

BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.

48 0694

Application of  
AMERICAN TRANS AIR, INC.  
for an exemption from Subparts K and S of  
**14 C.F.R. 93** pursuant to **49 U.S.C. 41718(b)**  
(Reagan National Airport-Chicago (Midway))

Docket OST-00-7182 -- 31

Application of  
AMERICAN TRANS AIR, INC.  
for an exemption from Subparts K and S of  
**14 C.F.R. 93** pursuant to **49 U.S.C. 41718(a)**  
(Reagan National Airport-Los Angeles International  
Airport/San Francisco International Airport)

Docket OST-00-7181 -- 48

CONSOLIDATED COMMENTS OF  
AMERICAN TRANS AIR, INC.

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DATED: May 22, 2000

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CONSOLIDATED COMMENTS OF  
AMERICAN **TRANS** AIR, INC.

American Trans Air, Inc. (“ATA”) hereby submits its consolidated comments in response to applications for slot exemptions filed in the above-captioned dockets.

I. **ATA’S LOS ANGELES–DCA, SAN FRANCISCO–DCA AND CHICAGO MIDWAY–DCA PROPOSALS OUTSHINE THOSE OF ANY OTHER DCA APPLICANT**

American Trans Air, Inc.’s (“ATA”) comprehensive application for two pairs of beyond-the-perimeter Reagan National Airport (“DCA”) slots to serve Los Angeles and San Francisco

and for three pairs of DCA within-the-perimeter slots to serve Chicago Midway stands head-and-shoulders above the eighteen other applications for DCA slots. Whether considered in the aggregate or more finely parsed on a per slot basis, no other applicant:

- will carry as many passengers on its proposed nonstop flights to DCA (Exbs. TZ-R-1 and 2);
- will offer as many seats on its proposed nonstop flights to DCA (Exbs. TZ-R-3 through 5);
- will offer fares as low, and with as few restrictions, as ATA already is offering in the DCA-Los Angeles, San Francisco and Chicago Midway markets (Exb. TZ-R-6);
- will generate anywhere near the \$34-\$64 million in annual consumer fare savings which ATA's proposed service would (Exbs. TZ-R-7 and 8);
- has a cost structure as low as and better-suited to offer low fares on a sustained basis (ATA Applic., Exb. 33);
- has just placed a firm order for forty-seven Boeing aircraft representing a more than \$2 billion commitment which will allow ATA to comfortably accommodate anticipated growth throughout its system particularly including at both Reagan National and Chicago Midway; and
- is facing the forced abandonment of its recently initiated and highly successful DCA-Midway service, as ATA is, if it fails to receive at least four within-the-perimeter slots to replace the short-term DCA slots ATA expects to lose in October (ATA Applic., Exb. 2).

ATA explained in the introduction to its application that this proceeding is the most important in ATA's twenty-seven year history. ATA therefore went to considerable effort to present highly detailed exhibits setting forth, among other things, ATA's nonstop and connecting schedules, every one of the fares it now offers, the seating configuration for its B-757 aircraft, its traffic forecast and the consumer fare savings ATA's proposal would generate. ATA Applic., Exbs. 5-12, pp. 3-4, 12-14, 47-50. ATA also set forth countless details about its unmatched low fare

track record and its cost structure which uniquely positions ATA to offer such low fares. ATA sincerely believes that no less was, or should have been, required of any serious applicant wishing to demonstrate, in the case of beyond-the-perimeter slots, “domestic network benefits in areas beyond the perimeter” as well as “increase[d] competition by new entrant carriers or in multiple markets” and, in the case of within-the-perimeter slots, “the maximum competitive benefits including low fares.” AIR-21, sections 41718(a)(1) and (2) and 41718(b)(5). That, however, proved to be anything but true. Although many applicants appear to embrace low fares, only two (National and ProAir) out of the eighteen other applicants even bothered to present a fare proposal including all relevant fare conditions.’ Exb. TZ-R-6. Only three (America West, Atlantic Southeast and Delta) of the eighteen other applicants even presented a traffic forecast. And only one (America West) of the eighteen other applicants calculated the consumer fare savings their DCA proposals would generate. Exbs. TZ-R-7 and 8.

These are telling omissions that reveal either the primarily defensive interests of the larger established carriers, which seek to protect their longstanding dominant DCA market positions, or how ill-equipped many of the new entrants are to make the maximum use of each of these slots while offering sustained low fares and significant consumer savings. ATA encouraged the Department in its application to make every effort to allocate the limited number of available new slots to carriers with a track record of offering low fares on a sustained basis and which are most likely to convenience the greatest number of passengers with their new nonstop service. After carefully reviewing the various proposals, ATA is more convinced than

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<sup>1</sup> Not only did ATA include such a presentation. but the fares it proposes to charge are precisely those which it currently offers in the DCA-Chicago Midway and DCA-Los Angeles/San Francisco markets.

- will generate the largest consumer fare savings (Exbs. TZ-R-7 and 8); and
- has the cost structure and track record to demonstrate its unquestioned ability to offer such low fare services on a sustained basis against carriers such as American and United. (ATA Applic., Exb. 33.)

By comparison, the selection of American or United would do no less than solidify the dominant positions both carriers have established in the Los Angeles-Washington, DC. market. Regardless of the various on-line connecting markets to which these carriers can point beyond the Los Angeles gateway, nothing overshadows the pivotal competitive reality that American and United already dominate the Los Angeles-Washington, D.C. market with an aggregate market share of 82%. Exb. TZ-R-9.

It should also not be forgotten that, for more than two years, United was in the forefront of the opposition to the DCA slot provisions in AIR-21 because of United's desire to protect its dominant Dulles-West Coast market position. That behavior underscores the fact that United would have no economic incentive whatsoever to compete vigorously with its already dominant Dulles-West Coast position for the mere privilege of carrying self-diverted traffic. Although American's Washington, D.C.-West Coast market share is not quite as large as United's, it is still more than large enough to leave no doubt that American would similarly have no incentive to compete vigorously with itself. In addition to the understandable absence of any real incentive to mount a serious competitive effort, there is also little question that American's competitive interests are far more oriented toward market opportunities halfway around the world than on the Los Angeles-DCA market.

TWA presents an entirely different set of negative considerations, perhaps most notably its increasingly precarious financial position. TWA would be seriously handicapped in trying to sustain an effort to compete effectively against the entrenched positions of American and United. TWA has neither the financial resources, the low-fare track record nor the cost structure to be anywhere near as effective a competitor as ATA. And with the Los Angeles-DCA market being the single most important beyond-the-perimeter market in this proceeding, it is the last market in which the Department should risk the selection of a carrier facing so many serious economic and competitive handicaps.

The San Francisco-DCA market is the second largest beyond-the-perimeter market without nonstop service to DCA (Exb. TZ-R-10) and also deserves to receive nonstop service to Reagan National. ATA is the only carrier to propose nonstop service to the Bay area and the selection of ATA to serve the second largest beyond-the-perimeter DCA market is an easy choice.<sup>4</sup>

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<sup>4</sup> ATA is well aware that San Francisco International Airport has undertaken an initiative to address San Francisco's weather-related delay issues by encouraging carriers to reduce the number of smaller aircraft arrivals particularly during peak hours. Consistent with those concerns, ATA's proposed service with B-757 aircraft configured for 216 seats is precisely the type of operation which San Francisco should be quite pleased to hold up as a model for others. ATA has also discussed this issue with members of the Bay Area Congressional Delegation and, as ATA later discusses, ATA is extremely pleased that it has received support from, among others, Senator **Barbara Boxer**, Congressman **George Miller**, Congresswoman **Nancy Pelosi** and Congresswoman **Ellen Tauscher**.

vaulted into second position just behind United (ATA Applic., Exb. 2 1; Exb. TZ-R-19).

Even beyond these highly attractive attributes of ATA's Chicago Midway-DCA proposal, ATA is one of only two applicants already operating in the market,<sup>5</sup> and its recently inaugurated service is enjoying dramatic success. ATA is also the only carrier that can legitimately demonstrate that the receipt of additional Chicago Midway-DCA slots will not only allow it to further improve its Chicago Midway-DCA service, but that the receipt of such slots is essential to permit ATA just to continue operations at DCA.

ATA's Chicago Midway-DCA proposal is simply the best example, by a wide margin, of a proposal that will "produce maximum competitive benefits, including low fares." By comparison, for example, AirTran's proposal to pursue additional DCA slots, which by statute have been reserved for medium, small and non-hub airports, for the transparent purpose of providing additional DCA nonstop service to Atlanta, one of the largest of all hubs in the United States, would require the Department to turn AIR-2 1's within-the-perimeter provisions upside down. Section 41718(b) It is certainly no mere coincidence that AirTran omitted a traffic forecast which inevitably would have highlighted the importance of the Atlanta-DCA market and brought attention to the large hub Atlanta focus of AirTran's application. Whether or not the Department agrees with ATA's view that AirTran's Atlanta nonstop proposal is plainly unlawful, AirTran's so-called one-stop proposal to Savannah, Ft. Walton, and Biloxi via Atlanta is most certainly contrary to Congress' intent to limit the relatively few within-the-perimeter slots to medium, small and non-hub airports.

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<sup>5</sup> Midway currently serves the **Raleigh-Durham-DCA** market.

