

Chicago Airport System

Chicago, Illinois

2004 Competition Plan Updates

John A. Roberson
Commissioner
City of Chicago
Department of Aviation
O'Hare International Airport
Terminal 2 — Mezzanine Level
P.O. Box 66142
Chicago, IL 60666

Eduardo Cotillas
Deputy Corporation Counsel
City of Chicago
Department of Law
121 N. LaSalle Street, Room 600
Chicago, IL 60602

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Chicago Midway International Airport

2004 Competition Plan Update

On September 30, 2002 the FAA notified the City of Chicago ("City") that its 2002 Competition Plan Update for Chicago Midway International Airport ("Midway" or "Airport") was in accordance with the requirements of the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century. In that letter, the FAA requested that the City address certain issues in its next update. We have organized this submittal so that such issues are addressed in the initial paragraphs of each section.

SECTION MDW-1. AVAILABILITY OF GATES AND RELATED FACILITIES

A. FAA Suggestions

As noted by the FAA in its September 30, 2002 letter, the City has a comprehensive and proactive gate monitoring and management program in place at Midway. Since the mid-1990s, the City has compiled air carrier schedules and formulated monthly gate allocation charts to ensure the highest utilization of the airport's gates and other facilities. These charts have been shared monthly with the airlines and have also been used to accommodate new entrants and schedule expansion of incumbent air carriers. Clearly, given the City's ability to accommodate significant growth at Midway, the City has created an exemplary model for gate allocation and monitoring.

Since the time of the FAA's approval of the City's Competition Plan, the City has promulgated procedures for gate allocation on the City-controlled gates. With the opening of the new FIS facility and the capacity for international flights, the City, with the cooperation of and input from interested air carriers, developed Gate Access and Assignment Procedures for the International Gates ("International Gate Procedures"). Shortly thereafter, the City, again with coordination and input from the air carriers, developed and promulgated Gate Access and Assignment Procedures for City Controlled Domestic Gates and North Ramp Triangle Pad ("Domestic Gate Procedures"). The City distributed the International and Domestic Gate Procedures to the air carriers' corporate offices as well as the local station managers. Further, the City provides these procedures along with the gate allocation charts to potential new entrant carriers.

One important factor of the International and Domestic Gate Procedures is the formation of the Gate Planning and Review Committee ("GPRC"). The GPRC is comprised of all users of the City-controlled gates and is primarily responsible for monitoring the administration of the International and Domestic Gate Procedures as well as recommending to the City resolutions to disputes and conflicts.

In anticipation of the completion of the New Terminal Development Program ("TDP") in May 2004, the City is in the process of amending the International Gate Procedures and Domestic Gate Procedures. As with the development of the existing procedures, the City has and will continue to involve the air carriers, both corporate and local offices, in the review of the revised procedures. Initial drafts of these procedures have been provided to the airlines for comment. The City intends to promulgate the revised procedures on April 1, 2004 with a May 1, 2004 effective date.

In its September 2002 letter, the FAA encouraged the City to consider modifying its gate allocation policies for preferentially leased and City-controlled gates so as to give priority to new entrants. Although the City does not have the authority to unilaterally amend the Midway Use Agreement, the City has implemented the Domestic Gate Procedures, which include new entrant or new service as a factor in allocating gates.

Finally, in its September 30, 2002 letter, the FAA asked for an update on the accommodation of Frontier Airlines at Midway. The City is pleased to report that Frontier's entire schedule was accommodated on City gates by June of 2003. Between September 2002, when the City met with the FAA, and the time of Frontier's full accommodation, many airlines – including Air Tran, ATA, Continental, Delta and Mexicana made schedule adjustments and provided accommodations to ensure that Frontier could operate its morning flight once the aircraft gauge was increased to an Airbus 319. These interim arrangements were necessary because Frontier was unable to adjust its morning originator's departure time so that Frontier could be accommodated on a City gate. In fact, since September 2002, the City has been able to accommodate all 12 schedule changes by Frontier.

B. Number and Identity of Any Air Carriers That Have Begun Providing or Stopped Service

For the period of January 2002 through December 2003, two carriers began serving Midway, two carriers discontinued service and three carriers began and discontinued scheduled service. Atlantic Coast began providing service to Cincinnati as an additional regional partner for Delta Air Lines. Mesa began providing service to Charlotte as a US Airways Express carrier. National and Vanguard discontinued service from Midway during the period. Great Plains Airlines began new service to Belleville, Illinois, which was discontinued in January 2004. Mexicana began, and subsequently discontinued, service to 5 markets in Mexico. Indigo Public Charter Air started and stopped scheduled service to Teterboro, New Jersey.

C. Process for Accommodating New Service

The process for accommodating new entrants at Midway is set forth in the Amended and Restated Airport Use Agreements and Facilities Leases ("Midway Use Agreement"), and in the Domestic and International Gate Procedures.

D. Number of New Gates That Have Been Built or Are Now Available

As part of Midway's TDP, the City committed to maintain at least 29 operational gates during construction of the TDP. While construction is ongoing, the City has exceeded this commitment. Currently Midway has 34 gates - a net gain of five gates. At the conclusion of the TDP in May 2004, the number of gates will increase to 43, an increase from the 41 originally planned.

E. Number of Gates That Have Been Converted To Common Use Status

The City is committed to promoting access to new entrants and existing carriers wishing to begin or expand service at Midway. Currently, Midway has two City-controlled common use gates. At the completion of the TDP, in May 2004, the City will have five City-controlled common use gates, three to be used exclusively for domestic operations and two to be used primarily for international arrivals.

F. Gate Utilization and Recapture Policy

In the event that an airline does not meet the utilization requirements set forth in Section 5.06 of the Midway Use Agreement, the City may terminate the Midway Use Agreement with respect to, and delete from the airline's leased premises, that number of the airline's gates and an appropriate amount of square feet of other leased premises as may be necessary to cause the airline to meet the daily average utilization standard for its gates. The term of the Midway Use Agreement and its gate utilization and recapture provisions runs through 2012. The City has no plans to negotiate a new use agreement until the current agreement expires.

G. Gate Allocation/Assignments

As described above, the City has promulgated procedures for gate allocation. With the opening of the new FIS facility and the capacity for international flights, the City, with the cooperation of interested air carriers, developed International Gate Procedures. Shortly thereafter, the City, again with coordination and input from the air carriers, developed and promulgated Domestic Gate Procedures. The City distributed the International and Domestic Gate Procedures to the air carrier's corporate offices as well as the local station managers. Further, the City provides these procedures and gate allocation charts to potential new entrant carriers.

In preparation for the completion of the TDP in May 2004, the City is in the process of amending the International Gate Procedures and Domestic Gate Procedures. As with the development of the existing procedures, the City has and will continue to involve the air carriers, both corporate and local offices, in the review of the revised procedures. The City intends to promulgate the revised procedures on April 1, 2004 with a May 1, 2004 effective date.

H. RON Position Allocation/Assignments

Remain Overnight ("RON") positions are assigned in accordance with the City's Domestic Gate Procedures. In January 2003, five RON positions became available on the North Ramp Triangle Pad (NRTP). Prior to the opening of the NRTP, there were no City controlled RON facilities at the airport. Priority for RON positions is given to airlines without preferentially leased gates or hangar premises.

I. Accommodation of New Entrants and Incumbent Carriers Seeking To Expand at the Airport and Resolution of Any Access Disputes

From January 2002 through December 2003, the City received requests from nine carriers to expand or begin service at Midway. Of the requests, three carriers began service, two carriers began service at O'Hare, two carriers chose not to start service, and two requests are pending. Of the pending requests, CanJet has announced the start of service in June 2004 and Primaris is awaiting its FAA certificate. All requests for service were handled in accordance with the Midway Use Agreement and the Domestic or International Gate Procedures.

