

SUPPORTING STATEMENT

OMB-XXXX-XXXX

Original Issue

Congestion and Delay Reduction at  
Chicago O'Hare International Airport

Justification

**1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.**

The FAA has broad authority to regulate and control the use of navigable airspace of the United States. Under 49 U.S.C. § 40103, the agency is authorized to develop plans for and to formulate policy with respect to the use of navigable airspace and to assign by rule, regulation, or order the use of navigable airspace under such terms, conditions, and limitations as may be deemed necessary in order to ensure the safety of aircraft and the efficient utilization of such airspace. Also, under 49 U.S.C. 40103, the agency is further authorized and directed to prescribe air traffic rules and regulations governing the efficient utilization of the navigable airspace.

On April 5, 2000, the "Wendell H. Ford Aviation Investment and Reform Act of the 21st Century" (the "AIR 21 Act") was enacted. This Act, among other things, provided for the phase-out of the High Density Rule ("HDR") at O'Hare International Airport by July 1, 2002. Initially, lifting the HDR had a minimal impact on delays at O'Hare due to the lingering effects on airline passenger traffic of the September 11, 2001 terrorist attacks. But by November 2003, increases in operations resulted in excessive delays and congestion at O'Hare. Initially the Federal Aviation Administration ("FAA") and the Department of Transportation ("DOT") worked with two of the largest carriers at O'Hare to obtain voluntary reductions in their operations at O'Hare. Despite these reductions, it was necessary to rely upon the FAA's authority to conduct a schedule reduction meeting with all domestic air carriers at the airport (49 U.S.C. 41722). The August 2004 schedule reduction meetings resulted in a temporary order limiting operations at O'Hare until this final rule could be implemented. The purpose of this rule is to limit operations at the airport and manage delay at O'Hare until additional capacity is added or a long-term congestion management solution is implemented.

The rule requires air carriers to obtain an Arrival Authorization to conduct an arrival at O'Hare between 7:00 am and 8:59 pm on weekdays and between 12:00 pm and 8:59 pm on Sundays (no requirement for Saturdays). This rule provides procedures for the initial and subsequent allocation of Arrival Authorizations and permits air carriers to transfer Arrival Authorizations between other air carriers through a variety of mechanisms. The rule also implements a minimum usage provision at the airport.

Generally, the information collection requirements of the rule involve scheduled air carriers notifying the FAA of their current and planned activities regarding use of

Arrival Authorizations. The carriers must notify the FAA of: (1) requests to be included in a lottery for available Arrival Authorizations; (2) requests for confirmation of one-for-one Arrival Authorization trades; (3) usage of Arrival Authorizations on a bi-monthly basis; and (4) participation in the blind secondary market. Finally, carriers must request Arrival Authorizations for international flights twice a year and return them if they will not be used for a period of 15 days or more.

This collection supports the Department of Transportation's strategic goal of mobility for shaping an accessible, reliable transportation system for all people, goods and regions.

**2. Indicate how, by whom, and for what purpose the information is to be used.**

Operators holding Arrival Authorizations report the information to the FAA. The FAA logs, verifies, and processes the requests made by the operators.

This information is used to allocate, track usage, withdraw, and confirm transfers of Arrival Authorizations among the operators and facilitates the buying and selling of Arrival Authorizations in the blind secondary market. The FAA also uses this information on a daily basis in order to maintain an accurate base of operations to ensure compliance with the operations permitted under the rule and those actually conducted at the airport.

**3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.**

A significant amount of the reporting requirements involve scheduling information that the carriers already have in their computer databases. Therefore, the carriers may not have to alter their databases in order to meet this reporting requirement. The airline industry is one of the leaders in the use of improved information technology; the carriers are expected to use their information technology capabilities to assist them in reducing any burden due to the information reporting requirements of this rule. Carriers that are required to report usage on a bi-monthly basis will be able to submit the necessary information electronically. In addition, the FAA will establish an electronic mailbox for the submission of Arrival Authorization usage reports and requests for confirmation of transferred Arrival Authorizations. This is consistent with the requirements of the Government Paperwork Elimination Act.

**4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purpose(s) described in 2 above.**

Because the rule imposes new reporting requirements for scheduled operators at O'Hare, there is not a duplication of information being collected. There are no other data sources that assign carrier flight numbers to specific Arrival Authorizations or to obtain the other information on allocation, transfer, or usage.

