



City of Chicago



F2011-5

Office of the City Clerk

Tracking Sheet

Meeting Date:	1/13/2011
Status:	Placed on File
Sponsor(s):	City Clerk
Type:	Filed Matter
Title:	Federal Aviation Administration Approval Of Application By City Of Chicago To Impose Passenger Facility Charge At Chicago O'Hare International Airport. Charge Effective Date: January 1, 2038.
Committee(s) Assignment:	N/A

Placed On File-- FEDERAL AVIATION ADMINISTRATION APPROVAL OF APPLICATION BY CITY OF CHICAGO TO IMPOSE PASSENGER FACILITY CHARGE AT CHICAGO O'HARE INTERNATIONAL AIRPORT.

[Charge Effective Date: January 1, 2038]

[F2011-XXXX]

A communication from Michael Cosentino, Department of Aviation, under the date of December 13, 2010, transmitting a notification of the final decision by the Federal Aviation Administration on an application by the City of Chicago to impose Passenger Facility Charge at Chicago O'Hare International Airport and to use the passenger facility charge revenue for various Airport Projects, which was *Placed on File*.

/c



City of Chicago
Richard M. Daley, Mayor

Chicago Department of Aviation
Rosemarie S. Andolino
Commissioner

Chicago O'Hare International Airport
P.O. Box 66142
Chicago, Illinois 60666
(773) 686-2200
(773) 686-8333 (TTY)

O'Hare Modernization Program
P.O. Box 66142
10510 W. Zemke Road
Chicago, IL 60666
(773) 462-7300
(773) 462-8552 (Fax)

Chicago Midway International Airport
5700 South Cicero Avenue
Chicago, Illinois 60638
(773) 838-0600
(773) 838-0795 (TTY)

www.flychicago.com
www.OhareModernization.org



12/13/2010

The Honorable Miguel del Valle
City Clerk
City of Chicago
City Hall Room 107
121 N. LaSalle Street
Chicago, IL 60602

Dear Mr. del Valle:

Pursuant to the ordinance passed on January 12, 1993, attached hereto please find the approval by the Federal Aviation Administration (FAA) dated December 7, 2010 regarding an application by the City of Chicago for the Passenger Facility Charge (PFC) program at Chicago O'Hare International Airport.

If you have any questions regarding these matters, please contact me at (773) 686-3579.

Sincerely,

Michael Cosentino
Department of Aviation

Attachment

RECEIVED
CITY COUNCIL DIVISION
2010 DEC 15 PM 4:16
OFFICE OF THE
CITY CLERK





U.S. Department
of Transportation
**Federal Aviation
Administration**

Federal Aviation Administration
Great Lakes Region

2300 E. Devon Avenue
Des Plaines, Illinois 60018

December 7, 2010

Ms. Rosemarie Andolino
Commissioner, Department of Aviation
City of Chicago, O'Hare International Airport
P.O. Box 66142
Chicago, Illinois 60666

Attn: Mr. Michael Zonsius

Dear Ms. Andolino:

In accordance with section 158.29 of the Federal Aviation Regulations (Title 14, Code of Federal Regulations, Part 158), the Federal Aviation Administration has approved your application to impose a passenger facility charge (PFC) at Chicago O'Hare International Airport (ORD) and to use PFC revenue at ORD. The authority to impose a PFC is contingent on your continued compliance with the terms of the regulation and any conditions included in this letter.

Enclosed is a Final Agency Decision which provides specific information about this approval including the approved PFC level, total amount approved, net PFC revenue to be collected, earliest charge effective date, and duration of authority to impose the PFC. This Decision also includes information on the partially approved project, as well as the FAA's reason for the decision. The FAA's findings and determinations required by statute and Part 158 as well as the FAA's disposition of comments received in response to your air carrier consultation and public notice are also included in the Decision.

The FAA has approved authority to impose a PFC and use PFC revenue at ORD for one project. The total approved net PFC revenue to be collected for the projects is \$4,635,392, which is \$409,740 less than the entire amount requested by the City of Chicago Department of Aviation.