Midway only exacerbates the weakness of its application in its discussion of its choice of aircraft. Midway states it will use B-737-700 aircraft (an aircraft type Midway does not currently operate), Canadair Regional Jets or Fokker F100s.<sup>7</sup> Midway's indecision whether to use an approximately 125-seat B-737-700 or a 50-seat Canadair Regional Jet is rather remarkable, and makes it impossible for the Department to evaluate Midway's application on a comparative basis. More importantly, whichever of these three aircraft Midway might ultimately select, none of them remotely compares to the 216-seat capacity of ATA's B-757. There is simply no basis on which Midway may credibly claim it would come anywhere near making the maximum use of a DCA slot.

Midwest Express' application fares no better under scrutiny than those of AirTran or Midway. As in Midway's case, there is substantial doubt that Midwest Express can fairly claim, as it does nevertheless, to be a limited incumbent at DCA. Midwest Express' application acknowledges that Midwest Express and its codesharing partner currently own or use sixteen DCA slots. In addition to Midwest Express' existing sixteen slots, Midwest Express is seeking four additional slots for nonstop service to Des Moines and four additional slots for nonstop service to Indianapolis. Yet Midwest Express somehow claims it is entitled in both instances to be treated as a limited incumbent. The fact is that Midwest Express cannot cloak itself in the mantle of a limited incumbent in both cases and must stake its claim as a limited incumbent either on behalf of Des Moines or Indianapolis—unless Midwest Express is prepared to acknowledge, which it has not done, that its Des Moines and Indianapolis applications are mutually exclusive. Having not made such a declaration by the application filing deadline, both

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<sup>7</sup> *Application of Midway Airlines Corp.*, May 4, 2000, p. 3

of Midwest Express' applications should be denied limited incumbent status and relegated to the bottom of the list. It is also clearly the case that Midwest Express' proposals do not compare to ATA's Chicago Midway application on any number of parameters including market size, number of seats offered, number of one-stop on-line connecting and single-plane beyond market opportunities or, most importantly, low fares. Exbs. TZ-R-4, 8 and 11. ATA's B-757 low fare proposal is superior in every respect.

Spirit seeks ten within-the-perimeter slots to serve Melbourne, Myrtle Beach, Ft. Myers, Ft. Lauderdale and West Palm Beach. Two of those five cities, Melbourne and Myrtle Beach, respectively qualify as non-hub and small hub airports. As such, Spirit's proposal to serve those two cities is not mutually exclusive with ATA's Chicago Midway medium hub proposal and quite properly should be separately considered by the Department. Sections 41718(c)(3)(A) and (B). However, the remaining portion of Spirit's proposal for service to Ft. Myers, Ft. Lauderdale and West Palm Beach, all of which are medium hubs, must be considered against ATA's Chicago Midway proposal. In that comparison, Spirit's proposal falls far short. Spirit does not have anything approaching a hub operation at any of these three southern Florida cities and cannot claim the single-plane beyond and one-stop connecting benefits ATA's DCA passengers would enjoy to twenty-five nonstop destinations beyond ATA's Chicago Midway hub. Exb. TZ-R-12. Perhaps in recognition of this significant weakness in its proposal, Spirit presents no traffic forecast or specific fare proposal. Exb. TZ-R-6.

To its credit, Spirit also recognizes and endorses, albeit it in the pending O'Hare slot proceeding, the substantial importance of allocating the relatively small number of new slots to those carriers which will make the maximum use of each slot by operating larger aircraft and conveniencing a greater number of passengers:

. . . public policy favors Spirit's proposal because it will produce more consumer benefits. Spirit plans to use 164 seat MD-80 series aircraft, while Legend's proposal would utilize aircraft limited to 56 seats. [G]iven that the Department may only award a limited number of exemptions, those proposals which maximize the public benefits with the scarce number of available slots should be granted preference. Spirit's proposed services will benefit significantly more passengers than Legend's proposed services. Accordingly, if the Department is to maximize the consumer benefits as its policy dictates, then it must favor Spirit's proposal. Answer of Spirit Airlines, Inc., OST-00-7 180, dated May 17, 2000, p. 4.

Spirit has articulated the correct policy; but that policy applies irrespective of whether the Department is considering the limited number of O'Hare or DCA slots AIR-21 authorizes. Spirit's southern Florida proposal simply would not produce anywhere near "the maximum competitive benefits, including low fares" that ATA's low fare B-757 Chicago Midway proposal would produce.

II. NONE OF THE REMAINING CARRIER PROPOSALS FOR EITHER BEYOND-THE-PERIMETER OR WITHIN-THE-PERIMETER SLOTS IS EQUAL TO ATA'S COMPREHENSIVE LOW FARE HIGH CAPACITY PROPOSAL

A. The Other Beyond-The-Perimeter Applicants

1. America West

ATA acknowledges that America West is deserving of some consideration because of its special role in pursuing the opening of DCA against the strong opposition of many of the established carriers. At the same time, it should also be recognized that whatever extra consideration America West receives must be tempered by the fact that America West – with its Continental, Mesa and Northwest codeshare relationships – does not qualify as a limited incumbent.<sup>8</sup> Any questions about America West's status aside, on a comparative basis, ATA's

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<sup>8</sup> A limited incumbent is a carrier which together with all of its codeshare partners operate twenty or fewer DCA slots. Significantly the "affiliated carrier" provisions of AIR-21 ascribe to each and every carrier with

Los Angeles and San Francisco proposal still surpasses America West's in terms of the importance of the markets to be served, the number of passengers to be carried, the number of seats and low fares to be offered and ATA's unique cost structure, which allows ATA to continue to offer extremely low fares. Exb. TZ-R-17.

## 2. Delta

Delta's proposal, in the same manner as those of American and United, offers almost nothing in the way of meaningful competitive benefits. It is clearly intended to protect Delta's dominance in the Washington, DC.-Salt Lake City market. Delta has almost no incentive to compete vigorously because it would largely be diverting its own traffic.<sup>9</sup> As one might expect under such circumstances, Delta did not even bother to present a fare proposal and most certainly did not purport to claim the mantle of a low-fare carrier. With no incentive to increase competition, with smaller aircraft and a smaller market than either Los Angeles or San Francisco, with no low fares and lacking the cost structure to ever seriously consider becoming a restriction-free low-fare carrier, Delta's proposal simply does not compare to ATA's Los Angeles and San Francisco proposal.

## 3. National

Unlike many of the other beyond-the-perimeter proposals, National at least recognizes the importance of low fares and has presented a low fare proposal. Exb. TZ-R-6. Yet National's fares, unlike those offered by ATA, are filled with advance purchase and roundtrip purchase

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codeshare partners the aggregate of all slots used or held by each codeshare partner without regard to whether each such slot is the subject of DCA codeshare service. Section 41714(k). Exb. TZ-R-20.

<sup>9</sup> Delta's DCA-Salt Lake City schedule proposal appears to largely mirror Delta's Dulles-Salt Lake City schedule. That fact only reinforces ATA's belief that Delta's real focus would be on trying to limit self-diverted revenues rather than in injecting meaningful new competition. Exb. TZ-R-16.

requirements. National's B-757 aircraft are also configured with almost twenty percent fewer seats than ATA's B-757 aircraft. Exb. TZ-R-3. It is therefore not surprising that National did not take the time to prepare a traffic forecast or project consumer fare savings. Exbs. TZ-R-2 and 7 It is also the case that Las Vegas, which National proposes to serve, is a far smaller market than either Los Angeles or San Francisco. Exbs. TZ-R- 10 and 15 Whatever the merits of National's proposal, they are demonstrably less than those of ATA in every significant respect— market size, passengers, capacity offered, low fares without restrictions and consumer fare savings.

#### 4. Northwest

Northwest's Airbus 319 proposal suffers from even greater infirmities than National's proposal. AIR-21 makes clear that the Department may view less favorably any proposal to use non-U.S.-manufactured aircraft which, in the context of this proceeding, would compete with a proposal to use U. S.-manufactured aircraft. Section 41715(c). Northwest's unique Airbus proposal fails into that less preferred category. In similar fashion to National, Northwest's proposal also pales in comparison to ATA's low fare B-757 proposal to Los Angeles and San Francisco. Seattle is a far smaller market, Northwest presents no traffic forecast, Northwest does not even purport to be a low fare carrier and Northwest would unquestionably carry far fewer passengers and generate almost no consumer fare savings with its presumed intention to offer a conventional established carrier fare menu.<sup>10</sup> Exbs. TZ-R-2 and 10

#### 5. Frontier

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<sup>10</sup> In fact, the Seattle-DCA market is far smaller than any number of Seattle-East Coast markets Northwest has avoided. Exb. TZ-R- 13.

Frontier's proposal with small B-737-300 aircraft was not accompanied by any traffic forecast or fare proposal. Exbs. TZ-R-2 and 6 In comparison to ATA's low fare, high capacity B-757 proposal to serve Los Angeles and San Francisco, these omissions, combined with the far smaller size of the Denver-DCA market, place Frontier's proposal well behind ATA's. Exbs. TZ-R-10 and 18.<sup>11</sup>

B. Within-The-Perimeter Proposals

1. Vanguard

Vanguard's Kansas City-DCA proposal with B-737-200 aircraft does not approach the attractiveness of ATA's low fare, high capacity B-757 Chicago Midway proposal. Vanguard's limited Kansas City operation would also offer on-line connecting benefits to only four cities, one of which is Chicago Midway, ATA's principal hub and the focus of ATA's within-the-perimeter B-757 proposal. Although characterizing itself as a low-fare carrier, Vanguard does not even submit a fare proposal, traffic forecast or any estimate of consumer fare savings – each of which is a significant omission. Exbs. TZ-R-1 and 8 In the aggregate, Vanguard's proposal leaves no doubt that Vanguard is simply not in a position to make the maximum use of the relatively few available DCA slots.

