COUNCILMAN JONES: Thank you,
10 Mr. Chairman.

11 I'm conflicted by two
12 experiences, one as a resident and one as
13 a traveler. The first one as a traveler
14 is, I've been stranded. I have the
15 distinction of spending the night in
16 Denver Airport, and it was a scary
17 proposition. As the roll-down gates from
18 the retail stores started closing, it
19 became like a scene out of one of my
20 nightmares. I wound up going home,
21 getting on a flight maybe 12 hours later.
22 As a result of a delay, then a
23 cancellation, that happened to me.

24 I did the same thing overseas
25 in Aman, Jordan, which was even more

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 frightening. The thing I drew from both
3 of those is that I will, God willing,
4 never travel to either one of those
5 destinations again, and that's an
6 important note to make.

7 The second part is as a
8 resident, meaning I was moved by the
9 conversation about a barbecue and you're
10 trying to talk to your relative and a
11 plane goes over you. That happens to me
12 at least several times a day in my living
13 room in Wynnefield, which is probably as
14 far away from the Airport as you can get
15 and still be in the -- well, no, that's
16 not true. Roxborough. But very far
17 away. And a helicopter path that goes to
18 one of the major hospitals goes right
19 over our head, and literally next to my
20 favorite chair, favorite chair where I
21 watch television when I can, particularly
22 the Eagles, the window vibrates so
23 violently that I almost move away
24 thinking it's going to break.

25 So those are two conflicting

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 personal experiences as we deal with this
3 hearing, but let me ask a couple of
4 questions.

5 One, when we talk about
6 regional marketing and the importance of
7 that centerpiece of the Airport to that
8 end, how much economic benefit -- and I
9 think you touched on it -- does happen as
10 a result of a major convention? What
11 comes to mind is the Regatta. How many
12 hotels in Delaware County benefited from
13 Philadelphia's Regatta; do you know?

14 MR. FERGUSON: From the Regatta
15 itself?

16 COUNCILMAN JONES: Or the Penn
17 Relays or Army/Navy. How does that work?

18 MR. FERGUSON: That's not an
19 area that the Convention Bureau is
20 involved with. If you're talking about a
21 convention like the -- I'll use the
22 American College of Rheumatology, which I
23 referenced here, that was here in 2009.
24 It was their second largest convention
25 ever in their history of 75 years. Their

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 largest was in San Francisco. They
3 consumed 38,000 rooms, 6,000 additional
4 rooms outside of the block, which
5 means -- you know how they block hotel
6 rooms? They were outside of the -- what
7 does that do? When compression happens
8 downtown, it spills into the Airport
9 hotels. It spills into City Line Avenue
10 hotels. It spills out to Conshohocken
11 and all the way out to Valley Forge and
12 across the pond, across the river to
13 Southern Jersey and sometimes down into
14 Wilmington, Delaware.

15 COUNCILMAN JONES: But from any
16 of you, how many of you keep stats
17 specifically on Delaware County and its
18 benefit from those kinds of events, and
19 is it something that if we're talking
20 about marketing regionally --

21 MR. FERGUSON: Well, it's a
22 great question, Councilman Jones, and the
23 interesting thing is, when the
24 Pennsylvania Convention Center runs full,
25 which is the hospitality economic engine,

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 and the hotels downtown create
3 compression, it pushes out. That doesn't
4 necessarily -- it pushes other business
5 out, and they look for accommodations in
6 the counties. If the CVBs of the
7 counties were here, they would say every
8 time Philadelphia is filled, it's a good
9 day for us. It's a good week for us.

10 So in answer to your question,
11 what that does, it creates revenue for
12 the County of Philadelphia, which is what
13 the convention is doing, but it also
14 generates opportunities for more revenue
15 to go into the hotels at the Airport and
16 Delaware County or to the hotels in
17 Chester County, and it also, because
18 there's demand, can raise the price to
19 the traveler.

20 COUNCILMAN JONES: My point is,
21 I specifically remember three events.
22 The Regatta had that impact. You
23 couldn't find a hotel in the region. The
24 one that's near and dear to my heart,
25 which is the Penn Relays, and having been

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 a former track coach, I know that same
3 impact happens for hotels in the region
4 and restaurants in the region. Trying to
5 book a hotel then is ludicrous. And
6 then, finally, the Republican National
7 Convention, I happen to know, that -- I
8 was at the Commerce Department back
9 then -- that it had a similar impact.