The FAA has also approved your request to exempt that class of carriers defined as *Air Taxi* from the requirement to collect the PFC. We request that you notify the carriers in the excluded class, which were listed in your application, of this exemption.

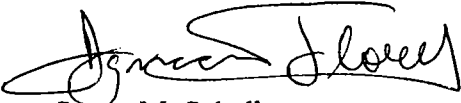
Reporting, recordkeeping, and auditing requirements are described in Part 158, Subpart D. Please issue your required quarterly reports in accordance with the previously issued

guidance on reports. We request that you advise our Chicago Airports District Office when you notify the air carriers and foreign air carriers to begin collecting PFCs.

In accordance with §158.33(a)(1), you are required to implement your projects approved for concurrent impose and use authority at ORD no later than 2 years after receiving approval to use PFC revenue on the project.

We have enclosed the list of advisory circulars with which you must comply in accordance with your certification of assurance number 9, standards and specifications.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan M. Schalk", written over a horizontal line.

for

Susan M. Schalk
Manager, Airports Division
Great Lakes Region

CURRENT FAA ADVISORY CIRCULARS REQUIRED FOR USE IN AIP FUNDED AND PFC APPROVED PROJECTS

Dated: 6/2/2010

View the most current versions of these ACs and any associated changes at:
http://www.faa.gov/airports/resources/advisory_circulars

NUMBER	TITLE
70/7460-1K	Obstruction Marking and Lighting
150/5000-13A	Announcement of Availability—RTCA Inc., Document RTCA-221, Guidance and Recommended Requirements for Airports Surface Movement Sensors
150/5020-1	Noise Control and Compatibility Planning for Airports
150/5070-6B Change 1	Airport Master Plans
150/5070-7	The Airport System Planning Process
150/5200-28D	Notices to Airmen (NOTAMS) for Airport Operators
150/5200-30C	Airport Winter Safety and Operations
150/5200-33B	Hazardous Wildlife Attractants On or Near Airports
150/5210-5D	Painting, Marking and Lighting of Vehicles Used on an Airport
150/5210-7D	Aircraft Fire and Rescue Communications
150/5210-13B	Water Rescue Plans, Facilities, and Equipment
150/5210-14B	Aircraft Rescue Fire Fighting Equipment, Tools, and Clothing
150/5210-15A	Airport Rescue & Firefighting Station Building Design
150/5210-18A	Systems for interactive Training of Airport Personnel
150/5210-19A	Driver's Enhanced Vision System (DEVS)
150/5220-4B	Water Supply Systems for Aircraft Fire and Rescue Protection
150/5220-13B	Runway Surface Condition Sensor Specification Guide
150/5220-16C	Automated Weather Observing Systems for Non-Federal Applications

FAA Advisory Circulars Required for Use in AIP Funded and PFC Approved Projects
June 2, 2010

NUMBER	TITLE
150/5220-17A and Change 1	Design Standards for an Aircraft Rescue Firefighting Training Facility
150/5220-18A	Buildings for Storage and Maintenance of Airport Snow and Ice Control Equipment and Materials
150/5220-20 and Change 1	Airport Snow and Ice Control Equipment
150/5220-21B	Guide Specification for Lifts Used to Board Airline Passengers With Mobility Impairments
150/5220-22A	Engineered Materials Arresting System (EMAS) for Aircraft Overruns
150/5220-23	Frangible Connections
150/5220-24	Foreign Object Debris Detection Equipment
150/5300-13 and Changes 1 –15	Airport Design
150/5300-14B	Design of Aircraft Deicing Facilities
150/5300-16A	General Guidance and Specifications for Aeronautical Surveys: Establishment of Geodetic Control and Submission to the National Geodetic Survey
150/5300-17B	General Guidance and Specifications for Aeronautical Survey Airport Imagery Acquisition
150/5300-18B	General Guidance and Specifications for Submission of Aeronautical Surveys to NGS: Field Data Collection and Geographic Information System (GIS) Standards
150/5320-5C and Change 1	Surface Drainage Design
150/5320-6E	Airport Pavement Design and Evaluation
150/5320-12C and Changes 1 through 8	Measurement, Construction, and Maintenance of Skid Resistant Airport Pavement Surfaces
150/5320-14	Airport Landscaping for Noise Control Purposes