The following table summarizes new entrant requests for access to Midway and the outcome of such requests.

**New Entrant Activity at Midway International Airport
Between January 2002 and December 2003**

AIRLINE	REQUEST	OUTCOME
TransMeridian (New Entrant)	Never specified service	Began service at O'Hare
Cayman (New Entrant)	Two roundtrips to Grand Cayman Island	Began service at O'Hare
SkyQuest (New Entrant)	Six weekly flights to Mexico	Never started service as they did not obtain DOT certification
Rubloff (New Entrant)	Three weekly flights to Cancun, one weekly flight to Puerto Plata to begin in January, 2004	Started service on January 30, 2004
Ryan Intl. (New Entrant)	Two weekly flights to Cancun	Never started as they partnered with Rubloff and Apple
CanJet (New Entrant)	Two daily flights to Toronto, one daily flight to Montreal to begin in June 2004	Announced start of service for June 2004
Primaris (New Entrant)	Three daily flights to Washington Reagan National -	Awaiting FAA certificate
Mexicana (New Entrant)	Nine weekly flights to Zacatecas, Morelia and Guadalajara	Began service March 2002 - Discontinued service July 2003
Great Plains (New Entrant)	Two daily flights to Belleville	Began service October 2003 - Discontinued service January 2004

J. Gate Utilization / Monitoring System

The City has been extremely proactive in its gate allocation and monitoring practices. Since the mid-1990s, the City has compiled air carrier schedules and formulated monthly gate allocation charts to ensure the highest utilization of the airport's gates and other facilities. The charts are shared on a monthly basis with the carriers, are available upon request to potential new entrants, and are used to accommodate new entrants and schedule expansion of incumbent air carriers. They also play a critical role in the City's oversight of gate utilization and enforcement of gate utilization requirements.

The City is exploring a refinement of its existing gate monitoring system. The City has implemented a pilot system to monitor the actual utilization of its gates at Midway. The initiative, which is currently in a proof-of-concept phase, will capture the real-time arrival and departure information from a multi-user flight information display system installed at Midway. The flight information, which will be stored in a relational database, will then be collated and analyzed. Ramp charts depicting actual daily activity, gate utilization reports by airline, terminal, concourse or gate, on time performance statistics, and other operational information could be produced from the gate monitoring/utilization analysis.

The proof-of-concept phase, which will analyze and report on flight data from Midway, is anticipated to be completed in the first half of 2004. This information will allow the City to compare the scheduled activity of the carriers against the actual activity. The City will have more complete and verifiable information when making decisions regarding the recapturing of gates, and when directing expanding incumbents or new entrants to carriers that may have the ability to accommodate them.

SECTION MDW-2. LEASING AND SUBLEASING ARRANGEMENTS

A. FAA Suggestions

The FAA suggested that the City consider developing a policy that "encourages signatory carriers to employ a universal notification procedure when gates become available for sublease, as well as fair and transparent procedures for arranging subleases." The City has considered this request and believes that its gate monitoring system provides such a mechanism. Each month the air carriers at Midway submit flight schedules to the City. The City incorporates these flight schedules into its current gate management software and generates gate utilization charts that are shared with all incumbent air carriers at Midway and provided to potential new entrants. These charts show where there is availability on gates and assist a new entrant in determining which incumbent air carrier to contact regarding a potential sublease.

B. Contractual Arrangement at the Airport

When necessary, the City will assist carriers in obtaining subleases, though, as noted below, subleases are not necessary for carriers to obtain access to Midway. To-date all requests for subleases have been accommodated.

C. Assuring Access at the Airport

A carrier need not enter into a sublease arrangement with an incumbent carrier to obtain access to Midway. The City makes City-controlled facilities available to new entrants, in accordance with the Midway Use Agreement and the International and Domestic Gate Procedures.

D. Sublease Fees and Arrangements

The Midway Use Agreement caps the amount an airline may charge a sublessee.

E. Promoting the Use of Third-Party Contractors

Space at Midway continues to be limited, so the City does not allow independent contractors to service the airport.

F. Resolution of Disputes between Carriers Relating to Access

As discussed in Sections MDW-1, above, and MDW-4, below, the GPRC handles disputes related to access to International Gates and City-controlled common use gates, and refers any unresolved disputes to the Commissioner. Due to the proactive approach of the City in gathering airline schedule information, no disputes have had to be resolved by the GPRC or the Commissioner. All airlines have been able to make adjustments necessary in order to be accommodated.

SECTION MDW-3. PATTERNS OF AIR SERVICE

A. Markets Served - Overall

As of December 2003, 88 domestic destinations and eight international markets were served from Midway with non-stop or direct service. For purposes of this section, direct service is defined as same plane, same flight number, scheduled service.

NUMBER OF AIRPORTS SERVED FROM O'HARE AND MIDWAY as of December 2003			
	O'Hare	Midway	Unique Total¹
Airlines²	47	14	55
Domestic Air Service			
Nonstop	131	61	137
Direct	8	27	34
Total Domestic	139	88	171
International Air Service			
Nonstop	44	7	45
Direct	17	1	17
Total International	61	8	62
Total			
Nonstop	175	68	182
Direct	25	28	51
Total	200	96	233
Source: Official Airline Guide			
¹ Unique total column eliminates double counting of airports served from both O'Hare & Midway.			
² Passenger service airlines as of December 2003.			

B. New Markets/Discontinued Markets

Between January 2002 and December 2003, 14 non-stop markets were added at Midway (10 domestic, and 4 international). Two non-stop domestic markets were

discontinued. Three markets have seasonal service and 7 markets have intermittent service meaning there is no regular pattern for when service is started or stopped.

NEW OR DISCONTINUED NONSTOP MARKETS		
Between January 2002 and December 2003		
New Markets		
Count	Airport Code	Destination
1	AUA	ARUBA ARUBA
2	BLV	BELLEVILLE ILLINOIS
3	CID	CEDAR RAPIDS/IOWA CITY IOWA
4	CLT	CHARLOTTE NORTH CAROLINA
5	CUN	CANCUN MEXICO
6	FNT	FLINT MICHIGAN
7	GDL	GUADALAJARA MEXICO
8	LEX	LEXINGTON KENTUCKY
9	MLI	MOLINE ILLINOIS
10	OAK	OAKLAND CALIFORNIA
11	SAN	SAN DIEGO CALIFORNIA
12	SJC	SAN JOSE CALIFORNIA
13	TOL	TOLEDO OHIO
14	ZIH	IXTAPA/ZIHUATANEJO MEXICO
Discontinued Markets		
Count	Airport Code	Destination
1	BUF	BUFFALO NEW YORK
2	TEB	TETERBORO NEW JERSEY
Intermittent Markets		
Count	Airport Code	Destination
1	BJX	LEON/GUANAJUATO MEXICO
2	ICT	WICHITA KANSAS
3	MEX	MEXICO CITY MEXICO
4	MLM	MORELIA MEXICO
5	PBI	WEST PALM BEACH FLORIDA
6	PIT	PITTSBURGH PENNSYLVANIA
7	ZCL	ZACATECAS MEXICO
Seasonal Markets		
Count	Airport Code	Destination
1	GCM	GRAND CAYMAN ISLAND WEST INDIES
2	MBJ	MONTEGO BAY JAMAICA
3	PVR	PUERTO VALLARTA MEXICO

Source: Official Airline Guide (December 2003)

C. Non-stop Markets and Average Weekday Flights

As of December 2003 Midway served 61 non-stop domestic destinations with an average of 357 commercial passenger flights departing each weekday, an increase of 58 average daily departures from 2001.