2. AccessAir, ProAir, Legend and Atlantic Southeast

The proposals of AccessAir, a carrier which ceased all scheduled service last November (Exb. TZ-R-14), ProAir, a carrier which has just announced the termination of service to half of

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<sup>11</sup> It is also clear that Frontier's East Coast interest remains limited to LGA and DCA – slot-controlled airports. Exb. TZ-R-18.

its system,<sup>12</sup> and Legend, a carrier that would use aircraft with no more than 56 seats, merit little discussion. There is no legitimate basis on which any of these proposals even approaches ATA's low-fare B-757 Chicago Midway proposal. Nor would it be prudent for the Department to entrust DCA slots to a carrier which has already failed as a scheduled carrier, a carrier whose drastic service curtailment is the result of serious financial problems or a carrier that began operations only one month ago. None of these carriers has the fleet or the financial resources to sustain a competitive effort against far larger entrenched carriers.

Atlantic Southeast's proposal to serve Jacksonville with 50-seat regional jet aircraft does not compare to ATA's proposal to use 216-seat B-757 aircraft to serve the Chicago Midway market. Moreover, each and every one of Atlantic Southeast's more than 600 daily flights operates as a Delta Express flight. As a practical matter, Atlantic Southeast is indistinguishable from Delta. As such, Atlantic Southeast cannot and does not even attempt to try to claim limited incumbent status, thus further lowering whatever minimal appeal Atlantic Southeast's proposal may have had. It would make far more sense for Atlantic Southeast to pursue additional DCA commuter slots in the marketplace rather than seeking six of only eight available medium hub within-the-perimeter slots, which should be assigned in markets where they can generate significantly greater competitive benefits.

### **III. ATA'S LOS ANGELES, SAN FRANCISCO AND CHICAGO MIDWAY PROPOSALS CONTINUE TO ATTRACT GROWING SUPPORT**

In addition to the much-appreciated and broad-based support described in ATA's application, ATA has since received substantial additional support from, among others, Senator

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<sup>12</sup> ProAir recently announced that it has been forced to eliminate all scheduled service to Indianapolis, Newark, Philadelphia and Seattle. *USA Today*, May 9, 2000, p. 3B. The same report also mentions that ProAir is currently losing \$1.5 million per month.

Richard Lugar of Indiana and Senator Barbara Boxer of California. Senator Lugar observes that ATA's "operating costs are the lowest among the major U.S. carriers which has enabled [it] to provide low fares and timely service for the competitive east coast and west coast markets." Senator Boxer acknowledges ATA's track record as a low-fare specialist and encourages the Department to favorably consider proposals to offer "much-needed low fare competition" which make "a strong commitment to serving the interests of American consumers." That description fits only one of the four competing California-DCA proposals – ATA's.

Seventeen members of the Illinois Delegation to the House of Representatives, including Congressman William Lipinski, have voiced strong bipartisan support for ATA's Chicago Midway-DCA application.<sup>13</sup> The members of the Delegation state that they "firmly believe that Reagan National Airport, and all who utilize it, would greatly benefit from ATA's particular brand of low cost, high quality service" and that by "offering low fares on a regular, unrestricted basis between Reagan National Airport and Chicago's Midway Airport, ATA will bring pressure on the unusually high fares that currently exist at Reagan National Airport." The seventeen members of the Illinois Delegation "strongly urge" the Department to approve ATA's request for six slots to serve Chicago Midway.

Congresswoman Julia Carson and Congressman Edward Pease of Indiana have joined to strongly endorse the entirety of ATA's Los Angeles, San Francisco and Chicago Midway proposal to provide "enormous benefits to consumers" through its "low, virtually unrestricted fares and high capacity (216 passengers) quiet 757's." Congressman Norman Dicks of the State of

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<sup>13</sup> The Illinois Delegation members endorsing ATA's proposal are: Representatives William Lipinski, David Phelps, Rod Blagojevich, Lane Evans, Bobby Rush, Henry Hyde, John Porter. Luis Gutierrez, Gerald Weller. John Shimkus, Donald Manzullo, Jerry Costello, Danny Davis, Jesse Jackson, Jr., Philip Crane, Judy Biggert and Janice Schakowsky.

Washington has similarly endorsed ATA's entire proposal, and points to ATA being an "established, low-cost carrier" which offers "lower fares and increased options for the American traveling public."

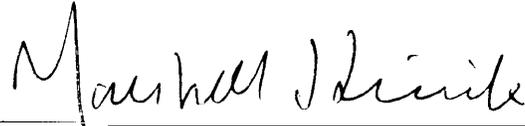
Among the California Congressional Delegation, Congressman George Miller and Congresswoman Ellen Tauscher have specifically expressed their support for ATA's "low-fare" proposal to serve San Francisco. Congressmen Elton Gallegly and Bob Filner have similarly endorsed ATA's proposal to serve Los Angeles. Within the California State Assembly, Assemblymen Carl Washington from California's 52<sup>nd</sup> District and Alan Lowenthal from the 54<sup>th</sup> District also support ATA's low-fare Los Angeles proposal. Assemblyman Washington specifically points to the importance of ATA's low-fare service to low- and middle-income families. The Speaker Emeritus of the California State Assembly Antonio R. Villaraigosa has added his strong endorsement of ATA's Los Angeles-DCA proposal.

These broad-based letters of support from many elected representatives of Indiana, Illinois, California and Washington demonstrate forcefully the strong appeal that ATA's service proposal enjoys among the representatives of American consumers.

#### IV. CONCLUSION

American Trans Air, Inc., for all of the reasons expressed in its application as well as in these consolidated comments, renews its request that the Department allocate to ATA: (i) two beyond-the-perimeter slots for nonstop service to Los Angeles (LAX); (ii) two beyond-the-perimeter slots for nonstop service to San Francisco (SFO); and (iii) six within-the-perimeter slots for nonstop service to Chicago Midway Airport.

Respectfully submitted,

A handwritten signature in cursive script that reads "Marshall S. Sinick". The signature is written in black ink and is positioned above a horizontal line.

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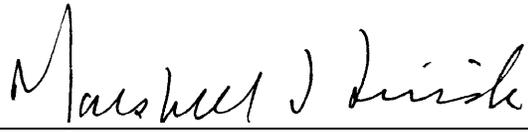
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DATED: May 22, 2000

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing Consolidated Comments of American Trans Air, Inc. was served this date upon the following by postage paid first-class mail.

  
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Marshall S. Sinick

DATED: May 22, 2000

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Governor  
Commonwealth of Virginia  
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Richmond, VA 23219

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Washington, D.C. 20510

Hon. Peter G. Fitzgerald  
United States Senate  
555 Dirksen Senate Office Building  
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Hon. George H. Ryan  
Governor  
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Hon. Richard M. Daley  
Mayor  
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American Airlines, Inc.  
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John Sullivan, Jr.  
Commutair  
Clinton County Airport  
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Atlantic Coast Airlines, Inc.  
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Atlantic Southeast Airlines, Inc.  
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Sunworld International Airlines, Inc.  
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TEM Enterprises, Inc.  
d/b/a Casino Express Airlines  
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Airport Manager  
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James A. Wilding  
President and CEO  
Metropolitan Washington  
Airports Authority  
One Aviation Circle, Suite 300  
Washington, D.C. 20001