10 So what I would suggest also,
11 as we start to talk about -- and they're
12 absolutely right to say if we have a
13 regional approach, if it ain't measured,
14 it ain't managed. And I know that's
15 broken English, but it is true. If we're
16 going to talk about regional benefit,
17 then we have to have specific data that
18 we can put forth as a benefit to our
19 neighbors in Delaware County.

20 MR. CONNOR-ROSS: Councilman,
21 can I add something?

22 COUNCILMAN JONES: Yeah, sure.

23 MR. CONNOR-ROSS: If you have
24 all visitation to Delaware County, not
25 necessarily specific to the conventions

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 and the events you had mentioned, but
3 they do welcome over 3 million visitors a
4 year, more than a million of whom stay
5 overnight. As I mentioned in my
6 testimony, that spending results in \$674
7 million in impact. I can give you a
8 couple of other numbers - \$93 million
9 generated in taxes, over 9,000 jobs
10 supported and 227 million wages based on
11 those jobs. And that's from a GPTMC
12 study. So we do track each of the
13 counties separately.

14 COUNCILMAN JONES: I think
15 that's important as we discuss how we
16 become better neighbors.

17 This Administration, if I could
18 give them some kudos, Mayor Nutter made
19 specific impacts inroads to regional
20 cooperation. Our Chairman, Councilman
21 Kenney, is true, this is interlocking
22 relationships on multiple issues and
23 what -- where we have the advantage
24 today, they may have the advantage
25 tomorrow. So we should not disregard our

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 neighbors' interests, because it goes
3 around real quick.

4 MR. SALER: Councilman, I might
5 suggest that maybe your office also
6 contact a gentleman by the name of
7 Patrick Killian, who runs the Delaware
8 County Chamber, and is very able and a
9 former member of the Airport Advisory
10 Board many years ago.

11 COUNCILMAN JONES: Okay.

12 Couple of other questions very
13 briefly. Have we ever had a documented
14 cancellation of a convention based on
15 transportation issues, specifically
16 Airport related? And a nod will do,
17 affirmative or -- to your knowledge.

18 MR. GALE: Not specifically.

19 COUNCILMAN JONES: Not
20 specifically, for the record. Okay.

21 Anyone at the table here?

22 MR. MORR: I'm not going to
23 speak to conventions because that's
24 really what PCVB and GPTMC are involved
25 in, but we get questions from companies

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 that are looking to expand into the
3 region and they ask us to analyze the
4 availability of service to particular
5 markets, the frequency of the service to
6 those markets and the cost, and that's an
7 important factor in their decision. If
8 they can't get all the places they want
9 to go, that knocks us down the list in
10 terms of being able to be competitive.

11 Right now, for example, we have
12 terrific service to Europe, and we
13 brought -- 55 percent of the companies
14 that have come here, in the time I've
15 been doing this, have come from overseas,
16 but we don't have a single flight to
17 Africa, Asia or non-stop to South
18 America. We need to develop a full
19 pattern of international air service to
20 be fully plugged in to the global
21 economy, and that's a critical need, and,
22 frankly, this program is an important
23 part of having the capacity, the gates
24 and the operational efficiency to do
25 that.

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 COUNCILMAN JONES: Well,

3 further evidence of our interlocking
4 relationship is the fact that we don't --
5 the soccer stadium is in Delaware County
6 and another one of the gambling
7 facilities is in Delaware County, and I
8 know no one goes to a convention and
9 selects it because of amenities such as
10 soccer or gambling or things like that.
11 We know they're strictly there for the
12 meet of the conference, but I'm wondering
13 how these kinds of cause and effect
14 things matter.

15 MR. FERGUSON: Well, you

16 bring -- two things that you bring up
17 there. Let's go back to the Convention
18 Center, your questions about the
19 convention. When we were talking about
20 rheumatology, it's about a \$40 million
21 economic impact in about four days into
22 the City. What happens is -- and,
23 remember, they're rheumatologists from
24 all over the world. Their primary focus
25 is networking and sessions in the

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 Convention Center from, say, as early as
3 6 o'clock in the morning to about 5:30 at
4 night. After that, the activities
5 continue on and it's all about venues,
6 and those venues include cultural,
7 historical, restaurant, sporting events,
8 shopping. They all play into it. And if
9 you have 10,000 or 18,000 people in the
10 City at a given time, not all 18,000
11 people do the same thing.