FAA Advisory Circulars Required for Use in AIP Funded and PFC Approved Projects
June 2, 2010

NUMBER	TITLE
150/5320-15A	Management of Airport Industrial Waste
150/5325-4B	Runway Length Requirements for Airport Design
150/5335-5A	Standardized Method of Reporting Airport Pavement Strength PCN
150/5340-1J and Change 2	Standards for Airport Markings (Change 1&2)
150/5340-5C	Segmented Circle Airport Marker System
150/5340-18E	Standards for Airport Sign Systems
150/5340-30D	Design and Installation Details for Airport Visual Aids
150/5345-3F	Specification for L821 Panels for the Control of Airport Lighting
150/5345-5B	Circuit Selector Switch
150/5345-7E	Specification for L824 Underground Electrical Cable for Airport Lighting Circuits
150/5345-10F	Specification for Constant Current Regulators Regulator Monitors
150/5345-12E	Specification for Airport and Heliport Beacon
150/5345-13B	Specification for L841 Auxiliary Relay Cabinet Assembly for Pilot Control of Airport Lighting Circuits
150/5345-26D	Specification for L823 Plug and Receptacle, Cable Connectors
150/5345-27D	Specification for Wind Cone Assemblies
150/5345-28F	Precision Approach Path Indicator (PAPI) Systems
150/5345-39C	FAA Specification L853, Runway and Taxiway Retroreflective Markers
150/5345-42F	Specification for Airport Light Bases, Transformer Housings, Junction Boxes and Accessories
150/5345-43F	Specification for Obstruction Lighting Equipment
150/5345-44H	Specification for Taxiway and Runway Signs
150/5345-45C	Low-Impact Resistant (LIR) Structures

FAA Advisory Circulars Required for Use in AIP Funded and PFC Approved Projects
June 2, 2010

NUMBER	TITLE
150/5345-46D	Specification for Runway and Taxiway Light Fixtures
150/5345-47B	Specifications for Series to Series Isolation Transformers for Airport Lighting System
150/5345-49C	Specification L854, Radio Control Equipment
150/5345-50B	Specification for Portable Runway and Taxiway Lights
150/5345-51A	Specification for Discharge-Type Flasher Equipment
150/5345-52A	Generic Visual Glideslope Indicators (GVGI)
150/5345-53C	Airport Lighting Equipment Certification Program
150/5345-54B	Specification for L-1884, Power and Control Unit for Land and Hold Short
150/5345-55A	Specification for L893, Lighted Visual Aid to Indicate Temporary Runway Closure
150/5345-56A	Specification for L-890 Airport Lighting Control and Monitoring System (ALCMS)
150/5360-9	Planning and Design of Airport Terminal Facilities at NonHub Locations
150/5360-12E	Airport Signing and Graphics
150/5360-13 and Change 1	Planning and Design Guidance for Airport Terminal Facilities
150/5370-2E	Operational Safety on Airports During Construction
150/5370-10E	Standards for Specifying Construction of Airports
150/5370-11A	Use of Nondestructive Testing Devices in the Evaluation of Airport Pavement
150/5380-6B	Guidelines and Procedures for Maintenance of Airport Pavements
150/5390-2B	Heliport Design
150/5390-3	Vertiport Design
150/5395-1	Seaplane Bases

**THE FOLLOWING ADDITIONAL APPLY TO AIP PROJECTS ONLY
DATED: 6/2/2010**

NUMBER	TITLE
150/5100-14D	Architectural, Engineering, and Planning Consultant Services for Airport Grant Projects
150/5100-15A	Civil Rights Requirements for the Airport Improvement Program
150/5100-17 and Changes 1 through 6	Land Acquisition and Relocation Assistance for Airport Improvement Program Assisted Projects
150/5200-37	Introduction to Safety Management Systems (SMS) for Airport Operators
150/5300-15A	Use of Value Engineering for Engineering Design of Airports Grant Projects
150/5320-17	Airfield Pavement Surface Evaluation and Rating (PASER) Manuals
150/5370-6D Change 1-4	Construction Progress and Inspection Report – Airport Grant Program
150/5370-12A	Quality Control of Construction for Airport Grant Projects
150/5370-13A	Offpeak Construction of Airport Pavements Using Hot-Mix Asphalt
150/5380-7A	Airport Pavement Management Program
150/5380-8A	Handbook for Identification of Alkali-Silica Reactivity in Airfield Pavements