D. Number of EAS and Small Community Airports Served

No Essential Air Service (“EAS”) airports were being served from Midway as of December 2003. Fifteen small community airports were served from Midway, eleven with non-stop service.

EAS Airports and Small Communities Served				
December 2003				
Code	Destination	EAS \1	Small Community \2	Non-Stop or Direct
BLV	BELLEVILLE, ILLINOIS	No	Yes	Non-Stop
CID	CEDAR RAPIDS, IOWA	No	Yes	Non-Stop
DSM	DES MOINES, IOWA	No	Yes	Non-Stop
FNT	FLINT, MI	No	Yes	Non-Stop
JAN	JACKSON, MISSISSIPPI	No	Yes	Non-Stop
LAN	LANSING, MI	No	Yes	Direct
LEX	LEXINGTON, KY	No	Yes	Non-Stop
MHT	MANCHESTER, NH	No	Yes	Non-Stop
MLI	MOLINE, IL	No	Yes	Non-Stop
MSN	MADISON, WI	No	Yes	Non-Stop
PNS	PENSACOLA, FL	No	Yes	Direct
PSP	PALM SPRINGS, CA	No	Yes	Direct
SAV	SAVANNAH, GEORGIA	No	Yes	Direct
SBN	SOUTH BEND, INDIANA	No	Yes	Non-Stop
SPI	SPRINGFIELD, ILLINOIS	No	Yes	Non-Stop
TOTALS				
Notes:				
1): Essential Air Service Determinations, DOT, http://ostpxweb.dot.gov/aviation/rural/proximity.xls				
2): Population of MSA less than 500,000 based on Woods & Poole Data, 2003				

E. Markets Served By Low-Fare Carriers

As of December 2003, low fare carriers served a total of 86 destinations from Midway. Of those low-fare destinations, 66 were non-stop destinations. The remaining 20 were all direct-service destinations.

Markets Served by Low-Fare Carriers December 2003							
Code	Destination	Carrier	Non-Stop or Direct	Code	Destination	Carrier	Non-Stop or Direct
ABQ	ALBUQUERQUE, NEW MEXICO	WN	Non-Stop	MHT	MANCHESTER, NEW HAMPSHIRE	WN	Non-Stop
ALB	ALBANY, NEW YORK	WN	Direct	MIA	MIAMI, FLORIDA	TZ	Non-Stop
ATL	ATLANTA GEORGIA	FL	Non-Stop	MKE	MILWAUKEE, WISCONSIN	C8	Non-Stop
AUA	ARUBA, ARUBA	TZ	Non-Stop	MLI	MOLINE, ILLINOIS	C8	Non-Stop
AUS	AUSTIN, TEXAS	WN	Direct	MSN	MADISON, WISCONSIN	C8	Non-Stop
BDL	HARTFORD, CONNECTICUT	WN	Non-Stop	MSP	MINNEAPOLIS/ST. PAUL, MINNESOTA	TZ	Non-Stop
BHM	BIRMINGHAM, ALABAMA	WN	Non-Stop	MSY	NEW ORLEANS, LOUISIANA	WN	Direct
BNA	NASHVILLE, TENNESSEE	WN	Non-Stop	OAK	OAKLAND, CALIFORNIA	WN	Non-Stop
BOS	BOSTON, MASSACHUSETTS	TZ	Non-Stop	OGG	KAHULUI, MAUI, HAWAII	TZ	Direct
BUR	BURBANK, CALIFORNIA	WN	Direct	OKC	OKLAHOMA CITY, OKLAHOMA	WN	Direct
BWI	BALTIMORE MARYLAND	WN	Non-Stop	OMA	OMAHA, NEBRASKA	WN	Non-Stop
CID	CEDAR RAPIDS/IOWA CITY, IOWA	C8	Non-Stop	ONT	ONTARIO, CALIFORNIA	WN	Direct
CLE	CLEVELAND, OHIO	WN	Non-Stop	PBI	WEST PALM BEACH, FLORIDA	WN	Direct
CLT	CHARLOTTE, NORTH CAROLINA	TZ	Non-Stop	PDX	PORTLAND, OREGON	F9, WN	Direct
CMH	COLUMBUS, OHIO	WN	Non-Stop	PHL	PHILADELPHIA, PENNSYLVANIA	TZ	Non-Stop
CUN	CANCUN, MEXICO	TZ	Non-Stop	PHX	PHOENIX, ARIZONA	TZ, WN	Non-Stop
DAY	DAYTON, OHIO	C8	Non-Stop	PIE	ST PETERSBURG, FLORIDA	TZ	Non-Stop
DCA	WASHINGTON NATIONAL, DC	TZ	Non-Stop	PIT	PITTSBURGH, PENNSYLVANIA	TZ	Non-Stop
DEN	DENVER, COLORADO	F9, TZ	Non-Stop	PNS	PENSACOLA, FLORIDA	FL	Direct
DFW	DALLAS/FORT WORTH, TEXAS	TZ	Non-Stop	PVD	PROVIDENCE, RHODE ISLAND	WN	Non-Stop
DSM	DES MOINES, IOWA	C8	Non-Stop	PVR	PUERTO VALLARTA, MEXICO	TZ	Non-Stop
DTW	DETROIT, MICHIGAN	WN	Non-Stop	RDU	RALEIGH/DURHAM, NORTH CAROLINA	WN	Non-Stop
ELP	EL PASO, TEXAS	WN	Direct	RNO	RENO, NEVADA	WN	Direct
EWR	NEW YORK (NEWARK), NEW YORK	TZ	Non-Stop	RSW	FORT MEYERS, FLORIDA	TZ	Non-Stop
FLL	FT. LAUDERDALE, FLORIDA	TZ, WN	Non-Stop	SAN	SAN DIEGO, CALIFORNIA	WN	Non-Stop
FNT	FLINT, MICHIGAN	C8	Non-Stop	SAT	SAN ANTONIA, TEXAS	WN	Direct
GCM	GRAND CAYMAN ISLAND, WEST INDIES	TZ	Non-Stop	SBN	SOUTH BEND, INDIANA	C8	Non-Stop
GDL	GUADALAJARA, MEXICO	TZ	Non-Stop	SDF	LOUISVILLE, KENTUCKY	WN	Non-Stop
GRR	GRAND RAPIDS, MICHIGAN	C8	Non-Stop	SEA	SEATTLE/TACOMA, WASHINGTON	TZ, WN	Non-Stop
HNL	HONOLULU OAHU, HAWAII	TZ	Direct	SFO	SAN FRANCISCO, CALIFORNIA	TZ	Non-Stop
HOU	HOUSTON, TEXAS	WN	Non-Stop	SJC	SAN JOSE, CALIFORNIA	TZ	Non-Stop
IND	INDIANAPOLIS, INDIANA	CE, TZ, WN	Non-Stop	SJU	SAN JUAN, PUERTO RICO	TZ	Non-Stop
ISP	LONG ISLAND (MACARTHUR), NEW YORK	ISP	Non-Stop	SLC	SALT LAKE CITY, UTAH	WN	Direct
JAN	JACKSON, MISSISSIPPI	WN	Non-Stop	SMF	SACRAMENTO, CALIFORNIA	F9, WN	Direct
JAX	JACKSONVILLE, FLORIDA	WN	Direct	SNA	ORANGE COUNTY, CALIFORNIA	F9, WN	Direct
LAS	LAS VEGAS, NEVADA	TZ, WN	Non-Stop	SPI	SPRINGFIELD, ILLINOIS	C8	Non-Stop
LAX	LOS ANGELES, CALIFORNIA	TZ, WN	Non-Stop	SRQ	SARASOTA/BRADENTON, FLORIDA	TZ	Non-Stop
LEX	LEXINGTON, KENTUCKY	C8	Non-Stop	STL	ST. LOUIS, MISSOURI	WN	Non-Stop
LGA	NEW YORK (LA GUARDIA), NEW YORK	TZ	Non-Stop	TOL	TOLEDO, OHIO	C8	Non-Stop
LIT	LITTLE ROCK, ARKANSAS	WN	Non-Stop	TPA	TAMPA/ST. PETERSBURG, FLORIDA	WN	Non-Stop
MBJ	MONTEGO BAY, JAMAICA	TZ	Non-Stop	TUL	TULSA, OKLAHOMA	WN	Direct
MCI	KANSAS CITY, MISSOURI	WN	Non-Stop	TUS	TUCSON, ARIZONA	WN	Direct
MCO	ORLANDO, FLORIDA	TZ, WN	Non-Stop	ZIH	IXTAPA/ZIHUATANEJO, MEXICO	TZ	Non-Stop

