BlueCross BlueShield of Texas

Jackie Hamilton
Vice President

April 27, 2004

The Honorable Norman Y. Mineta
Secretary of Transportation
Department of Transportation
400 Seventh Street, SW
Washington, DC 20590

Re: City of Abilene's Application to DOT's FY04 Small Community Air Service Development Program

Dear Secretary Mineta:

I support the City of Abilene's request for a Small Community Air Service Development Program (SCASDP) grant to continue improving air service at Abilene Regional Airport for the benefit of west central Texans.

Abilene received $85,010 from the 2002 program, the smallest grant awarded to any community. That $85,010, combined with local funds, enabled the airport to create a formal Business Development Program which:

- Conducted an Air Service Study that defined our air service market and quantified market demand
- Secured a second air carrier to a second Texas hub - SkyWest Airlines operating as Continental Connection to Houston Intercontinental Airport
- Encouraged Abilene's two airlines – American and Continental – to provide low promotional fares

The results of these air service improvements were beneficial to Abilene area air travelers, and we indicated our support with a 46% increase in enplanements in the first six months of two-airline service. Additionally, Abilene Regional Airport has been so successful that the Office of Aviation Analysis in the U.S. Department of Transportation uses us as a best practices model for other small U.S. airports.

To enable this, your approval of Abilene's FY04 grant proposal would fund a business plan that will further address service and fare deficiencies, including:

- Enhanced outreach to the citizens living in the rural areas of the airport's 32-county service area, including the formation of a Regional Air Service Advisory Council and proposed new regional shuttle service to the airport
- Formalizing a web-based Customer Knowledge Project to fully understand the air service needs and expectations of those citizens and their businesses
- Pursuit of more efficient service to our top western markets to better meet the demands of more than 50% of our passengers

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- Expanding its Promotional Fare & Air Service E-mail Notification Program to include paid advertising
- Continuing its efforts to retain American Airlines, Continental Airlines, and SkyWest Airlines, including upgrade of aircraft from turboprops to regional jets

As a result, I respectfully request your favorable action on Abilene Regional Airport's grant application.

Sincerely,

Jackie Hamilton

cc: Mayor Grady Barr, City of Abilene, P.O. Box 60, Abilene, Texas 79604