**THE FOLLOWING ADDITIONAL APPLY TO PFC PROJECTS ONLY
DATED: 6/2/2010**

NUMBER	TITLE
150/5000-12	Announcement of Availability – Passenger Facility Charge (PFC) Application (FAA Form 5500-1)

FINAL AGENCY DECISION

CITY OF CHICAGO, DEPARTMENT OF AVIATION CHICAGO, ILLINOIS

Application number 10-24-C-00-ORD is to impose a passenger facility charge (PFC) at Chicago O'Hare International Airport (ORD) for use at ORD.

In accordance with §158.29 of Title 14, Code of Federal Regulations ("CFR") of the Federal Aviation Regulations¹, this Final Agency Decision (FAD) includes the appropriate determinations to approve or disapprove, in whole or in part, imposition of a PFC at ORD and use of PFC revenue on one project at ORD².

Procedural History (Dates)

Air carrier consultation meeting: April 21, 2010.

Public notice: April 12, 2010.

FAA receipt of application: August 11, 2010.

FAA finding that application is substantially complete: September 8, 2010.

PFC Level, Amount, and Charge Effective Date

Level of PFC:	\$4.50
Total approved net PFC revenue in this decision:	\$ 4,635,392
Earliest charge effective date:	January 1, 2038

January 1, 2038, is the "earliest" date on which air carriers are obliged to begin collecting PFCs from passengers ("charge effective date") and is based upon the estimated "charge expiration date" for the previously approved collections in application 10-23-C-00-ORD³. If the City of Chicago Department of Aviation (City) changes the charge expiration date for the previous application, the charge effective date for this application will also change, so that the City can continue to collect the authorized amount of PFC revenue without a cessation in collections. Title 14 CFR §158.43 contains information regarding notification to air carriers and foreign air carriers of the charge effective date and changes to the charge expiration date. In establishing its charge effective date, the public agency must comply with §158.43(b)(3), which states, in part, that the charge effective date

¹ Elsewhere in this document 14 CFR Part 158 may be referred to in abbreviated form as "Section 158.xx" or "§ 158.xx".

² The project included in this decision is as follows: O'Hare School Sound Insulation Program.

³ Pursuant to Title 14 CFR §158.3: "charge effective date" means the date on which air carriers are obliged to begin collection of a PFC; "charge expiration date" means the date on which air carriers are to cease collecting a PFC.

will be the first day of a month which is at least 30 days from the date the public agency notifies the carriers of approval to impose the PFC.

Duration of Authority

The City is authorized to impose a PFC at ORD until the date on which the total net PFC revenue collected plus interest thereon equals the allowable cost of the approved projects or the charge expiration date is reached, whichever comes first. Based on information submitted by the City, the FAA estimates the charge expiration date for this decision is February 1, 2038. Should the amount of PFC revenue collected for this application ever exceed the allowable costs for all approved projects in this application, the public agency's authority to impose a PFC for this application ceases.⁴ If the public agency's authority to impose a PFC ceases, the public agency must, without delay, submit a plan acceptable to the FAA to insure that it complies with applicable law, subject to loss of Airport Improvement Program (AIP) grant funds. Section 158.39(d).