Source: Official Airline Guide (December 2003)

F. Single-Carrier Markets

Midway had non-stop service to 68 destinations — 61 domestic and 7 international — as of December 2003. Of these non-stop markets from Midway, 18 were multiple-carrier markets and 50 were single-carrier markets. The 45 domestic and 5 international single carrier markets and the serving carrier are presented in the following table.

Single Carrier Markets December 2003					
Code	Domestic Destination	Carrier	Code	International Destination	Carrier
ABQ	ALBUQUERQUE, NEW MEXICO	WN	AUA	ARUBA, ARUBA	TZ
BDL	HARTFORD, CONNECTICUT	WN	GCM	GRAND CAYMAN ISLAND, WEST INDIES	TZ
BHM	BIRMINGHAM, ALABAMA	WN	MBJ	MONTEGO BAY, JAMAICA	TZ
BLV	BELLEVILLE, ILLINOIS	ZO	PVR	PUERTO VALLARTA, MEXICO	TZ
BNA	NASHVILLE, TENNESSEE	WN	ZIH	IXTAPA/ZIHUATANEJO, MEXICO	TZ
BOS	BOSTON, MASSACHUSETTS	TZ			
BWI	BALTIMORE MARYLAND	WN			
CID	CEDAR RAPIDS/IOWA CITY, IOWA	C8			
CMH	COLUMBUS, OHIO	WN			
CUN	CANCUN, MEXICO	TZ			
DAY	DAYTON, OHIO	C8			
DCA	WASHINGTON NATIONAL, DC	TZ			
DSM	DES MOINES, IOWA	C8			
FNT	FLINT, MICHIGAN	C8			
GRR	GRAND RAPIDS, MICHIGAN	C8			
HOU	HOUSTON, TEXAS	WN			
ISP	LONG ISLAND (MACARTHUR), NEW YORK	WN			
JAN	JACKSON, MISSISSIPPI	WN			
LEX	LEXINGTON, KENTUCKY	C8			
LIT	LITTLE ROCK, ARKANSAS	WN			
MCI	KANSAS CITY, MISSOURI	WN			
MHT	MANCHESTER, NEW HAMPSHIRE	WN			
MIA	MIAMI, FLORIDA	TZ			
MKE	MILWAUKEE, WISCONSIN	C8			
MLI	MOLINE, ILLINOIS	C8			
MSN	MADISON, WISCONSIN	C8			
OAK	OAKLAND, CALIFORNIA	WN			
OMA	OMAHA, NEBRASKA	WN			
PHL	PHILADELPHIA, PENNSYLVANIA	TZ			
PIE	ST PETERSBURG, FLORIDA	TZ			
PIT	PITTSBURGH, PENNSYLVANIA	TZ			
PVD	PROVIDENCE, RHODE ISLAND	WN			
RDU	RALEIGH/DURHAM, NORTH CAROLINA	WN			
RSW	FORT MEYERS, FLORIDA	TZ			
SAN	SAN DIEGO, CALIFORNIA	WN			
SBN	SOUTH BEND, INDIANA	C8			
SDF	LOUISVILLE, KENTUCKY	WN			
SFO	SAN FRANCISCO, CALIFORNIA	TZ			
SJC	SAN JOSE, CALIFORNIA	TZ			
SJU	SAN JUAN, PUERTO RICO	TZ			
SPI	SPRINGFIELD, ILLINOIS	C8			
SRQ	SARASOTA/BRADENTON, FLORIDA	TZ			
STL	ST. LOUIS, MISSOURI	WN			
TOL	TOLEDO, OHIO	C8			
TPA	TAMPA/ST. PETERSBURG, FLORIDA	WN			

Source: Official Airline Guide (December 2003)

SECTION MDW-4. GATE ASSIGNMENT POLICY

In its September 30, 2002 approval letter, the FAA made two suggestions to the City's Gate Access and Assignment Procedures. First, the FAA suggested that the GPRC consist of representatives of air carriers operating at the airport. As discussed above, the GPRC consists of all interested air carriers using the gates, and carriers may vote on matters relating to the gates they use. Second, the FAA requested an update on the mediation provisions of the gate allocation procedures, whether the GPRC has been called upon to mediate a dispute, whether there is a specific timeline included in the dispute resolution procedure, and whether there is an appeals process. As the City has been able to accommodate all requests for service, no carrier has sought mediation through the procedures. No formal timelines for resolution or appeals process have been adopted, but airport officials work closely with air carriers to ensure that service requests are accommodated. Should such measures become necessary or desirable in the future, the City will revisit its dispute resolution procedures to address these issues.

The FAA also requested an update on the status of the City's gate assignment procedures to accompany the opening of the TDP gates and suggested that the procedures contain clear notification provisions. As discussed above, the City is currently consulting with the air carriers to develop revised gate procedures. As discussed in the Gate Access and Assignment Procedures, the City prepares and publishes monthly gate usage charts, allowing air carriers to readily assess whether a gate is potentially available by an air carrier or new entrant.

SECTION MDW-5. GATE USE REQUIREMENTS

Since the last update of the City's Competition Plan in 2002, there have been no major changes to the requirements for signatory status, lease or license requirements, calculation of rental rates and common use fees.

As discussed above, the City is promulgating the revised International and Domestic Gate Procedures to be effective on May 1, 2004 to reflect the completion of the TDP. In addition, the City will continue to monitor the gate utilization of those carriers with preferential gates according to the provisions in the Midway Use Agreement.

SECTION MDW-6. FINANCIAL CONSTRAINTS

There have been no changes to the Midway Use Agreement or other financial arrangements between the City and the signatory carriers since the last update of the Competition Plan.

SECTION MDW-7. AIRPORT CONTROLS OVER AIRSIDE AND GROUND SIDE CAPACITY

A. FAA Suggestions

The FAA suggested that the City consider modifying its MII provision so that an MII of the airlines cannot prevent or delay projects that could be beneficial to new entrants or other competitors. The MII provision is contained in the Midway Use Agreement, which cannot be unilaterally amended by the City. Since the filing of the last Competition Plan, no renegotiation of the Midway Use Agreement has taken place.

B. MII Approvals

The following table summarizes the projects for which the City has invoked the MII clause in the Midway Use Agreement during 2002 and 2003.