**5. If the collection of information has a significant impact on a substantial number of small businesses or other small entities (item 5 of OMB Form 83-I), describe the methods used to minimize burden.**

The final rule affects all scheduled operators at O'Hare, more than just a few of which are small entities (where "small entities" are firms with 1,500 or fewer employees). The arrivals of all carriers currently providing service at O'Hare will be accommodated, thereby minimizing the impact on their schedules. The burden to small operators is less since they have fewer operations. Therefore, operators that are small businesses will have less of a reporting burden than large carriers that will hold the bulk of the Arrival Authorizations. The FAA will accept the submission of information by e-mail, fax, and telex. The reporting requirements will not impose significant cost to small entities.

**6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently.**

The rule will require carriers to submit requests for Arrival Authorizations for international operations twice a year. This twice-a-year requirement corresponds to the Winter and Summer scheduling changes and is consistent with International Air Transport Association procedures used at most of the capacity constrained airports worldwide. If the carriers make their requests for Arrival Authorizations less frequently, the allocation procedure fails to take into consideration changes in scheduling that are characteristic of the air transport industry. This may result in some periods exceeding the established capacity limits, resulting in unnecessary congestion. At the same time, some periods may be below the limits, resulting in unused airport capacity.

In addition, operators holding Arrival Authorizations will be required to provide reports to the FAA every other month on usage of Arrival Authorizations. This level of frequency will ensure that corrective measures may be taken in a timely fashion if the limited Arrival Authorizations at this airport are not being utilized according to the minimum usage requirement.

If this information is collected less frequently, the FAA is unable to maintain an accurate inventory of Arrival Authorizations and to enforce the operational limits. Most of the other reporting requirements (i.e., transfers, blind market) occur on an as-needed basis with most of those events being initiated by the carriers.

**7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with 5 CFR 1320.5(d)(2)(i)-(vii)**

This information reporting effort is consistent with the guidelines in 5 CFR § 1320.5 (d)(2)(i)-(vii), with the exception of the one reporting burden (usage reporting) which occurs once every other month. This level of frequency is necessary to ensure that corrective measures could be taken in a timely fashion if the limited Arrival Authorizations at this airport are not being utilized according to the minimum usage requirement.

**8. Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any) and on the data elements to be recorded, disclosed, or reported.**

The FAA sought comment from all interested parties through the publication of an NPRM in the Federal Register on March 25, 2005 (Volume 70, Number 57, pages 15520-15539). No comments were received.

**9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

There are no monetary considerations for this collection of information.

**10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.**

The rule does not require the holder of Arrival Authorizations to disclose confidential or sensitive information either to the FAA or to the public. Therefore, no assurances of confidentiality are required to be given.

**11. Provide additional justification for any questions of a sensitive nature such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary; the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

There are no questions of a sensitive nature.

**12. Provide estimates of the hour burden of the collection of information.**

We have analyzed the hourly burden by requirement:

(1) Requests to be included in a lottery for available Arrival Authorizations

Annual Number of Respondents – 15

Annual Hour Burden – 25

Annualized Cost to Respondents - \$1,371

We estimate that 15 carriers (including potential new entrants) will request to be included in a lottery for available Authorizations. Each carrier will notify the FAA via e-mail of its intent to participate. We estimate it will take one hour to prepare and provide the FAA this notification. We estimate roughly 5 lotteries during the effective dates of this

rule and corresponding costs of \$4,170 (\$3,598 present value). The annualized cost is \$1,371.

(2) Requests for confirmation of one-for-one Arrival Authorization trades

Annual Number of Respondents – 15  
Annual Hour Burden – 500  
Annualized Cost to Respondents - \$27,800

Trades will be permitted outside the blind market in order to allow carriers to adjust the timing of their schedules by trading arrival authorization times with other operators. We estimate each trade request will take roughly 0.5 hours to complete and the total number of requests will be 1,000 annually. When multiplied by the rate of \$55.60, the total costs are \$83,400 (\$72,956 present value). The annualized cost is \$27,800.

(3) Usage of Arrival Authorizations on a bi-monthly basis

Annual Number of Respondents – 15  
Annual Hour Burden – 90  
Annualized Cost to Respondents - \$4,889

To estimate the annual reporting cost of this final rule, we multiply the number of domestic and Canadian carriers (15) by the approximate number of hours per carrier per report (1.5). This product is multiplied by the annual number of reporting periods in the calendar year and subsequently by the mean hourly reporting rate of \$55.60. Based on a 2-month estimated reporting period, in 2006 there will be one reporting period, in 2007- six reporting periods and 2008- five reporting periods. Each carrier will take 1.5 hours to file the reports. The total reporting costs to respondents is \$15,012 (\$12,831 present value). The annualized cost is \$4,889.