CUMULATIVE PFC AUTHORITY DECISION SUMMARY TABLE (including current decision)

Application Number	Approved for Collection	Approved for Use
93-01-C-00-ORD	\$ 500,418,285	\$ 203,169,288
93-01-C-01-ORD	\$ 3,043,976	\$ 0
93-01-C-02-ORD	\$ 4,070,943	\$ 4,070,943
93-01-C-03-ORD	\$ 2,310,816	\$ 0
93-01-C-04-ORD	(\$ 49,381,374)	(\$ 49,381,374)
93-01-C-05-ORD	\$ 2,228,896	\$ 0
93-01-C-06-ORD	\$ 33,289,404	\$ 52,607,489
93-01-C-07-ORD	\$ 7,211,803	\$ 0
93-01-C-08-ORD	\$ 12,397,557	\$ 0
93-01-C-09-ORD	\$ 6,455,531	\$ 5,228,339
93-01-C-10-ORD	(\$ 4,774,097)	(\$ 4,774,097)
93-01-C-11-ORD	\$ 612,594,021	\$ 0
93-01-C-12-ORD	(\$ 115,037,047)	\$ 23,053,275
93-01-C-13-ORD	\$ 214,109,256	\$ 109,210,915
93-01-C-14-ORD	(\$ 80,400,000)	\$ 0
93-01-C-15-ORD	\$ 9,947,249	\$ 8,367,249

⁴ See Title 14 CFR § 158.63(a) (The public agency must provide quarterly reports to air carriers collecting PFCs for the public agency with a copy to the appropriate FAA Airports Office.), § 158.67(c) (The public agency shall annually provide for an audit of its PFC account.), and § 158.39(a) (If excess PFC revenue has been collected, the public agency must use the excess funds for approved PFC projects or to retire outstanding PFC – financed bonds.).

94-02-U-00-ORD	\$ 0	\$ 59,572,172
94-02-U-01-ORD	\$ 0	\$ 2,228,896
94-02-U-02-ORD	\$ 0	\$ 7,072,870
94-02-U-03-ORD	\$ 0	(\$ 2,572,624)
95-03-C-00-ORD	\$ 21,343,524	\$ 48,078,691
95-03-C-01-ORD	\$ 0	\$ 7,211,803
95-03-C-02-ORD	\$ 0	\$ 218,210,000
95-03-C-03-ORD	\$ 0	(\$ 153,928,673)
95-03-C-04-ORD	(\$ 21,343,524)	(\$ 21,343,524)
95-03-C-05-ORD	\$ 0	\$ 23,020,309
95-03-C-06-ORD	\$ 0	\$ 11,700,000
96-04-C-00-ORD	\$ 1,450,000	\$ 1,450,000
96-04-C-01-ORD	(\$ 346,500)	(\$ 346,500)
96-04-C-02-ORD	(\$ 1,103,500)	(\$ 1,103,500)
96-05-C-00-ORD	\$ 386,444,323	\$ 588,747,375
96-05-C-01-ORD	\$ 26,474,108	\$ 27,701,300
96-05-C-02-ORD	\$ 10,774,097	\$ 10,774,097
96-05-C-03-ORD	\$ 33,191,669	\$ 427,575,690
96-05-C-04-ORD	\$ 0	\$ 18,410,975
96-05-C-05-ORD	(\$ 5,288,448)	(\$ 5,288,448)
96-05-C-06-ORD	\$ 16,118,381	\$ 97,996,413
96-05-C-07-ORD	\$ 0	(\$ 80,400,000)
96-05-C-08-ORD	\$ 0	(\$ 10,120,000)
96-05-C-09-ORD	\$ 20,426,238	\$ 20,426,238
97-06-C-00-ORD	\$ 1,470,500	\$ 1,470,500
97-06-C-01-ORD	(\$ 1,470,500)	(\$ 1,470,500)
98-07-C-00-ORD	\$ 61,717,809	\$ 61,717,809
98-07-C-01-ORD	(\$ 8,814,528)	(\$ 8,814,528)
98-07-C-02-ORD	\$ 1,922,127	\$ 1,922,127
98-08-C-00-ORD	\$ 546,526,300	\$ 209,956,300
98-08-C-01-ORD	(\$ 546,526,300)	(\$ 209,956,300)
98-09-C-00-ORD	\$ 1,540,000	\$ 1,540,000
98-09-C-01-ORD	(\$ 1,540,000)	(\$ 1,540,000)
98-10-U-00-ORD	\$ 0	\$ 88,370,000
98-10-U-01-ORD	\$ 0	(\$ 88,370,000)
99-11-C-00-ORD	\$ 1,500,000	\$ 1,500,000