Project	Date Submitted	Amount Requested	Amount Approved	Airline Response	Funding Source
MATDP Authorization to Increase Budget	05/30/02	\$19,700,000	\$19,700,000	06/28/02	MARB
FIS Funding	05/30/02	2,000,000	2,000,000	06/28/02	MARB
Fuel System	05/30/02	7,200,000	7,200,000	06/28/02	MARB
55th St. and Laramie Security Ops	05/30/02	1,000,000	1,000,000	06/28/02	MARB
Changes to Gate B23, B24, B25 and B26	08/02/02	350,000	350,000	06/28/02	MARB
Revised Phasing Plan	11/22/02	7,580,000	7,580,000	12/06/02	MARB
Fuel System	11/22/02	3,100,000	3,100,000	12/24/02	MARB
MATDP Authorization to Increase Budget	07/29/03	20,109,000	20,109,000	09/02/03	MARB
Concessions Improvements	07/29/03	341,000	341,000	09/02/03	MARB
FIS Costs	07/29/03	500,000	500,000	09/02/03	MARB
Interim Checkpoint Improvements	07/29/03	250,000	250,000	09/02/03	MARB
Bullseye Repair (Repair and Replacement Fund)	07/29/03	550,000	550,000	09/02/03	MARB
Terminal Security Operational Enhancement	10/27/03	10,741,337	10,741,337	11/26/03	MARB
Concourse A Terminal Infill	10/27/03	24,929,238	24,929,238	11/26/03	MARB
Runway 13C/31C Panel Replacement	10/27/03	287,100	287,100	11/26/03	MARB
Starbucks Utilities	12/30/03	140,000	140,000	01/19/04	MARB
TOTAL		\$98,777,675	\$98,777,675		

SECTION MDW-8. CONSTRUCTION OR ACQUISITION OF GATES FOR USE AS COMMON FACILITIES

The TDP began in 1997 and is scheduled for completion in May 2004. Thirty-four new gates were on-line by the end of 2003. Of these, 29 were replacement gates for existing gates. The new gates are more modern and can better accommodate the larger aircraft in use at Midway today. At the completion of the TDP, the gate count will increase to 43 gates, 2 more than originally planned.

SECTION MDW-9. POSTING OF ACCEPTED COMPETITION PLAN UPDATE

Upon acceptance by the FAA of this update to the Competition Plan, the City will post this document on the City's website at <http://www.flychicago.com/doa/about/comp.shtm>.

Chicago O'Hare International Airport

2004 Competition Plan Update

On September 24, 2002 the FAA notified the City of Chicago ("City") that its 2002 Competition Plan Update for Chicago O'Hare International Airport ("O'Hare" or "Airport") was in accordance with the requirements of the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century. In that letter, the FAA requested that the City address certain issues in its next update. We have organized this submittal so that such issues are addressed in the initial paragraphs of each section.

SECTION ORD-1. AVAILABILITY OF GATES AND RELATED FACILITIES

A. FAA Suggestions

In its September 24, 2002 letter, FAA requested an update on the status of the World Gateway ("WGP") and O'Hare Modernization Program ("OMP"). In connection with the WGP, the FAA also requested an update on the proposed use agreement amendment. Since the last update of the Competition Plan, the City has advanced the O'Hare Modernization Program. OMP Phases 1A and 1B, including construction of a new northern runway, have received airline approval. OMP Phases 1C and 1D, including replacement of an existing runway and extension to another runway, have also received airline approval subject to certain operational triggers being achieved. Section ORD-8E, below, describes more fully the OMP program and its current status. As further described in Section ORD-8A, the City and the airlines have agreed to suspend work on the WGP and delay consideration of airport use agreement amendments proposed in connection therewith.

Additionally, the FAA requested a description of the procedures employed by the City to monitor actual utilization of exclusive use gates. The City intends to implement at O'Hare a similar system to the one in place at Midway by June 2004. This system is described more fully in Section ORD-1.I, below.

B. Number and Identity of Any Air Carriers That Have Begun Providing or Stopped Service

For the period January 2002 through December 2003, 11 carriers began serving O'Hare, four carriers discontinued service, and three carriers began and discontinued scheduled service. The new carriers included Aviacsa, Privatair, AeroMexico, Cayman Airways, TACA, Pakistan International, and USA 3000. In addition, Trans States, Skywest, Mesa, and Atlantic Southeast began service as regional partners of mainline carriers.

National, Great Lakes, Singapore, and ANA discontinued service. North American, Chautauqua, and Singapore started and stopped scheduled service during the period.

C. Description of the Process for Accommodating New Service;

Since the last update of the O'Hare Competition Plan, the City has converted an exclusive use gate located in a domestic terminal into a City controlled common use gate. The Common Use Gate at O'Hare is Gate E-8 and the support space associated

with it. The support space includes ticket counters, ticket office, locker/break room, bag claim office, bag claim belts, bag make-up area, hold room and operations/maintenance area. The gate was formerly leased by TWA and was acquired by American Airlines when it purchased TWA. The City acquired the gate from American on July 15, 2002. On September 1, 2003, America West began using Gate E-8.

The City, in consultation with interested carriers, developed Rules And Regulations Regarding The Operation Of Domestic Common Use Gates and Gate Access And Assignment Procedures For Common Use Gates ("Gates Procedures"). Both these documents govern the use and operation of the gate. These procedures have been distributed to incumbent air carriers and are available to potential new entrants.

D. Number Of New Gates That Have Been Built Or Are Now Available

The number of boarding gates at O'Hare remains the same at 178. No new gates have been constructed; however the City's OMP and WGP programs both contemplate the construction of new gates.

E. Number of Gates That Have Been Converted To Common-Use Status

One gate has been converted to common-use status, Gate E-8. The City continues to control the twenty-one gates in its International Terminal for assignment on a common-use basis.

F. Gate Utilization/Recapture

There have been no changes to O'Hare's gate utilization/recapture provisions since the last Competition Plan Update.

G. Gate Allocation or Assignments Since the Last Competition Plan Update

The City adopted gate allocation procedures governing the use of gate E-8, the common use domestic gate, at O'Hare as described in Section ORD-4, below.

H. Accommodation of New Entrants and Incumbent Carriers Seeking To Expand At the Airport and Resolution of Access Disputes

From January 2002 through December 2003, the City received requests from 16 carriers to expand or begin service at O'Hare. Of the requests, eleven carriers began service.

The following table summarizes new entrant requests for access to O'Hare and the outcome of such requests.

**New Entrant Activity at O'Hare International Airport
Between January 2002 and December 2003**

AIRLINE	REQUEST	OUTCOME
AeroMexico	Requested to serve Mexico City	Began service June 2002
AirTran Airways	Requested 2 gates for service to Atlanta	Has not commenced service
Atlantic Coast	Requested to begin service separate from United. Seeking to continue 6-8 flights to Washington Dulles, possibly on the City gate E-8.	Continues to operate as United Express carrier
Atlantic Southeast	New regional partner of Delta Air Lines	Began service April 2002
Cathay Pacific	Requested to serve Hong Kong non-stop and via Vancouver. Has attended multiple meetings with City.	Continued interest – airline delayed start
Cayman Airways	Requested to serve Grand Cayman Island	Began service November 2003
Endeavor Airlines	Start-up new entrant. Met with City in summer 2003 to discuss 2 flights daily to Mid America Airport beginning Fall 2003 increasing to 6 flights after March 2004.	Carrier did not follow-up after meeting
Frontier	Requested to begin service with 6-8 flights per day to Denver and Los Angeles	Has not commenced service
jetBlue	Requested to start service with 4 flights, increasing to 8 flights in 30-60 days	Has not commenced service
Mesa Airline	New regional partner of United Airlines	Began service July 2002
Pakistan International Airlines	Requested to serve Birmingham, UK with continuing service to Pakistan	Began service May 2003
Privatair	Requested to begin all-business class service of behalf of Lufthansa, A.G. to Düsseldorf, Germany	Began service June 2003; subleases gate from Northwest
Skywest	New regional partner of United Airlines	Began service October 2002
TACA International Airlines	Requested to serve Guatemala City with continuing service to San Jose, Costa Rica.	Began service November 2002
Trans States	New regional partner of United Airlines	Began service in 4 th quarter, 2003
USA3000	Requested to serve St. Petersburg and Ft. Meyers, Florida.	Began service February 2002

No accommodation was required for the new regional partners of mainline carriers.