12 The beauty of Philadelphia and
13 its selling of its package to
14 conventions, to trade shows and to people
15 coming in, twofold. First of all, we're
16 a very tight-packaged city. We're
17 walkable once you get there. The fact
18 that the Airport is only seven miles from
19 downtown and you're there in 15 minutes,
20 whether you take a cab or you take the
21 regional rail, is unbelievably a huge win
22 for us against the competition, against
23 the competitive set. It's a very
24 important thing to understand how the
25 total package is sold, and that makes us

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 very, very competitive.

3 The other thing that makes us
4 very competitive is the fact that where
5 we're located in the United States.
6 We're within 40 percent of the U.S.
7 population by a day's drive. So you've
8 got rail and you've got air and you've
9 also got automobile. They're great modes
10 of transportation to get to whether it's
11 selling to the leisure traveler or it's
12 selling to the conventioneer.

13 What we try to do
14 organizationally, both groups, is to take
15 the conventioneer and convert him or her
16 to a leisure traveler or to a business
17 traveler on their own and vice-versa.
18 You have a leisure person that comes in
19 and they own a business or they belong to
20 an association and society and said, I
21 have not been to Philadelphia before,
22 it's been so long since I've been in
23 Philadelphia, this would be a great place
24 to have a meeting. So that's why we work
25 closely with Select Greater Philadelphia

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 and their initiatives on the business
3 side of it, and we work with the leisure
4 side of it with Meryl and her team to
5 accomplish this so that Philadelphia wins
6 over someone else. But the Airport is a
7 critical, critical component in the
8 success of the hospitality industry.

9 COUNCILMAN JONES: Finally,
10 Mr. Chairman, I want to just say that I
11 want to extend an opportunity at least
12 for myself and I'm sure other members of
13 this Committee to do two things. One you
14 suggested is spend some quality time with
15 the Administration out at the Airport to
16 go into these matters, because we're not
17 going to get all of them done today, but
18 also I want to take a ride out to Tinicum
19 Township and maybe go out there. I want
20 to meet with the community, because we'll
21 be representative of Philadelphia, but
22 maybe you could escort us out there and
23 show us some of your concerns so we have
24 a better sense of what is going on, what
25 needs to happen and how we can be

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 cooperative.

3 MR. FERGUSON: I wonder if I
4 can just share one other thing with you
5 that might help you in your understanding
6 of the hospitality business, and I don't
7 want to make an assumption that you know
8 that the Philadelphia Convention and
9 Visitor Bureau is a membership-driven
10 organization of 900 members. Now, that's
11 900 company members. That means tens of
12 thousands of people want to be where the
13 customer is coming in. Included in that
14 are the hotels in Delaware County.

15 COUNCILMAN JONES: All right.

16 MR. FERGUSON: We have 85
17 member hotels. Many of them we do not
18 put conventions in. We put meetings
19 specifically for their hotel in their
20 hotels.

21 COUNCILMAN JONES: So we have a
22 mutual benefit relationship --

23 MR. FERGUSON: Absolutely.

24 COUNCILMAN JONES: -- but we
25 have to do it right. I mean, again, we

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 can't -- Councilman Kenney was right on
3 point that to take advantage of leverage
4 today winds up tomorrow's disadvantage if
5 we don't take into those concerns, and
6 we're going to be mindful of that as we
7 proceed.

8 Thank you.

9 COUNCILMAN KENNEY: Thank you.

10 And as far as site visit to Tinicum, my
11 grandparents lived in Clifton Heights, so
12 I should be pretty much all right.

13 COUNCILMAN JONES: At least you
14 know your way.

15 COUNCILMAN KENNEY: It should
16 be okay.

17 But thank you, and thank you
18 for your testimony. Thank you for coming
19 today, and hopefully we've opened a
20 dialogue that will be productive, both
21 for the Airport's needs and for our
22 fellow Pennsylvanians in Delaware County.

23 Thanks.

24 (Joint Committees on
25 Legislative Oversight and Transportation

1 12/2/10 - LEGIS. OVERSIGHT/TRANS. - RES. 100638

2 and Public Utilities concluded at 4:00

3 p.m.)

4 - - -

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATE

I HEREBY CERTIFY that the proceedings, evidence and objections are contained fully and accurately in the stenographic notes taken by me upon the foregoing matter on December 2, 2010, and that this is a true and correct transcript of same.

MICHELE L. MURPHY
RPR-Notary Public

(The foregoing certification of this transcript does not apply to any reproduction of the same by any means, unless under the direct control and/or supervision of the certifying reporter.)