99-11-C-01-ORD	(\$ 1,500,000)	(\$ 1,500,000)
01-12-C-00-ORD	\$1,486,284,358	\$ 787,084,358
01-12-C-01-ORD	\$ 108,543,432	\$ 108,543,432
01-12-C-02-ORD	(\$ 279,500,000)	\$ 0
01-12-C-03-ORD	\$ 25,000,000	\$ 25,000,000
01-12-C-04-ORD	\$ 100,251,514	\$ 100,251,514
01-12-C-05-ORD	\$ 8,432,793	\$ 17,432,793
01-12-C-06-ORD	(\$ 366,700,000)	\$ 0
01-12-C-07-ORD	\$ 222,300,000	\$ 222,300,000
02-13-U-00-ORD	\$ 0	\$ 53,000,000
02-13-U-01-ORD	\$ 0	(\$ 9,000,000)
02-14-C-00-ORD	\$ 2,565,000	\$ 2,565,000
02-14-C-01-ORD	(\$ 2,565,000)	(\$ 2,565,000)
03-15-C-00-ORD	\$ 11,625,000	\$ 11,625,000
04-16-C-00-ORD	\$ 37,000,000	\$ 37,000,000
06-17-C-00-ORD	\$ 73,198,000	\$ 73,198,000
06-18-C-00-ORD	\$ 8,200,000	\$ 8,200,000
06-18-C-01-ORD	(\$ 8,200,000)	(\$ 8,200,000)
06-19-C-00-ORD	\$1,290,509,174	\$1,290,509,174
07-20-C-00-ORD	\$ 53,983,000	\$ 53,983,000
07-20-C-01-ORD*	(\$ 53,983,000)	(\$ 53,983,000)
08-21-C-00-ORD	\$ 231,690,213	\$ 231,690,213
09-22-C-00-ORD	\$ 247,195,313	\$ 247,195,313
10-23-C-00-ORD	\$ 1,400,818,394	\$ 1,400,818,394
10-24-C-00-ORD	\$ 4,635,392	\$ 4,635,392
Totals	\$ 6,385,823,232	\$ 6,385,823,232

Project Approval Determinations

For each project approved in this FAD and for the application as a whole, the FAA, based on its expertise with the PFC program and airport development, exercises its judgment, and based upon its expertise finds that the application

and record thereof, contain substantial documentation to support its determinations. Based on its review and pursuant to 49 U.S.C. §40117, the FAA finds that:

- The amount and duration of the PFC will not result in revenue that exceeds the amount necessary to finance the specific project.
- Each project approved at a \$3 or lower level meets at least one of the objectives set forth in 14 CFR §158.15(a) (as set forth in the individual project determinations); is eligible in accordance with §158.15(b) (as set forth in the individual project determinations); and is adequately justified in accordance with §158.15(c) and paragraph 4-8 of FAA Order 5500.1, Passenger Facility Charge (August 9, 2001) (as set forth in the individual project determinations).
- Each project approved at a PFC level above \$3.00 will make a significant contribution in accordance with 14 CFR §158.17(b)⁵ (as set forth in the individual project determinations); meets at least one of the objectives set forth in §158.15(a) (as set forth in the individual project determinations); is eligible in accordance with §158.15(b) (as set forth in the individual project determinations); and is adequately justified in accordance with §158.15(c) and paragraph 4-8 of FAA Order 5500.1, Passenger Facility Charge (August 9, 2001) (as set forth in the individual project determinations).
- Each project approved for collection at a PFC level above \$3, meets the requirements of 14 CFR §158.17(a) (2). The FAA has reviewed the City's funding proposals for each project. For each project, the FAA has determined that the Airport Improvement Program (AIP) funds are not expected to be available to fund the project in whole or in part.
- The collection process, including a request by the public agency not to require a class or classes of carrier to collect PFC, is reasonable, not arbitrary, nondiscriminatory, and otherwise in compliance with the law.
- The public agency has not been found to be in violation of §9304(e) or §9307 of the Airport Noise and Capacity Act (ANCA) of 1990 (since codified at 49 U.S.C. 47524 and 47526).
- The project-related requirements, concerning approval of the airport layout plan (ALP) and completion of airspace studies have been met.

