

## LaGuardia Quandary / Officials plan ways to ease congestion

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Since it opened in 1939, LaGuardia Airport has been limited by its location.

Unlike most of the nation's busiest airports, LaGuardia has only two 7,000-foot-long runways that intersect. The airport is hemmed in between Flushing Bay on one side and the Grand Central Parkway on the other. There's no room to build another runway that could handle more air traffic.

Today, that harsh reality is shaping solutions being devised by the airport's operator and government regulators as they struggle to deal with LaGuardia's booming traffic, which made it the nation's worst airport for delays last year.

The Port Authority of New York and New Jersey is drafting a plan that focuses on raising airplane landing fees at peak travel hours and instituting a system to auction off takeoff and landing slots.

Port Authority officials expect to present their recommendations to the Federal Aviation Administration by the end of the month. Both agencies are hoping to hammer out a final plan by Sept. 15, when an FAA-imposed cap on new flights expires.

"We need to have something in place before the cap expires to avoid a repeat of last fall's delays," said William DeCota, the Port Authority's aviation director. "But we also need to make sure that our solutions can be defended, because they might be challenged by the airlines."

LaGuardia was kept manageable through a 32-year-old system of doling out landing and takeoff slots to airlines. When Congress relaxed the system last year to allow an unlimited number of new flights using regional jets with 70 seats or less to underserved markets like Buffalo and Savannah, Ga., airlines proposed adding 600 new flights a day. About 300 new flights were added, and the resulting jam pushed LaGuardia past Chicago's O'Hare as the nation's worst airport for delays.

On Oct. 1, the Port Authority imposed a moratorium on new flights between 8 a.m. and 9:59 a.m. and between 5:30 p.m. and 8:29 p.m. The FAA followed by reducing the number of new flights to 159 and assigning the slots through a lottery system.

With the Sept. 15 deadline looming, officials are scrambling for a long-term solution.

The concept of peak-hour pricing, in which airlines would pay more to land at an airport during busy periods, is not new. But it has received renewed attention in recent months as a way to reduce congestion.

Airlines pay a flat landing fee based on an airplane's weight. At LaGuardia, the fee is \$5.15 per 1,000 pounds. For example, a Boeing 767 that seats 400 passengers is charged about \$1,900 to land, while a regional jet seating 70 people pays about \$180. Each airplane takes up a valuable landing slot.

Experts argue that since the 767 can carry nearly six times as many passengers as the regional jet, it's a more efficient way to transport people.

A restructured landing fee that is not based on the weight of the aircraft could give airlines an incentive to use larger planes, Port Authority officials say. At LaGuardia, there are so many regional jets in use that 25 percent of the planes carry only 5 percent of the passengers.

"We want to see the number of plane movements go down, and that can happen with more efficient pricing," DeCota said.

The new fees most likely would involve a surcharge during peak periods, but there is disagreement on how much landing fees would need to be increased to convince airlines to use larger planes or move flights to off-peak hours.

Most airlines are opposed to peak-hour pricing, arguing that they simply schedule flights at times their customers want to travel. Major airlines are likely to pass along increases in fees to their passengers, especially business travelers. Smaller carriers that charge cut-rate fares worry that they would be priced out of the market during peak periods.

"If a business passenger needs to travel at a certain time of day, he will do that regardless of the price," said Michael Wascom, a spokesman for the Washington-based Air Transport Association, the airlines' major lobbying group.

"If an airport operator increases landing fees for the airlines, then the airlines are going to raise fares," Wascom said. "Tinkering with prices in hopes of suppressing demand doesn't serve the interest of the consumer."

But some airline executives are shifting their position on peak-hour pricing.

Richard Anderson, the new chief executive at Northwest Airlines, said last month that the idea merits study as a way of easing congestion. "We should be looking at every possible solution," he said.

At least two other major airlines, Continental and United, have not taken a position yet on peak-hour pricing.

Despite airlines' argument that they simply schedule flights to meet customer demands, experts say airlines try to dominate some markets by scheduling too many flights.

"There's an advantage to overscheduling," said Richard Gritta, a business professor and airline industry expert at the University of Portland in Oregon. "As an airline increases its flight frequency, its market share grows.

"The behavioral reason behind it is that when an assistant or a corporate travel office schedules a flight, they're going to look for the airline with the most available opportunities," he said.

Gritta argues congestion pricing is the best solution for a physically constrained airport such as LaGuardia. "Peak pricing would force carriers to scale back on their schedules," he said.

Other experts question whether LaGuardia, considered the most convenient airport to Manhattan, can ever be made too expensive for passengers to choose as their preferred destination.

"It's such a valuable place to fly into that it's hard to make it expensive enough so airlines would cut back on flights," said John Hansman, director of the International Center for Air Transportation at the Massachusetts Institute of Technology.

Hansman said congestion pricing also may be difficult to implement at LaGuardia because the airport is packed for most of the day.

"Peak pricing is a useful incentive to get airlines to fly when the schedule isn't loaded," he said. "But there's no traditional peak period at LaGuardia. It's busy all day, and the only time period where you can really shift traffic is late at night."

The other major solution being considered by the Port Authority is an auction for takeoff and landing slots. That's similar to the slot system that was in place at LaGuardia and several other congested airports until Congress eased restrictions last year. Under that plan, there would be a set number of takeoffs and landings each hour and airlines would bid for the slots.

The auction would force airlines to pay more for slots during peak hours. Experts say that would likely cut down on overscheduling and reduce the number of regional jets and private planes using the airport.

This system would require federal legislation, which could be difficult because many members of Congress have complained that such restrictions stifle competition and limit service to smaller cities.

DeCota said the Port Authority also would need the FAA to set a precise number of takeoffs and landings per hour. In recent months, the FAA has imposed a limit of 75 plane movements per hour at LaGuardia. That number might go down as the agency develops capacity limits for 314 key airports nationwide over the next few months.

"We want to know the departure and arrival rate, by time of day, under good weather conditions as well as bad that can safely be accommodated at each airport" FAA administrator Jane Garvey told a congressional hearing on airport delays last month. "Then, working with the airport and airlines, we will look at the impact of planned improvements."

There are concerns that airlines would challenge any attempt to limit service at LaGuardia. But experts say that with last year's massive delays still fresh in the minds of passengers and regulators, airlines are likely to give way. "Last fall's experience made it clear to everyone that something has to be done to manage demand," Hansman said. "The airlines know that they have difficulty managing demand on their own. They may complain about restrictions, but ultimately they will accept them."