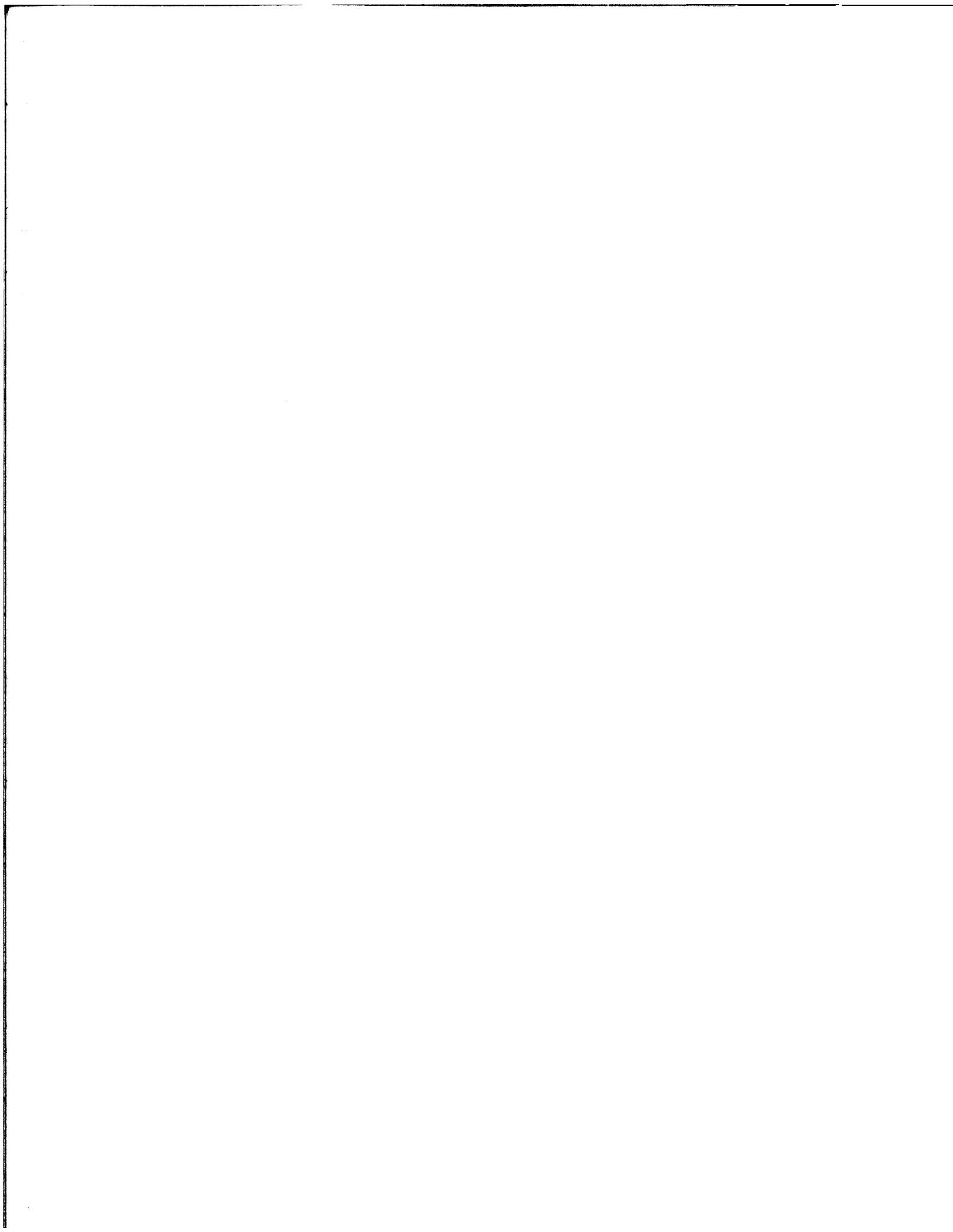
Commissioner Ellen O'Donnell  
Chicago Midway Airport  
5700 South Cicero  
Chicago, IL 60638

Commissioner Thomas Walker  
Chicago Aviation Department  
Chicago O'Hare International Airport  
P.O. Box 66142  
Chicago, IL 60666

Henry E. Berman  
President  
San Francisco Airport Commission  
San Francisco International Airport  
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San Francisco, CA 94 128-8097

Jon F. Ash  
Michael J. Morstein  
Global Aviation Associates, Ltd.  
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Marcus G. Faust  
327 Constitution Avenue, N.E.  
Washington, DC 20002



RICHARD G. LUGAR  
SENATOR  
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COMMITTEE  
AGRICULTURE, NUTRITION AND FORESTRY  
CONSUMER  
FOREIGN RELATIONS  
SENATE COMMITTEE  
ON INTELLIGENCE

# United States Senate

WASHINGTON, DC 20510 1401

April 21, 2000

The Honorable Rodney Slater  
Secretary  
U.S. Department of Transportation (USDOT)  
400 seventh Street, SW  
Washington, D.C. 20590

Dear Secretary Slater:

I am writing to share with you my strong support for an application submitted by American Trans Air, Inc. (ATA), to provide the first non-stop service between Reagan National Airport and Chicago's Midway Airport, and between Reagan National and both Los Angeles and San Francisco.

I understand the USDOT is working to implement provisions of P.L. 106-181 recently approved by Congress that would increase the number of available slots for qualified carriers at Reagan National

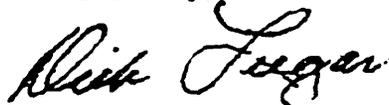
Headquartered in Indiana since 1973, ATA has grown to become the nation's largest charter airline and the eleventh largest domestic carrier. Its principal hub is Chicago's Midway Airport where it operates non-stop service to 28 destinations across the United States. According to ATA, the airline's operating costs are the lowest among the major U.S. carriers which has enabled them to provide low fares and timely service for the competitive east coast and west coast markets.

ATA is applying for available slots which would allow the airline to operate three daily non-stop, round-trip flights between Reagan National and Chicago's Midway Airport and two non-stop, round-trip flights between Reagan National, Los Angeles and San Francisco.

As you continue your review of submitted proposals for additional air passenger service for these destinations, I hope thoughtful consideration will be given to the worthwhile application submitted by ATA.

Thank you for your consideration.

Sincerely,



Richard G. Lugar  
United States Senator

RGL/cgc

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BARBARA BOXER  
CALIFORNIA

FILE COPY

# United States Senate

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ENVIRONMENT  
AND PUBLIC WORKS  
FOREIGN RELATIONS

May 12, 2000

The Honorable Rodney E. Slater  
Secretary of Transportation  
400 Seventh Street, SW  
Room 10200  
Washington, DC 20590

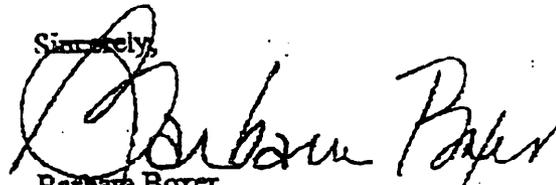
Dear Mr. Secretary:

As you know, provisions in the recently enacted Wendell H. Ford Aviation Investment and Reform Act for the 21<sup>st</sup> Century ("Air 21") permit six round trip flights each day between Reagan National Airport (DCA) and cities beyond the 1,250 mile perimeter rule which currently applies to service out of DCA.

I understand that American Trans Air, a smaller, low-cost U.S. air carrier, has filed an application with the Department of Transportation for non-stop, round trip service to DCA from both San Francisco and Los Angeles.

With so few opportunities to add non-stop service from new communities and, at the same time, to provide appropriate and often much-needed low fare competition, I encourage you to make every effort to consider allocating these new flight slots to those carriers which have a demonstrated track record of safety and which make a strong commitment to serving the interests of American consumers.

Sincerely,



Barbara Boxer  
United States Senator

BB:jhh

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# Congress of the United States

Washington, DC 20515

May 12, 2000

The Honorable Rodney E. Slater  
Secretary  
Department of Transportation  
400 Seventh Street, SW  
Washington, DC 20590

Dear Mr. Secretary:

We are writing in support of American Trans Air, Inc.'s (ATA) application to provide service from Washington DC's Reagan National Airport to Chicago's Midway Airport. ATA, the nation's eleventh largest carrier, has an established history of providing quality service at low fares. We firmly believe that Reagan National Airport and all who utilize it, would greatly benefit from ATA's particular brand of low cost, high quality service.

As you know, the Wendell H. Ford Aviation Investment and Reform Act for the 21<sup>st</sup> Century authorizes the Department of Transportation to grant 12 inside the perimeter slot exemptions at Reagan National Airport to airlines providing service that meets certain criteria, such as service that will produce maximum competitive benefits, including low fares. Because ATA enjoys the lowest unit costs of any scheduled U.S. carrier, ATA consistently offers low fares with few restrictions throughout its network - fares that, on average, are one-third less than the fares of other major carriers. By offering low fares on a regular, unrestricted basis between Reagan National Airport and Chicago's Midway Airport, ATA will bring pressure on the unusually high fares that currently exist at Reagan National Airport. In fact, ATA estimates that its nonstop service from Reagan National to Midway would produce annual consumer fare savings of \$34 million.

In addition, Chicago's Midway Airport acts as a hub for ATA's operations. As a result, passengers from Reagan National would be able to easily benefit from ATA's entire low fare network if ATA is allowed to provide nonstop service from Reagan National to Midway. However, ATA is not the only low fare carrier serving Chicago's growing and vibrant Midway Airport. Several other low fare carriers serve Midway Airport and passengers travelling from Reagan National to Midway on ATA could also benefit from their low fare networks.

Finally, if ATA is awarded the slot exemptions to provide service between Reagan National and Midway Airport, the carrier plans to provide the service on Boeing 757 aircraft configured for 216 passengers. By using the B-757, ATA will be able to provide low fare, high quality service to the greatest number of passengers. In addition, the B-757 is manufactured to Stage 3 noise standards and is one of the quietest aircraft in

The Honorable Rodney E. Slater

May 12, 2000

Page Two

existence. This will undoubtedly help alleviate some of the noise concerns of residents living near both Reagan National and Midway Airport. ATA is committed to the use of the B-757, as evidenced by their recent order for ten new Boeing 757s.

We strongly urge the Department of Transportation to grant ATA the six slot exemptions it seeks to provide nonstop service from Reagan National Airport to Chicago's Midway Airport. Consumers in the Washington, DC and the Chicago metropolitan area will greatly benefit from the low fare, high quality service consistently offered by ATA. Thank you for your time and attention to this important matter. With best wishes and kind regards, we remain

Peter Lupin

David DeLuca

Paul Blagojevich

Jan Schakowsky

Sam Egan

Beth Lynn

Henry Hyde

Ken Calvert

Judy Biggitt

Samuel Alito

[Signature]

[Signature]

Donald A. Manzullo

Jim Costello

Danny L. Davis

Gene Lauterbach

The Honorable Rodney E. Slater  
May 12, 2000  
Page Three

Handwritten signature of Phil Crane in black ink, written over a horizontal line.