⁵ A project for a medium or large airport is only eligible for PFC funding at levels of \$4 or \$4.50 if the project will make a significant contribution to improving air safety and security, increasing competition among air carriers, reducing current or anticipated congestion, or reducing the impact of aviation noise on people living near the airport. [See 14 CFR § 158.17(b).]

- Environmental requirements (14 CFR §158.29(b) (1) (iv)) have been completed and are discussed under a separate heading below.

Project Partially Approved for Authority to Impose and Use the PFC at ORD at a \$4.50 Level

<u>Description:</u>	<u>Approved Amount</u>
School Sound Insulation	
Pay-as-you-go ⁶	\$ 0
Bond Capital	\$ 2,317,696
Bond Financing & Interest	<u>\$ 2,317,696</u>
Total	\$ 4,635,392

This project includes the sound insulation of three schools (Hitch Elementary, Farnsworth Elementary, and Ebinger Elementary) within the 60 DNL Build Out Noise Contour as presented in the O'Hare Modernization Final Environmental Impact Statement. Sound attenuation tests demonstrate that the interior decibel (dB) level can be decreased to achieve a 45 dB level, on average, over a school day.

Sound insulation may include but is not limited to: installation of heating and air conditioning systems; replacement of existing windows and exterior doors with sound insulating windows and doors, the addition of insulation to exterior walls and ceilings, and the addition of baffling devices to all exterior vents.

Previous phases of this program were approved under the 06-17, 04-16, 01-12, and 96-05 PFC decisions.

Determinations:

Partially approved for collection and use.

Significant contribution: This project includes the sound insulation of three schools (Hitch Elementary, Farnsworth Elementary, and Ebinger Elementary) within the 60 DNL Build Out Noise Contour as presented in the O'Hare Modernization Final Environmental Impact Statement. The sound insulation activities will result in a decrease in noise levels, attributable to aviation noise, in the impacted schools to obtain the interior target of DNL 45 dB.

Thus, the FAA determines that this project makes a significant contribution to mitigating noise within the 60 DNL Build Out Noise Contour at Chicago O'Hare International Airport.

⁶ "Pay-as-you-go" refers to a method of financing a project where a public agency pays any outstanding project invoices as soon as PFC collections revenue permits.

PFC Objective: This project includes the sound insulation of three schools (Hitch Elementary, Farnsworth Elementary, and Ebinger Elementary) within the 60 DNL Build Out Noise Contour as presented in the O'Hare Modernization Final Environmental Impact Statement. Thus, this project meets the PFC objective of mitigating noise impacts resulting from aircraft operations at ORD.

Basis for eligibility: paragraphs 800, 801, 802, 806, and 812 of FAA Order 5100.38C, AIP Handbook, (June 28, 2005).

Adequate justification: This project includes the sound insulation of three schools (Hitch Elementary, Farnsworth Elementary, and Ebinger Elementary) within the 60 DNL Build Out Noise Contour as presented in the O'Hare Modernization Final Environmental Impact Statement. The sound insulation activities will result in a decrease in noise levels, attributable to aviation noise, in the impacted schools to obtain the interior target of DNL 45 dB.

The FAA has examined the proposed costs associated with this project and determined that the estimated cost per school of the soundproofing initiatives is consistent with the actual costs realized for similar soundproofing initiatives in previous phases of this noise mitigation program.

Estimated total project cost: \$15,135,234.

Proposed sources of financing: PFC revenue \$4,635,393 (\$409,740 less than the amount requested), \$650,000 of existing AIP grant funds (\$300,000 from 03-17-0022-97-2008 and \$350,000 from 03-17-0022-106-2009), and \$9,440,102 in proposed AIP grants.