I. Method for Developing Gate Use Monitoring Charts and Airport Uses of the Charts

The City has begun an initiative to monitor the actual utilization of its gates at O'Hare. The initiative, which is currently in a proof-of-concept phase, will capture the real-time arrival and departure information from the flight information display systems installed at O'Hare. Ramp charts depicting actual daily activity, gate utilization reports by airline, terminal, concourse or gate, on time performance statistics, and other operational information can be produced from the gate monitoring/utilization analysis.

The proof-of-concept phase, which is currently underway, will be completed by May 2004. The gate monitoring system is scheduled to be installed by June 2004. With this data, the City will have more information to direct expanding incumbents or new entrants to carriers that may have the ability to accommodate them.

SECTION ORD-2. LEASING AND SUBLEASING ARRANGEMENTS

A. FAA Suggestions

The FAA made several suggestions related to the proposed use agreement that the City was contemplating as part of WGP. WGP is not currently progressing and the City is not currently contemplating the renegotiation of the use agreement. The City will consider the FAA's suggestions if and when it moves forward with negotiations on a new use agreement or use agreement amendment.

B. Contractual Arrangement at the Airport

The Airport's staff continues to work with new entrants and expanding incumbents to facilitate reasonable subleases to maximize utilization of the Airport's facilities.

C. Assuring Access at the Airport

As discussed above, the City acquired Gate E-8 from American Airlines on July 15, 2002. The City has converted this gate from an exclusive use gate to a City controlled common use gate. Even with the current usage of the gate by America West, capacity remains on this gate.

In addition, the City is committed to working with air carriers to ensure access at O'Hare. A recent example is the efforts put forth by the City on behalf of Spirit Airlines. Spirit requested the City's assistance in relocating its operations from the International Terminal at O'Hare to a domestic terminal in order to reduce its operating expenses at O'Hare. The City contacted American Airlines and Delta Airlines to request accommodation for Spirit in Terminal 3. Spirit was able to relocate to Terminal 3. Subsequent to Spirit's relocation, the City intervened when Spirit fell behind in payments

to American. The City worked with Spirit and American to reach agreement on a payment plan.

D. Monitoring Sublease Fees and Arrangements

Under the O'Hare Use Agreement, no sublease arrangement is allowed if the Commissioner of Aviation objects, on the basis of a material adverse impact to Airport operations, within 7 days of notice. There have been no changes since the City's last update.

E. Promoting the Use of Third-Party Contractors

O'Hare has many contractors offering services to air carriers in the domestic and international terminals. The City is not aware of any independent contractors that have wanted to establish ground handling, maintenance, fueling, catering or support services at O'Hare, but have been unable to do so.

F. Resolution of Disputes Between Carriers Related to Access

With the exception of Rules And Regulations Regarding The Operation Of Domestic Common Use Gates and Gate Access And Assignment Procedures For Common Use Gates for Gate E8, no changes to the City's dispute resolution procedures have been made.

SECTION ORD-3. PATTERNS OF AIR SERVICE

A. Markets Served - Overall

As of December 2003, 139 domestic destinations and 61 international markets were served from O'Hare with non-stop or direct service. For purposes of this section, direct service is defined as same plane, same flight number, scheduled service.

NUMBER OF AIRPORTS SERVED FROM O'HARE AND MIDWAY as of December 2003			
	O'Hare	Midway	Unique Total¹
Airlines²	47	14	55
Domestic Air Service			
Nonstop	131	61	137
Direct	8	27	34
Total Domestic	139	88	171
International Air Service			
Nonstop	44	7	45
Direct	17	1	17
Total International	61	8	62
Total			
Nonstop	175	68	182
Direct	25	28	51
Total	200	96	233
Source: Official Airline Guide			
¹ Unique total column eliminates double counting of airports served from both O'Hare & Midway.			
² Passenger service airlines as of December 2003.			

B. New Markets/Discontinued Markets

Between January 2002 and December 2003, 6 non-stop markets were added at O'Hare (2 domestic and 4 international). Service to 15 non-stop markets was dropped. Twelve markets have seasonal service and 8 markets have intermittent service, meaning there is no regular pattern for when service is started or stopped.

NEW OR DISCONTINUED NON-STOP MARKETS		
Between January 2002 and December 2003		
New Markets		
Count	Airport Code	Destination
1	AMM	AMMAN JORDAN
2	GCM	GRAND CAYMAN ISLAND WEST INDIES
3	GUA	GUATEMALA CITY GUATEMALA
4	OGG	KAHULUI MAUI/HAWAII
5	PVR	PUERTO VALLARTA MEXICO
6	PIE	ST. PETERSBURG FLORIDA
Discontinued Markets		
Count	Airport Code	Destination
1	ACY	ATLANTIC CITY NJ
2	BTR	BATON ROUGE LOUISIANA
3	EZE	BUENOS AIRES ARGENTINA
4	DAL	DALLAS LOVE TEXAS
5	DLH	DULUTH MN/SUPERIOR WI
6	IMT	IRON MOUNTAIN MICHIGAN
7	MOB	MOBILE AL/PASCAGOULA MS
8	MKG	MUSKEGON MICHIGAN
9	ONT	ONTARIO CALIFORNIA
10	OSH	OSHKOSH WISCONSIN
11	UIN	QUINCY ILLINOIS
12	SNN	SHANNON IRELAND
13	TRI	TRI-CITY AIRPORT TENNESSEE
14	ALO	WATERLOO IOWA
15	ORH	WORCESTER MASSACHUSETTS
Intermittent Markets		
Count	Airport Code	Destination
1	MQT	MARQUETTE MICHIGAN
2	BHM	BIRMINGHAM ALABAMA
3	DUS	DUSSELDORF GERMANY
4	HKG	HONG KONG CHINA
5	LIT	LITTLE ROCK ARKANSAS
6	MYR	MYRTLE BEACH SOUTH CAROLINA
7	PEK	BEIJING CHINA
8	BJX	LEON/GUANAJUATO MEXICO
Seasonal Markets		
Count	Airport Code	Destination
1	ACA	ACAPULCO MEXICO
2	SJD	LOS CABOS MEXICO
3	PSP	PALM SPRINGS CALIFORNIA
4	HDN	STEAMBOAT SPRINGS COLORADO
5	EGE	VAIL/EAGLE COLORADO
6	BHX	BIRMINGHAM UNITED KINGDOM
7	FCO	ROME FIUMICINO ITALY
8	GLA	GLASGOW SCOTLAND
9	JAC	JACKSON HOLE WYOMING
10	LGB	LONG BEACH CALIFORNIA
11	MTJ	MONTROSE COLORADO
C.12 Non-Stop Markets and Average Weekly Flights		
Source: Official Airline Guide		

As of December 2003, O'Hare served 131 non-stop domestic destinations and 44 non-stop international destinations with an average of 1,346 commercial passenger flights departing each weekday, up from 1,152 flights in December 2001.

D. Number of Small Community Services

As of December 2003, no Essential Air Service ("EAS") airports were being served from O'Hare. O'Hare had scheduled service to 47 small communities (MSA population of 500,000 or less) as of December 2003.