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# Congress of the United States

Washington, DC 20515

May 15, 2000

The Honorable Rodney Slater  
Secretary of Transportation  
400 Seventh Street, NW  
Room 10200  
Washington, D.C. 20590

Dear Secretary Slater:

We are writing to endorse the attractive service proposal made by American Trans Air (ATA) for non-stop service between Reagan National-LAX, Reagan National-SFO, Reagan National-Midway and from there between LAX and SFO. ATA's proposal is outstanding in terms of the enormous benefits to consumers which it, as a new entrant carrier, will provide through its low, virtually unrestricted, fares and high capacity (216 passengers) quiet 757's. No other carrier can match this combination.

We fully appreciate that ATA does not enjoy the same household name status as some of the larger carriers even though ATA has operated scheduled service for twenty years and now serves 25 nonstop destinations from its Midway hub. Nonetheless, we are impressed by the carrier's 27-year safety record, the modern B 757 aircraft it proposes to use, and its low fare track record backed up by its exceptionally low operating costs.

ATA's record on the LaGuardia/Midway/Los Angeles route, where it was given the opportunity to provide service for passengers less than two years ago, is exemplary. Despite having only three round trips a day on that route versus a much larger number of trips by its competitors, ATA is now the second-largest carrier of passengers between LaGuardia and LAX. This is indicative of the travel opportunities its low fare, no restriction approach can provide for the traveling public.

ATA's 216-seat 757s will carry more passengers than any planes offered by its competitors. The direct monetary benefits for those flying ATA also will have an indirect benefit for those who will fly on other airlines on the routes for which it is applying, as the fare competition it will provide will force its competitors to try to match its offerings. The approval of ATA's application will mean consumer savings of tens of millions of dollars a year.

We urge you to grant ATA's application for the non-stop flights to Los Angeles and San Francisco and for the flights to Midway and beyond to Los Angeles and San Francisco as well.

Sincerely yours,



Edward A. Pease  
Member of Congress



Julia Carson  
Member of Congress

U.S. DEPARTMENT OF TRANSPORTATION  
MAY 22 2000 01:29PM  
COMMITTEE:  
APPROPRIATIONS  
SUBCOMMITTEE:  
INTERIOR  
RANKING DEMOCRATIC MEMBER  
DEFENSE  
MILITARY CONSTRUCTION



**Congress of the United States**  
**House of Representatives**  
May 11, 2000

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RECYCLED PAPER

The Hon. Rodney E. Slater  
Secretary  
Department of Transportation  
400 Seventh St. SW  
Room 10200  
Washington, DC 20590

Dear Mr. Secretary:

I am writing in support of the application of American Trans Air (ATA) for authority to operate nonstop service between Washington Reagan National Airport (DCA) and San Francisco, Los Angeles and Chicago Midway.

As you know, the Wendell H. Ford Aviation Reform and Investment Act for the 21st Century provided new "slots" for service from DCA. Because ATA is an experienced low-cost airline, granting its request will result in lower fares and increased options for the American traveling public. These benefits will flow to my constituents as they travel throughout the United States, especially to or through Chicago.

As of May 7, ATA now operates service between Seattle-Tacoma and Chicago Midway. Granting ATA's request for additional slots between Midway and DCA will be a further boon for Washington State travelers, whose low-fare options for travel to Chicago and the East Coast will expand dramatically.

Competition invariably results in lower fares and greater consumer choice. Consumers particularly benefit when, as with these routes, the new competition will be provided by an established, low-cost carrier like ATA.

I therefore support ATA's requests for new DCA slots to San Francisco, Los Angeles and Chicago Midway. Thank you for considering my views.

Sincerely,

NORM DICKS  
Member of Congress

NDD:pjm

GEORGE MILLER  
7TH DISTRICT, CALIFORNIA

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ADMINISTRATIVE ASSISTANT  
COMMITTEE ON RESOURCES  
COMMITTEE ON EDUCATION  
AND THE WORKFORCE  
VICE CHAIR  
DEMOCRATIC POLICY COMMITTEE

Congress of the United States  
House of Representatives  
Washington, DC 20515-0507

May 15, 2000

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The Honorable Rodney Slater  
Secretary  
US Department of Transportation  
400 Seventh Street, SW  
Washington, DC 20590

Dear Secretary Slater:

I am writing concerning your forthcoming decision concerning the awarding of air carrier slots for non-stop service between San Francisco International Airport and Reagan National Airport. I am hoping that you will grant such service to American Trans Air (ATA).

As you might imagine, the Washington, DC-San Francisco route is quite familiar to those of us serving in the Congress from the Bay Area since we make this trip so frequently. However, we also have many constituents who travel to Washington for business and personal reasons, and we know how much a factor the cost of air transportation is in these trips.

I am impressed with ATA's record as a major low-cost carrier - currently the 11th largest carrier in the United States. Unlike many other carriers, ATA will sell low-cost one-way fares without such common requirements as advanced purchase or a Saturday night stay-over. ATA's fares for such tickets are several times below competitors' rates.

A unionized carrier, ATA has had a proven record of service elsewhere in the U.S. over a period of 20 years, and I am very hopeful the airline will have an opportunity to provide direct service between San Francisco and Reagan National as well. I appreciate your attention to this application and look forward to your decision.

Sincerely,

  
GEORGE MILLER  
Member of Congress

ELLEN O. TAUSCHER  
1001 DISTRICT, CALIFORNIA

COMMITTEE ON  
TRANSPORTATION AND INFRASTRUCTURE  
SUBCOMMITTEE ON AVIATION  
SUBCOMMITTEE ON  
WAYS RESOURCES AND EMPLOYMENT

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Congress of the United States  
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May 5, 2000

The Honorable Rodney E. Slater  
Secretary  
U.S. Department of Transportation  
400 Seventh Street, SW  
Washington, D.C. 20590

Dear Mr. Secretary,

I am writing to recommend your selection of American Trans Air, Inc. (ATA) to operate the first nonstop service between Reagan National and San Francisco (SFO). ATA's demonstrated record as a low fare carrier and its well-timed B-757 service would inject significant new competition in this important Reagan National market.

ATA's history of low fare operations based on the carrier's extremely low operating costs and the success ATA has had in the similar New York LaGuardia - West Coast markets make it virtually certain that ATA would generate the same service benefits and substantial fare savings in the comparable Reagan National markets. ATA's fares are no-gimmick, unrestricted low fares that are offered without advance purchase or Saturday night stay requirements and can be purchased on a one-way basis. This is truly a pro-consumer fare structure, which will generate tens of millions of dollars in consumer fare savings and will also have the effect of exerting downward pressure on the economy fares of other airlines.

Thank you for your consideration of this request. It is my hope that American Air Trans will be awarded the opportunity to provide direct service from DCA to SFO so that my constituents and all of the residents of the Bay Area can benefit from ATA's low fares.

Sincerely,



Ellen O. Tauscher  
Member of Congress



**BOB FILNER**  
SIXTH DISTRICT, CALIFORNIA

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CONGRESS OF THE UNITED STATES  
HOUSE OF REPRESENTATIVES

TRANSPORTATION AND INFRASTRUCTURE  
COMMITTEES

VETERANS' AFFAIRS  
COMMITTEE

e-mail: [TalkToBobFilner@mail.house.gov](mailto:TalkToBobFilner@mail.house.gov)  
website: [www.house.gov/filner](http://www.house.gov/filner)

May 19, 2000

The Honorable Rodney E. Slater  
Secretary of Transportation  
U.S. Department of Transportation  
400 7th Street SW  
Washington, DC 20590

Dear Secretary Slater:

I am writing in support of low-cost air service between Washington National Airport (DCA) and the West Coast. I understand that American Trans Air (ATA) is among the carriers who have applied for the six long-distance flights now available out of DCA as a result of the Aviation and Reform Act for the 21<sup>st</sup> Century. ATA proposes to offer its low-fare non-stop service to Los Angeles from DCA.

I believe that ATA's record of low-fare service will serve my region well. ATA has operated scheduled, low-fare service for more than 20 years and now serves 25 non-stop destinations from its Chicago Midway hub. It is the 11<sup>th</sup> largest U.S. carrier and its proposal offers greater capacity than other applicants.

Increasing competition in this cross-country market will be good for the flying public in my area. ATA estimates that their low-fare proposal for the non-stop service to from DCA to LAX, San Francisco and Chicago Midway would save consumers more than \$64 million a year. The \$199 cross-country fares they propose certainly are appealing to me, as well as countless other Californians.

I appreciate you taking the time to consider my support of the ATA application.