(4) Participation in the blind secondary market

Annual Number of Respondents – 15  
Annual Hour Burden – 375  
Annualized Cost to Respondents - \$20,850

We anticipate roughly 50 blind secondary market transactions (sales, purchases & leases) annually. We estimate 15 carriers will participate in each secondary market transaction annually and that each transaction will take 0.5 hours. The total cost for participation in the blind secondary market is \$62,550 (\$54,717). The annualized cost is \$20,850.

(5) Carriers must request Arrival Authorizations for international flights twice per year and return them if they will not be used for a period of 15 days or more.

Annual Number of Respondents – 32

Annual Hour Burden – 96

Annualized Cost to Respondents - \$5,338

32 carriers may request Arrival Authorizations for international flights or return them for a period of time if they are not used. Each authorization will take place bi-annually and will require 1.5 hours. The total costs are \$16,013 (\$14,008 present value). The annualized cost is \$5,338.

For the purposes of answering Question 13 on OMB Form 83-1, we reported the total number of respondents as 32 (the most for any of the reporting requirements), added the annual number of responses to all reporting requirements (1,979 from 1-5 of this question), and added the total annual hours of all those responses (1,183).

**13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information.**

The total capital start up cost is the development reporting cost of roughly \$28,760. We multiply the mean hour wage of a computer support specialist (\$39.94) by the number of carriers affected (36) and finally by the estimated set up hours per carrier (20). Annualized over the expected useful life of 3 years the cost is \$10,959.

**14. Provide estimates of annualized cost to the Federal Government.**

The total annualized cost to the Federal Government is approximately \$303,641 and is comprised of FAA E-Bid Development Costs, Operating Costs and E-Bid Administration Costs and Other Administration Costs.

**FAA E-Bid Development Costs**

The design and development of the electronic bidding system will require a software developer and internet/web-based systems developer. The total system development will cost roughly \$150,000 (\$147,196 present value). For software development, we assume approximately 750 hours for a software designer and a senior systems analyst. Using a labor rate of \$130 per hour, the software development will cost about \$97,500. The internet/based interface will require an Internet developer approximately 600 hours. At the rate of \$100 per hour, the Internet interface will add \$60,000 to the cost of the electronic bidding system. The annualized cost to the Federal Government for E-Bid Development Costs is \$56,089.

**FAA E-Bid Operating Costs**

The total E-Bid Operating Cost is \$100,000 (\$87,444 present value) and covers the operating and maintenance costs for a systems analyst to support the blind market at roughly \$25,000 per blind market opportunity. For this evaluation, we assume there will be two opportunities in 2007, one opportunity in 2006 and one in 2008, with corresponding costs of \$25,000 each. The annualized cost to the Federal Government for E-Bid Operating Costs is \$33,321.

#### FAA E-Bid Admin. Costs

FAA estimates that other E-bid administrative costs will be \$107,156 (\$93,702 present value). The E-Bid administrative costs incurred by FAA include the labor costs for an FAA manager; an employee to serve as an assistant to the manager, and an employee serving as support (\$321,469). We estimate that these three employees will support this final rule roughly 1/6<sup>th</sup> of the time this rule will be effective (roughly 2 months per year). The annualized cost to the Federal Government for E-Bid Admin Costs is \$35,705.

#### Other Admin. Costs

We estimate other administrative costs at \$535,782 (\$468,509 in present value dollars). Other costs include implementing the provisions such as the lottery system, the use or lose provision, and other compliance and reporting systems. The estimated 12-month annual undiscounted other administrative costs for three employees is \$321,469. That amount includes the labor costs to cover a manager (with a annual rate of \$150,459); a senior staff employee (with a annual rate of \$108,242), and a support staff (with a annual rate of \$62,768). We estimate that these three employees will support this final rule roughly 5/6<sup>th</sup> of the time (roughly 10 months per year). Therefore annual costs of \$267,891 will occur in 2007 and roughly 1/2 year cost of \$133,946 will occur in 2006 and 2008. The annualized cost to the Federal Government for Other Administrative Cost is \$178,526.

#### **15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.**

As this is a new collection, there is a program change.

#### **16. For collections of information whose results are planned to be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.**

The information collected by the FAA will be public information that will be available through the FAA website or by request. There is no plan to publish results of information collection associated with this final rule.

#### **17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

The FAA is not seeking this approval.

#### **18. Explain each exception to the certification statement identified in Item 19. "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.**

There are no exceptions to Item 19.

**Attachment List:**

- 1. Supporting Statement**
- 1. NPRM**
- 2. Final Rule**
- 4. 49 USC 40103**