EAS Airports and Small Communities Served				
December 2003				
Code	Destination	EAS 1	Small Community 2	Non-Stop or Direct
ANC	ANCHORAGE, ALASKA	No	Yes	Non-Stop
ATW	APPLETON, WISCONSIN	No	Yes	Non-Stop
AZO	KALAMAZOO, MICHIGAN	No	Yes	Non-Stop
BIL	BILLINGS, MONTANA	No	Yes	Direct
BIS	BISMARCK, NORTH DAKOTA	No	Yes	Direct
BMI	BLOOMINGTON, ILLINOIS	No	Yes	Non-Stop
BOI	BOISE, IDAHO	No	Yes	Non-Stop
BTV	BURLINGTON, VERMONT	No	Yes	Non-Stop
CHA	CHATTANOOGA, TENNESSEE	No	Yes	Non-Stop
CID	CEDAR RAPIDS, IOWA	No	Yes	Non-Stop
CMI	CHAMPAIGN, ILLINOIS	No	Yes	Non-Stop
CRW	CHARLESTON, WEST VIRGINIA	No	Yes	Non-Stop
CWA	WAUSAU, WISCONSIN	No	Yes	Non-Stop
DBQ	DUBUQUE, IOWA	No	Yes	Non-Stop
DSM	DES MOINES, IOWA	No	Yes	Non-Stop
EGE	VAIL/EAGLE, COLORADO	No	Yes	Non-Stop
EVV	EVANSVILLE, INDIANA	No	Yes	Non-Stop
FAR	FARGO, NORTH DAKOTA	No	Yes	Non-Stop
FSD	SIOUX FALLS, SOUTH DAKOTA	No	Yes	Non-Stop
GEG	SPOKANE, WASHINGTON	No	Yes	Direct
GFK	GRAND FORK, NORTH DAKOTA	No	Yes	Non-Stop
GRB	GREEN BAY, WISCONSIN	No	Yes	Non-Stop
HDN	STEAMBOAT SPRINGS/HAYDEN, COLORADO	No	Yes	Non-Stop
HSV	HUNTSVILLE, ALABAMA	No	Yes	Non-Stop
ILM	WILMINGTON, NORTH CAROLINA	No	Yes	Direct
JAC	JACKSON, WYOMING	No	Yes	Non-Stop
LAN	LANSING, MICHIGAN	No	Yes	Non-Stop

LEX	LEXINGTON, KENTUCKY	No	Yes	Non-Stop
LNK	LINCOLN, NEBRASKA	No	Yes	Non-Stop
LSE	LACROSSE, WISCONSIN	No	Yes	Non-Stop
MBS	SAGINAW, MICHIGAN	No	Yes	Non-Stop
MHT	MANCHESTER, NEW HAMPSHIRE	No	Yes	Non-Stop
MLI	MOLINE, ILLINOIS	No	Yes	Non-Stop
MQT	MARQUETTE, MICHIGAN	No	Yes	Direct
MSN	MADISON, WISCONSIN	No	Yes	Non-Stop
MTJ	MONTROSE/DELTA, COLORADO	No	Yes	Non-Stop
MYR	MYRTLE BEACH, SOUTH CAROLINA	No	Yes	Non-Stop
PIA	PEORIA, ILLINOIS	No	Yes	Non-Stop
PSP	PALM SPRINGS, CALIFORNIA	No	Yes	Non-Stop
PWM	PORTLAND, MAINE	No	Yes	Non-Stop
ROA	ROANOKE, VIRGINIA	No	Yes	Non-Stop
RST	ROCHESTER, MINNESOTA	No	Yes	Non-Stop
SAV	SAVANNAH, GEORGIA	No	Yes	Non-Stop
SBN	SOUTH BEND, INDIANA	No	Yes	Non-Stop
SGF	SPRINGFIELD, MISSOURI	No	Yes	Non-Stop
SPI	SPRINGFIELD, ILLINOIS	No	Yes	Non-Stop
TVC	TRAVERSE CITY, MICHIGAN	No	Yes	Non-Stop
Notes:				
1): Essential Air Service Determinations, DOT, http://ostpxweb.dot.gov/aviation/rural/proximity.xls				
2): Population less than 500,000 based on Woods & Poole Data, 2003				

E. Single-Carrier Markets

O'Hare had non-stop service to 175 destinations — 131 domestic and 44 international — as of December 2003. Of these non-stop markets from O'Hare, 100 were multiple-carrier markets and 75 were single-carrier markets. The 45 domestic and 30 international single carrier markets and the serving carrier are presented in the following table.

Single Carrier Markets December 2003					
Code	Domestic Destination	Carrier	Code	International Destination	Carrier
ABQ	ALBUQUERQUE, NEW MEXICO	AA	ACA	ACAPULCO, MEXICO	AA
ABE	ALLENTOWN, PENNSYLVANIA	A221	AMM	AMMAN, JORDAN	RJ
ANC	ANCHORAGE, ALASKA	AS	AUA	ARUBA, ARUBA	UA
ATW	APPLETON, WISCONSIN	A221	PKE	BEJIING, P.R. CHINA	UA
BHM	BIRMINGHAM, ALABAMA	A199	BHX	BIRMINGHAM, ENGLAND UK	PK
BOI	BOISE, IDAHO	UA	BRU	BRUSSELS, BELGIUM	AA
CWA	CENTRAL WISCONSIN, WISCONSIN	A221	CUN	CANCUN, MEXICO	AA
CMI	CHAMPAIGN, ILLINOIS	A100	CPH	COPENHAGEN, DENMARK	SK
CHS	CHARLESTON, SOUTH CAROLINA	A199	DUB	DUBLIN, REPUBLIC OF IRELAND	EI
CRW	CHARLESTON, WEST VIRGINIA	A221	BGO	DURANGO, MEXICO	MX
CHA	CHATTANOOGA, TENNESSEE	A100	DUS	DUSSELDORF, GERMANY	A444
COS	COLORADO SPRINGS, COLORADO	A221	GDL	GUADALAJARA, MEXICO	MX
CAE	COLUMBIA, SOUTH CAROLINA	A199	HKG	HONG KONG, HONG KONG	UA
DBQ	DUBUQUE, IOWA	A100	IST	ISTANBUL, TURKEY	TK
ELP	EL PASO, TEXAS	AA	KRK	KRAKOW, POLAND	LO
EVV	EVANSVILLE, INDIANA	A100	SJD	LOS CABOS, MEXICO	AA
FAR	FORGO, NORTH DAKOTA	A199	MAD	MADRID, SPAIN	IB
HNL	HONOLULU, OAHU, HAWAII	AA	MLM	MORELIA, MEXICO	MX
HSV	HUNTSVILLE, ALABAMA	A100	MUC	MUNICH, GERMANY	LH
JAC	JACKSON HOLE, WYOMING	AA	PVR	PUERTO VALLARTA, MEXICO	AA
JAX	JACKSONVILLE, FLORIDA	A199	GRU	SAO PAULO, BRAZIL	UA
OGG	KAHULUI, MAUI, HAWAII	AA	ICN	SEOUL (INCHEON INTL), KOREA	KE
LSE	LA CROSSE, WISCONSIN	A100	ARN	STOCKHOLM, SWEDEN	SK
LEX	LEXINGTON, KENTUCKY	A199	YVR	VANCOUVER, BC, CANADA	UA
LIT	LITTLE ROCK, ARKANSAS	A100	WAW	WARSAW, POLAND	LO
LGB	LONG BEACH, CALIFORNIA	AA	YWG	WINNIPEG, MANITOBA, CANADA	LO
MTJ	MONTROSE, COLORADO	AA	ZCL	ZACATECAS, MEXICO	LO
MYR	MYRTLE BEACH, SOUTH CAROLINA	OH	ZHR	ZURICH, SWITZERLAND	LX
SWF	NEWBURGH, NEW YORK	A100			
JFK	NEW YORK KENNEDY, NEW YORK	OH			
OAK	OAKLAND, CALIFORNIA	UA			
PSP	PALM SPRINGS, CALIFORNIA	AA			
RNO	RENO, NEVADA	AA			
ROA	ROANOKE, VIRGINIA	A199			
SMF	SACRAMENTO, CALIFORNIA	UA			
SBN	SOUTH BEND, INDIANA	A221			
GEG	SPOKANE, WASHINGTON	UA			
SPI	SPRINGFIELD, ILLINOIS	A221			
PIE	ST. PETERSBURG, FLORIDA	U5			
STT	ST. THOMAS, VIRGIN ISLANDS	UA			
HDN	STEAMBOAT SPRINGS-HAYDEN, CO	AA			
TOL	TOLEDO, OHIO	A100			
EGE	VALE, COLORADO	AA			
ALO	WATERLOO, IOWA	ZK			
AVP	WILKES-BARRE/SCRNTN, PENN	A199			

Source: Official Airline Guide (December 2003)

SECTION ORD-4. GATE ASSIGNMENT POLICY

A. FAA Suggestions

The FAA suggested that the City adopt a procedure by which all carriers receive “notification in a fair, uniform and transparent manner” of the availability of gates and sublease opportunities to ensure that all carriers, and new entrants that have expressed interest, are aware of the availability of new gates and gate-sharing opportunities.