Sincerely,

BOB FILNER  
Member of Congress

BF/mn  
2003603

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# Assembly California Legislature

**CARL WASHINGTON**  
ASSEMBLY MEMBER, FIFTY-SECOND DISTRICT  
CHAIR  
SELECT COMMITTEE ON COMPTON  
UNIFIED SCHOOL DISTRICT

COMMITTEES:  
APPROPRIATIONS  
EDUCATION  
LABOR & EMPLOYMENT  
PUBLIC SAFETY  
RULES  
SELECT COMMITTEE ON AGING  
SELECT COMMITTEE ON  
CORRIDORS OF ECONOMIC  
SIGNIFICANCE  
JOINT COMMITTEE ON  
PRISON CONSTRUCTION &  
OPERATIONS

May 4, 2000

The Honorable Rodney Slater  
Secretary of Transportation  
400 Seventh Street, NW  
Room 10200  
Washington, DC 20590



Dear Secretary Slater:

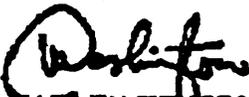
In the near future, your office will make a decision to grant "slots" to air carriers wishing to provide nonstop service between Los Angeles International Airport (LAX) and Washington's Reagan National Airport (DCA). I write in support of American Trans Air's (ATA) application for nonstop service between LAX and DCA, and I strongly urge you to support their application.

As a legislator, my priorities are to lend assistance to low and middle - income families, and to advance the general welfare of my constituents within my district. Although I have little control on airfares and flight availability, I am however, very much concerned with the impact of your decision. Specifically, I am concerned about the cost of travel to our nation's capital. Cost to me is measured not only in terms of dollars, but also in the amount of time expended to reach our destination.

American Trans Air's (ATA) reputation for low fares, excellent service and air travel safety make it an excellent choice for my constituents. The amount of time and money that will be saved by families and businesses flying nonstop to Washington D. C., compels me to seek an affirmative response from you.

Finally, Mr. Secretary, as political leaders, both you and I have a duty and a responsibility to unleash the "American Spirit" of free enterprise and competition. By granting slots to American Trans Air for nonstop service to Washington D.C., you will be setting in effect economic fundamentals that will exert downward pressure on the industry to reduce prices on all air carriers flying the Los Angeles to Washington route.

Sincerely,

  
CARL WASHINGTON  
52<sup>nd</sup> Assembly District

COMMITTEES:  
CHAIR  
HOUSING AND COMMUNITY  
DEVELOPMENT  
CHAIR  
SELECT COMMITTEE ON  
CALIFORNIA PORTS  
MEMBER  
ENVIRONMENTAL SAFETY AND  
TOXIC MATERIALS  
HIGHER EDUCATION  
NATURAL RESOURCES

# Assembly California Legislature

**ALAN LOWENTHAL**  
ASSEMBLY MEMBER, FIFTY-FOURTH DISTRICT

Representing the communities of Avalon, Hawaiian Gardens, Lomita, Long Beach,  
Pico Marina District, Rancho Palms Verdant, Rolling Hills, Rolling Hills Estates,  
San Pedro, Signal Hill

CAPITOL OFFICE  
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LONG BEACH, CA 90802  
(562) 408-4765  
FAX (562) 488-1878

SATELLITE DISTRICT OFFICE  
446 WEST 7TH STREET, SUITE A  
SAN PEDRO, CA 90731  
(310) 348-6420  
FAX (310) 548-4160

E-mail: [alan.lowenthal@leg.ca.gov](mailto:alan.lowenthal@leg.ca.gov)

May 18, 2000

The Honorable Rodney Slater  
Secretary of Transportation  
400 Seventh Street, NW  
Room 10200  
Washington, DC 20590

Dear Secretary Slater:

In the near future, your office will make a decision to grant "slots" to air carriers wishing to provide non-stop service between Los Angeles International Airports (LAX) and Washington's Reagan National Airport (DCA). I write in support of American Trans Air's (ATA) application for nonstop services between LAX and DCA and I strongly urge you to support their application.

As a legislator, the centerpiece of my agenda is to lend assistance to low and middle-income families and individuals in my district. One area over which I have little control, but you do, is airfares. The cost of airfare, particularly on flights from the West to the East Coast, precludes flying as a viable means of travel to many families who reside in or near Los Angeles. For this reason, among others detailed below, I strongly urge you to grant ATA's application for the available nonstop slots from LAX to DCA.

Unlike other, larger airlines, ATA fares can be purchased on a one-way basis, with no advance purchase requirements or with no Saturday night stay-over. The only comparable fare that can be purchased without the above-mentioned restrictions costs four times what ATA charges. This purchasing flexibility provides inherent advantages to families and individuals on fixed income or with limited financial means.

As the nation's 11<sup>th</sup> largest air carrier, ATA already carries substantial traffic volumes between Chicago's Midway Airport, and LAX and DCA on its one-stop flights. The addition of a direct route will provide an efficient, low-cost alternative for many travelers between these two cities who should have affordable non-stop services available to them.

With a 20-year history of providing low fares, a solid reputation for customer service and an excellent safety record, ATA is positioned to provide increased competition that will benefit all air travelers. Simply put, ATA's low fares will exert downward pressure on the majority of the airline industry, which will lower future fares on other airlines. The end result is that consumers will benefit from less-expensive flights and improved travel options.

Once again, I would like to offer my strong endorsement for American Trans Air's application for direct flights from LAX to DCA. Thank you for your consideration.

Sincerely,



Alan Lowenthal  
Assemblymember, 54<sup>th</sup> District



ANTONIO R. VILLARAIGOSA  
SPEAKER EMERITUS

May 16, 2000

The Honorable Rodney Slater  
Secretary of Transportation  
400 Seventh Street, SW, Room 10200  
Washington, DC 20590

Dear Secretary Slater:

In the near future, your office will make a decision to grant "slots" to air carriers wishing to provide nonstop service between Los Angeles International Airport (LAX) and Washington's Reagan National Airport (DCA). I am writing in support of American Trans Air's (ATA) application for nonstop service between LAX and DCA.

As a legislator, I have consistently endeavored to lend assistance to low- and middle-income families and individuals in my district. One area over which I have little control, but you do, is airfare. The cost of airfare, particularly on flights from the West to the East Coast, precludes flying as a viable means of travel to many families who reside in or near Los Angeles. For this reason, among others detailed below, I urge you to grant ATA's application for nonstop slots from LAX to DCA.

ATA is one of, if not the leading low fare carrier in the United States. Unlike other, larger airlines, ATA fares can be purchased on a one-way basis, with no advance purchase requirements or with no Saturday night stay-over. The only comparable fare that can be purchased without the above-mentioned restrictions costs four times what ATA charges. This purchasing flexibility provides inherent advantages to families and individuals on fixed incomes or with limited financial means. ATA's low cost fares provide a wide range of options to those who currently wish to travel to our nation's capital but cannot afford to do so.

As the nation's 11<sup>th</sup> largest air carrier, ATA already carries substantial traffic volumes between Chicago's Midway Airport, and LAX and DCA on its one-stop flights. The addition of a direct route will provide an efficient, low-cost alternative for many travelers between these two cities who should have affordable nonstop services available to them.

The Honorable Rodney Slater  
May 18, 2000  
Page 2

With a 20-year history of providing low fares, a solid reputation for customer service and an excellent safety record, ATA is positioned to provide increased competition that will benefit all air travelers. Simply put, ATA's low fares will exert downward pressure on the majority of the airline industry, which will lower future airfares on other airlines. The end result is that consumers will benefit from less-expensive flights and improved travel options.

Once again, I would like to offer my endorsement for American Trans Air's application for direct flights from LAX to DCA. Thank you for your consideration.

Sincerely,



ANTONIO R. VILLARAGOSA  
Speaker Emeritus

ARV/tv

**ATA WOULD CARRY MORE PASSENGERS PER FLIGHT  
THAN ANY OTHER APPLICANT FOR REAGAN NATIONAL  
BEYOND-THE-PERIMETER SLOTS**

<b>Carrier</b>	<b>Seats</b>	<b>LF</b>	<b>Passengers</b>	<b>Per Flight</b>
<b>ATA</b>	<b>315,316</b>	<b>77.6%</b>	<b>244,719</b>	<b>168</b>
America West	693,500	68.5	475,048	130
American	256,960	68.9	177,045	121
Delta	267,180	71.4	190,766	131
Frontier	197,100	59.1	116,486	80
National	283,250	54.1	207,338	95
Northwest	90,520	70.8	64,088	88
TWA	394,200	72.5	285,795	131
United	265,720	70.2	186,535	128

NOTE: Passenger estimates are based on forecast seats and each carrier's CY1999 systemwide load factor

**Source:** Capacity from Carrier Applications  
1999 Load Factor From Form 41 via Database Products

**ATA WOULD CARRY MORE PASSENGERS PER FLIGHT  
THAN ANY OTHER APPLICANT FOR REAGAN NATIONAL  
WITHIN-THE-PERIMETER SLOTS**

<b>Carrier</b>	<b>Seats</b>	<b>LF</b>	<b>Passengers</b>	<b>Per Flight</b>
<b>ATA</b>	<b>473,040</b>	<b>77.6%</b>	<b>367,079</b>	<b>168</b>
AirTran	341,640	60.9	208,059	71
ASA	107,400	58.9	63,259	29
Midway	181,040	66.0	119,486	55
Midwest Express <sup>1</sup>	169,360	65.4	110,761	76
Legend <sup>2</sup>	94,900	65.0	61,685	42
ProAir <sup>3</sup>	192,720	65.0	125,268	86
Spirit	598,600	69.0	413,034	113
Vanguard	175,200	66.0	115,632	79