Reason for Partial Approval:

The FAA notes that the project costs included in Attachment F for Farnsworth and Ebinger schools include a "contingency" line item (\$506,220 for Farnsworth and \$518,128 for Ebinger). These are not allowable cost components for PFC purposes. The local matching share (20 percent) of the anticipated AIP grants (PFC revenue, including Bond Capital and Bond Financing & Interest) is \$202,488 for Farnsworth and \$207,252 for Ebinger. These amounts are not eligible and have been removed from the Approved Amount for the project. The City must provide a final accounting of the actual project costs incurred and request an amendment of the approved amount if the actual costs are different than the amount approved in this FAD.

- The PFC program includes procedures to amend an approved PFC amount (§158.37) if the actual costs are different than the costs requested by a public agency and approved by the FAA in a FAD.

Environmental Requirements

The school sound insulation which is the subject of this application was analyzed and approved in a Categorical Exclusion issued on November 9, 2010, thus allowing the City to seek concurrent authority to impose and use the PFCs. The Categorical Exclusion was prepared pursuant to the National Environmental Policy Act (NEPA), Council on Environmental Quality guidelines implementing NEPA and FAA Orders 1050.1.E and 5050.4B.

All applicable requirements pertaining to ALP approval, airspace and NEPA have been met.

Request Not to Require a Class or Classes of Carriers to Collect PFCs.

The City requests that the following class of air carriers be excluded from the requirement to collect PFCs: *Air taxi*.

Determination: Approved pursuant to 14 CFR §158.11. Based on information contained in the City's application, the FAA has determined that the proposed class accounts for less than 1 percent of ORD's total annual enplanements. The City should confirm, on an annual basis using prior year enplanement data, that the approved class does not exceed 1 percent of the total enplanements at ORD. Upon completion of the annual review, should the approved class (Air taxi) no longer meet the requirement for exclusion; the City must initiate collection of PFCs from this class of carriers.

Compliance with the Airport Noise and Capacity Act of 1990 (ANCA)

The FAA is not aware of any proposal at ORD which would be found to be in violation of the ANCA. The FAA herein provides notice to the City that a restriction on the operation of aircraft at ORD must comply with all applicable provisions of the ANCA and that failure to comply with the ANCA and Part 161 makes the City subject to provisions of Subpart F of that Part. Subpart F, "Failure to Comply With This Part," describes the procedures to terminate eligibility for AIP funds and authority to collect PFC revenues.

Compliance with Subsection 47107(b) Governing Use of Airport Revenue

As of the date of this approval the City of Chicago, Department of Aviation has not been found to be in violation of 49 U.S.C. §47107(b) or in violation of grant assurances made under 49 U.S.C. §47107(b).

Compliance with Requirement to Submit a Competition Plan

As of the date of this approval, the City of Chicago Department of Aviation has complied with the requirement to submit a competition plan in accordance with

§158.29(a)(1)(viii). Furthermore, by letter dated June 2, 2004, the FAA has determined that the plan is in accordance with 49 U.S.C. §47106(f).

Air Carrier Consultation and City's Public Notice

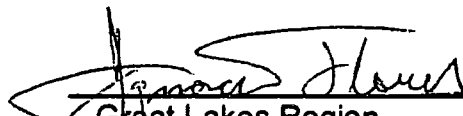
Delta, United, and American Airlines certified agreement with the proposed sound insulation project during the air carrier consultation process following the April 21, 2010 air carrier consultation meeting.

No comments from the public were received from the City's public notice issued on April 12, 2010.

Legal Authority

This decision is made under the authority of 49 U.S.C. §40117, as amended. This decision constitutes a final order to approve, in whole or in part, the City of Chicago Department of Aviation's application to impose a PFC and use PFC revenue on one project at ORD. A person disclosing a substantial interest may apply for review of this decision to the courts of appeals for the United States or the United States Court of Appeals for the District of Columbia upon petition, pursuant to 49 U.S.C. §46110, filed within 60 days after issuance of this decision.

Concur


 Great Lakes Region
 for Airports Division Manager

12/7/10
 Date

Nonconcur

 Great Lakes Region
 Airports Division Manager

 Date