The City has begun an initiative to monitor the actual utilization of its gates at O'Hare. The initiative, which is currently in a proof-of-concept phase, will capture the real-time arrival and departure information from the flight information display systems installed at O'Hare. Ramp charts depicting actual daily activity, gate utilization reports by airline, terminal, concourse or gate, on time performance statistics, and other operational information can be produced from the gate monitoring/utilization analysis.

The proof-of-concept phase, which is currently underway, will be completed by May 2004. The gate monitoring system is scheduled to be installed by June 2004. With this data, the City will have more information to direct expanding incumbents or new entrants to carriers that may have the ability to accommodate them.

The FAA also suggested that the City develop a gate assignment protocol that recognizes the needs of new entrants and includes all interested air carriers in the development of the procedures. Finally, the FAA suggested that the City adopt guidelines on how carriers may obtain access to O'Hare to begin or expand service. While no formal guidelines have been adopted, the City responds to requests by referring the requesting carriers to signatory carriers or the common use gates of the International Terminal. Additionally, now that Gate E-8 is a City-controlled gate, requesting airlines may also seek accommodation on that gate in accordance with the Gate Access And Assignment Procedures For Domestic Common Use Gates.

SECTION ORD-5. GATE USE REQUIREMENTS

Since approval of the City's Competition Plan Update in 2002, there have been no major changes to the requirements for signatory status, lease or license requirements, or calculation of rental rates.

SECTION ORD-6. FINANCIAL CONSTRAINTS

There have been no changes to the O'Hare Use Agreement.

SECTION ORD-7. AIRPORT CONTROLS OVER AIRSIDE AND GROUND SIDE CAPACITY

A. FAA Suggestions

The FAA requested an update on the City's progress towards lessening the impact of the MII provisions. The City has been successful in obtaining airline approval for various CIP projects and for OMP-Phases 1A and 1B, and for Phases 1C and 1D subject to certain operational triggers being achieved. However, as the O'Hare Use Agreement is not currently under negotiation, no changes to the MII provisions have been made.

B. MII Clause Summary

The following table summarizes the projects for which the City has invoked the MII clause in the O'Hare Use Agreement.

Project	Date Submitted	Amount Requested	Amount Approved	Airline Response	Fund
Concourse E/F Network Center	04/23/02	1,200,000	1,200,000	04/26/02	Bond
Funding to ATA for APCR Office - 2003	12/18/02	337,000	337,000	12/18/02	Rates/ Charges
2004 CIP Projects	09/12/03	15,667,346	0	10/16/03	Bond
OMP Phase 1: A & B	04/14/03	492,400,000	492,400,000	05/05/03	Bond
OMP Phase 1: C & D	04/14/03	1,235,700,000	1,235,700,000	05/05/03	Bond
OMP Phase 1: A & B	04/14/03	41,000,000	41,000,000	05/05/03	PFC Double Barrel
OMP Phase 1: C & D	04/14/03	420,600,000	420,600,000	05/05/03	PFC Double Barrel
Funding for APCR Office – 2004	12/31/03	390,000	390,000	12/31/03	Rates/ Charges
Runway 9R/27L Limited Rehabilitation	12/15/03	3,393,225	3,393,225	01/17/04	Bond
Replace Single Duty HTW/LTW Converters	12/15/03	4,369,377	4,369,377	01/17/04	Bond
TOTAL		\$2,215,056,948	\$2,199,389,602		

SECTION ORD-8. Construction or Acquisition of Gates for Use as Common Facilities

A. World Gateway Program

The World Gateway Program involves a major redevelopment of the existing terminal, parking and related facilities, with a focus on expanding gate capacity and enhancing operational efficiency within the terminal complex. In December 2000, the City commenced work on formulation of Phase 1 of the World Gateway Program, which included a new Terminal 6 complex. In September 2002, in view of changed aviation industry and economic conditions, the City and the airlines agreed to suspend work on the World Gateway Program and delay consideration of new airport use agreements proposed in connection therewith. As a result, the Memorandum Of Understanding, which included certain rights of first refusal, entered into with the airlines is no longer in effect. Significant design work had not yet been initiated on any other components of the World Gateway Program.

B. Gate E-8

The Common Use Gate at O'Hare is Gate E-8 and the support space associated with it. The support space includes ticket counters, ticket office, locker/break room, bag claim office, bag claim belts, bag make-up area, hold room and operations/maintenance areas. The gate was formerly leased by TWA and was acquired by American Airlines when it purchased TWA. The City acquired the gate from American Airlines on July 15, 2002.

The City developed Rules And Regulations Regarding The Operation Of The Domestic Common Use Gates and Gate Access And Assignment Procedures For Common Use Gates. Both these documents govern the use and operation of the gate. On September 1, 2003, America West began using Gate E-8.

C. O'Hare Modernization Program – Phase 1

On June 29, 2001, the City released its proposed conceptual plan for the future development of O'Hare (the "O'Hare Modernization Program"), designed to address flight delays and increase capacity at O'Hare. The O'Hare Modernization Program is a comprehensive program providing for the phased reconfiguration of the airfield at O'Hare as well as construction of passenger terminal facilities, access/circulation systems and necessary support facilities, and will be implemented over a multi-year period. The major functional components of the O'Hare Modernization Program include the addition of one new runway and the relocation of three of the seven existing runways. Two of the existing runways will also be extended. The O'Hare Modernization Program also includes the planning and construction of an airside concourse, a western terminal and access roads. In addition, the O'Hare Modernization Program provides for all necessary land acquisition.

The O'Hare Modernization Program will be implemented in multiple phases over several years. Phase 1 of the O'Hare Modernization Program ("OMP – Phase 1") is the initial phase of development and includes the completion of physical and operational planning (including environmental permitting and preliminary engineering), property acquisition and relocation services, wetlands mitigation, one new runway, one relocated runway and the extension of one existing runway. OMP Phases 1A and 1B have received airline approval. OMP Phases 1C and 1D have also received airline approval subject to certain operational triggers being achieved.

The City submitted a Final Airport Layout Plan (the "ALP") reflecting the O'Hare Modernization Program and other proposed development to the FAA for approval in October 2003. This ALP submittal incorporates FAA comments on a draft ALP previously submitted in December 2002. Separately, the FAA is leading the environmental processing for the O'Hare Modernization Program, which is occurring through the development of an Environmental Impact Statement pursuant to the National Environmental Policy Act.

SECTION ORD-9. POSTING OF ACCEPTED COMPETITION PLAN UPDATE

Upon acceptance by the FAA of this update to the Competition Plan, the City will post this document on the City's website at <http://www.flychicago.com/doa/about/comp.shtm>.