**NOTE:** Passenger estimates are based on forecast seats and each carrier's CY 1999 systemwide load factor

**Source:** Capacity From Carrier Applications  
1999 Load Factor From Form 41 via Database Products

<sup>1</sup> Assuming use of 116 seat MD-80; Midwest Express was not specific as to whether the DC-9 or MD-80 would be used on its service

<sup>2</sup> Assuming a 65% load factor, Legend has no publicly available traffic information

<sup>3</sup> Assuming a 65% load factor, ProAir has not submitted 1999 Form 41 traffic data to the DOT

**ATA WOULD MAKE THE MAXIMUM COMPETITIVE USE OF  
EACH REAGAN NATIONAL SLOT**

**ATA WOULD OFFER SUBSTANTIALLY MORE SEATS PER FLIGHT**

<b>Carrier</b>	<b>Equipment</b>	<b>Seats</b>	<b>ATA Advantage</b>
<b>ATA</b>	<b>B-757</b>	<b>216</b>	
America West	B-757	190	26 seats/slot
American	B-757	176	40 seats/slot
Delta	B-757	183	33 seats/slot
Frontier <sup>1</sup>	B-737-300	135 (est.)	81 seats/slot
National	B-757	175	41 seats/slot
Northwest	A-319	124	92 seats/slot
TWA	B-757	180	36 seats/slot
United	B-757	182	34 seats/slot

Source: ATA application-page 10; America West application-page 1; American application-page 1; Delta application-page 4; National application Exhibit NA-1; Northwest application-page 2; TWA application-page 1; United application-page 1

<sup>1</sup> Frontier did not submit an aircraft configuration; estimated from May 2000 OAG.

NO OTHER APPLICANT COULD COME ANYWHERE NEAR MAXIMIZING  
THE USE OF EACH SLOT TO THE SAME EXTENT AS ATA

ATA'S GREATER NUMBER OF SEATS PER FLIGHT MEANS THAT THE  
OTHER EIGHT WITHIN-THE-PERIMETER APPLICANTS WOULD HAVE TO  
OPERATE 231 TO 2,424 ADDITIONAL FLIGHTS TO PROVIDE THE SAME  
CAPACITY ATA OFFERS'

Carrier	Equipment	Equivalent Additional Annual Flights Per Slot Required to Match ATA's Capacity
<b>ATA</b>	<b>B-757</b>	
AirTran	B-717	618
ASA	CRJ	2,424
Midway	B-737-700	542
Midwest Express	DC-9	1,898
	MD-80	629
Legend	DC-9	2,086
ProAir	B-737-300	465
	B-737-400	380
Spirit	MD-80	231
Vanguard	B-737-200	584

<sup>1</sup> Since AccessAir is no longer operating as a scheduled carrier and the Central Illinois Airport Authority did not present an airline on a timely basis, ATA did not address these two applications.

NO OTHER APPLICANT COULD COME ANYWHERE NEAR MAXIMIZING  
THE USE OF EACH SLOT TO THE SAME EXTENT AS **ATA**

**ATA'S** GREATER NUMBER OF SEATS PER FLIGHT MEANS THAT THE  
OTHER EIGHT BEYOND-THE-PERIMETER APPLICANTS WOULD HAVE  
TO OPERATE **87** TO **542** ADDITIONAL FLIGHTS PER SLOT TO PROVIDE  
THE SAME CAPACITY **ATA** OFFERS

<b>Carrier</b>	<b>Equipment</b>	<b>Equivalent Additional Annual Flights Per Slot Required to Match ATA's Capacity</b>
<b>ATA</b>	<b>B-757</b>	
America West	B-757	100
American	B-757	166
Delta	B-757	87
Frontier	B-737	438
National	B-757	171
Northwest	A-319	542
TWA	B-757	146
United	B-757	136

THE ABSENCE OF LOW FARE PROPOSALS IN A PROCEEDING IN WHICH  
THE DEPARTMENT'S MANDATE IS TO INCREASE COMPETITION IS VERY  
TELLING

**ATA** IS ONE OF ONLY TWO CARRIERS TO SET FORTH IN DETAIL ITS  
PROPOSED FARES AND FARE CONDITIONS

Carrier	Proposed Specific Fares	
	Yes	No
<b>ATA</b>	X	
America West <sup>1</sup>		X
American		X
Delta		X
Frontier <sup>2</sup>		X
National	X	
Northwest		X
TWA		X
United		X

Source: Carrier applications

<sup>1</sup> America West estimates savings of **\$37** per passenger, but did not submit specific fares or fare conditions.

<sup>2</sup> Frontier cited savings for passengers it attributes to its entry into Baltimore, but did not submit specific fares or fare conditions.

THE ABSENCE OF LOW FARE PROPOSALS IN A PROCEEDING IN WHICH  
THE DEPARTMENT'S MANDATE IS TO INCREASE COMPETITION IS VERY  
TELLING

**ATA** IS ONE OF ONLY TWO CARRIERS TO SET FORTH IN DETAIL ITS  
PROPOSED FARES AND FARE CONDITIONS

Carrier		io
<b>ATA</b>	X	
AirTran		X
ASA		X
Legend <sup>1</sup>		X
Midway <sup>2</sup>		X
Midwest Express		X
ProAir	X	
Spirit		X
Vanguard		X

Source: Carrier applications

<sup>1</sup> Legend states its **DCA-DAL** fares will "mirror" its fares at **Dulles**, but provided no specific fare proposal. Legend also states that it is "contemplating" low fares for **DCA-Los Angeles**

<sup>2</sup> Midway is already operating in the **DCA-RDU** market and will continue to offer the fares it has instituted, but has no specific low fare proposals.

**ATA FORECASTS \$64 MILLION IN CONSUMER SAVINGS TO BE ENJOYED BY THE PASSENGERS ATA WOULD CARRY UNDER ITS COMPREHENSIVE PROPOSAL INCLUDING DCA-LAX AND DCA-SFO SERVICE**

**WITH THE SOLE EXCEPTION OF AMERICA WEST'S \$18 MILLION FORECAST, NONE OF THE REMAINING SEVEN BEYOND-THE-PERIMETER APPLICANTS PROJECT ANY CONSUMER FARE SAVINGS**

<b>Carrier</b>	<b>Provide Passenger Savings</b>	
	<b>Yes</b>	<b>No</b>
<b>ATA</b>	<b>X (\$64 Million)</b>	
America West	<i>X (\$18 Million)</i>	
American		X
Delta		X
Frontier		X
National		X
Northwest		X
TWA		X
United		X

Source: Carrier applications.

**AMERICAN AND UNITED ARE SEEKING EIGHT REAGAN NATIONAL  
BEYOND-THE-PERIMETER SLOTS TO LOS ANGELES SIMPLY TO  
PROTECT THEIR LONGSTANDING DOMINANCE OF THE WAS-LOS  
ANGELES MARKET**

<b>Carrier</b>	<b>1999 Passengers<sup>1</sup></b>	<b>1999 share</b>	<b>Proposed Annual Additional Seats</b>
<b>United</b>	<b>445,140</b>	<b>51%</b>	<b>265,720</b>
<b>American</b>	<b>271,350</b>	<b>31%</b>	<b>256,960</b>
<b>Subtotal</b>	<b>716,280</b>	<b>82%</b>	<b>522,960</b>
<b>All Other</b>	<b>160,632</b>	<b>18%</b>	

*American And United Carried 82% Of The Washington-Los Angeles Market In 1999. At An Estimated 60% Load Factor, Each Would Carry In Excess Of 150,000 Passengers (Including Beyond Connecting Passengers At LAX) If Awarded Their Slot Request. That Would Virtually Eliminate Any Remaining Competition!*

<sup>1</sup>Traffic to/from DCA & IAD: American application, page 4.

**ATA PROPOSES NONSTOP SERVICE TO THE TWO LARGEST  
BEYOND-THE-PERIMETER REAGAN NATIONAL MARKETS,  
LOS ANGELES-DCA AND SAN FRANCISCO-DCA**

Market	Passengers	Proposed Nonstop Service								
		ATA	HP	AA	DL	F9	N7	NW	TW	UA
Los Angeles	163,393	X		X					x	x
San Francisco	151,280	X								
Denver	136,670					X				
San Diego	110,920									
Albuquerque	108,110									
Seattle	108,040									
Phoenix	78,490									
Salt Lake City	72,490									
Orange County	63,660									
Las Vegas	61,650									

Source: USDOT O&O Survey 12 months ended 12/31/99 through Data Base Products

**WASHINGTON (DCA)-CHICAGO IS THE LARGEST WITHIN-THE-PERIMETER MARKET AT ISSUE IN THIS PROCEEDING**

Market	Applicant	Market Size	Daily Each Direction
Chicago			
Midway	ATA	6,470 <sup>1</sup>	
O'Hare		<u>582,690</u>	
		589,160	807
Dallas			
Love Field	Legend	790	
DFW		<u>401,850</u>	
		402,640	552
Atlanta	AirTran	364,800	500
Detroit			
Detroit City	ProAir	0	
Wayne County		<u>197,950</u>	
		197,950	271
Kansas City	Vanguard	184,670	253
West Palm Beach	Spirit	156,410	214
Raleigh/Durham	Midway	130,250	178
Ft Lauderdale	Spirit	123,310	169
Jacksonville	ASA/Delta	90,310	124
Ft Myers	Spirit	50,230	69
Des Moines	Midwest Express	43,700	60
Ft Walton Beach	AirTran	23,070	32
Savannah	AirTran	22,590	31
Gulfport/Biloxi	AirTran	15,280	21
Myrtle Beach	Spirit	12,470	17

Source: USDOT O&D Survey, 12 Months Ended September 30, 1999 via Database Products

<sup>1</sup>ATA did not start DCA-Midway service until April 3, 2000.

**ATA'S HAS DEVELOPED ITS MIDWAY HUB INTO ONE OF THE  
STRONGEST HUBS AMONG NEW ENTRANT CARRIERS**

Carrier	Hub Proposed For Within Perimeter DCA Service	Daily Carrier Activity At Hub'		
		Flights	Seats	Markets
ATA	MDW	79	9,459	25
AirTran <sup>2</sup>	GPT	8	936	4
	SAV	4	462	1
	VPS	4	464	1
Midway	RDU	95	6,064	22
Vanguard	MCI	26	3,276	5
ProAir <sup>3</sup>	DET	9	1,314	4
Legend	DAL	10	560	3

NOTE: Spirit does not have a hub at any of the terminal points it has applied to serve.

Source: June 2000 OAG

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<sup>1</sup> Including codeshare partners.

<sup>2</sup> Assumes AirTran's intention is to serve the non-large hub markets rather than Atlanta which is outside the scope of this proceeding.

<sup>3</sup> Reflects abandonment of Indianapolis, Newark, Philadelphia and Seattle.

NORTHWEST'S REQUEST FOR TWO REAGAN NATIONAL BEYOND-THE-PERIMETER SLOTS TO SERVE SEATTLE -- WITH AIRBUS AIRCRAFT -- APPEARS TO BE PRIMARILY DEFENSIVE RATHER THAN A SERIOUS WELL-CONCEIVED EFFORT TO PROVIDE **SEATTLE-DCA** NONSTOP SERVICE

THE **SEATTLE-DCA** MARKET IS FAR SMALLER THAN ANY OF THE OTHER PRINCIPAL SEATTLE-EAST COAST MARKETS WHICH NORTHWEST HAS IGNORED

<b>Seattle Market</b>	<b>1999 Passengers</b>	<b>Northwest Flights (RT)</b>
Newark	264,250	0
Atlanta	250,030	0
Boston	245,110	0
Baltimore	236,110	0
Dulles	165,420	0
Kennedy	161,170	0
Philadelphia	159,930	0
Reagan National	109,310	1

***IF Granted Reagan National Beyond- The- Perimeter Slots, Northwest's Only Seattle-East Coast Nonstop Service Would Be To A Slot-Controlled Airport!***

Source: USDOT O&D Survey for 1999 Through Database Products  
Northwest Application, May 2000 OAG

**ACCESSAIR IS NO LONGER AN  
OPERATING SCHEDULED  
CARRIER**

*AccessAir Suspended All Scheduled  
Service In November 1999!*

NATIONAL IS PROPOSING THAT SIX OF THE TWELVE REAGAN NATIONAL BEYOND-THE-PERIMETER SLOTS BE AWARDED TO SERVE **DCA-LAS VEGAS** - A MARKET LESS THAN ONE-FIFTH THE SIZE OF THE **DCA-LOS ANGELES** AND **DCA-SAN FRANCISCO** MARKETS ATA IS PROPOSING TO SERVE

	Beyond-The-Perimeter Slots Requested	Annual Passengers
<b><u>ATA</u></b>		
Los Angeles	2	163,393
San Francisco	2	<u>151,280</u>
<b>ATA Total</b>	<b>4</b>	<b>314,673</b>
<b><u>National</u></b>		
Las Vegas	<u>6</u>	<u>61,650</u>
National Total	6	61,650
<b>National As Per Cent of ATA</b>	<b>150%</b>	<b>20%</b>

Source: Traffic from USDOT O&D Survey 12 months ended 12/31/99 through Data Base Products; Beyond-The-Perimeter slot requests from carrier applications

**DELTA'S REQUEST FOR FOUR REAGAN NATIONAL BEYOND-THE-PERIMETER SLOTS TO SERVE SALT LAKE CITY WOULD PROVIDE MINIMAL ADDED CONVENIENCE TO TRAVELERS IN THE WASHINGTON-SALT LAKE CITY MARKET**

		<u>Westbound</u>		<u>Eastbound</u>	
		<u>Dpt.</u>	<u>Arr.</u>	<u>Dpt.</u>	<u>Arr.</u>
Morning	Existing	0745	1021	1021	1631
	Proposed	0735	1003	1015	1618
Afternoon	Existing	1945	2221	1600	2248
	Proposed	1815	2058	1420	2020

**Delta Proposes To Overlay Its Existing Service To IAD With Additional Service To DCA Which Will Not Significantly Expand Travel Options**

Source: Delta Application and May 2000 OAG

AMERICA WEST IS PROPOSING THAT TEN OF THE TWELVE AVAILABLE REAGAN NATIONAL BEYOND-THE-PERIMETER SLOTS BE AWARDED TO SERVE **DCA-PHOENIX** AND **DCA-LAS VEGAS** -- MARKETS LESS THAN HALF THE SIZE OF THE **DCA-LOS ANGELES** AND **DCA-SAN FRANCISCO** MARKETS **ATA** IS PROPOSING TO SERVE

	<b>Beyond-The-Perimeter Annual</b>	
	<b>Slots Requested</b>	<b>Passengers</b>
<b><u>ATA</u></b>		
Los Angeles	2	<b>163,393</b>
San Francisco	2	<b><u>151,280</u></b>
<b>ATA Total</b>	<b>4</b>	<b>314,673</b>
<b><u>America West</u></b>		
Phoenix	6	78,490
Las Vegas	<u>4</u>	<b><u>61,650</u></b>
<b>America West Total</b>	<b>10</b>	<b>140,140</b>
<b>America West As Per Cent of ATA</b>	<b>250%</b>	<b>45%</b>

Source: Traffic from USDOT O&D Survey 12 months ended 12/31/99 through Data Base Products; Beyond-The-Perimeter slot requests from carrier applications

**FRONTIER'S PROFESSED INTEREST IN COMPETING  
AGAINST ENTRENCHED INCUMBENTS APPEARS  
COMPLETELY INCONSISTENT WITH ITS REAL STRATEGY –  
THE AVOIDANCE OF COMPETITION**

**FRONTIER HAS APPLIED FOR FOUR REAGAN NATIONAL BEYOND-THE-  
PERIMETER SLOTS TO SERVE ONE OF THE SMALLEST DENVER-EAST  
COAST MARKETS WHILE FRONTIER OFFERS NO SERVICE IN A NUMBER  
OF LARGER COMPETITIVE MARKETS**

<b>Denver Market</b>	<b>1999 Passengers</b>	<b>Frontier Flights (RT)</b>
LaGuardia	484,870	3
Newark	389,150	0
Dulles	386,460	0
Boston	386,320	1
Baltimore	285,740	2
Philadelphia	242,340	0
Miami	171,500	0
Reagan National	135,750	2

***If Granted The Four Reagan National Beyond-The-Perimeter Slots, Almost Two-  
Thirds Of Frontier's Denver-East Coast Service Would Be To Slot -Controlled Airports***

Source: USDOT O&D Survey for 1999 Through Database Products  
Frontier Application, May 2000 OAG

**ATA, AMONG THE THREE NEW ENTRANT/LIMITED INCUMBENT HUB  
APPLICANTS SEEKING WITHIN-THE-PERIMETER SLOTS, HAS PROVEN  
ITS COMPETITIVE STAYING POWER AGAINST FAR GREATER  
COMPETITION AT ITS MDW HUB**

	<b>ATA Chicago-MDW</b>	<b>AirTran Atlanta</b>	<b>Midway' Raleigh/Durham</b>
Markets Served	25	29	22
Competitive Markets	24	24	9
Percent Competitive	96%	83%	41%

**Directly Competitive**

American	22	3	0
Delta		24	3
United	24	2	1
Southwest	7	0	2
Other	4	9	7
Average Number of Competitors/Route	2.5	1.3	0.6
Competitive Index	100	52	24

Note: Competitive index relates average number of competitors per route to the most highly competitive carrier, **ATA**

Source: Pages **2-4** of this exhibit

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<sup>1</sup> As **ATA** points out in its comments, Midway is not in fact a limited incumbent carrier. However, **ATA** is treating Midway as such only for purposes of this comparison.

**ATA FACES COMPETITION FROM 2-3 MAJOR CARRIERS ON ALMOST EVERY ROUTE OPERATED FROM ITS MIDWAY HUB**

<b>Chicago Market</b>	<b>American</b>	<b>United</b>	<b>Southwest</b>	<b>Other</b>
Boston	X	X		
Dallas	X	X		
Dayton	X	X		
<b>Denver</b>	X	X		X
Des Moines	X	X		
<b>Ft Lauderdale</b>	X	X	X	
Ft. Myers		X		
Grand Rapids	X	X		
Indianapolis	X	X	X	
La Guardia	X	X		
Lansing		X		
Las Vegas	X	X	X	X
Los Angeles	X	X		
Madison	X	X		
Milwaukee	X	X		
Minneapolis	X	X		X
Orlando	X	X	X	
Philadelphia	X	X		
Phoenix	X	X	X	X
San Francisco	X	X		
San Juan	X	X		
Sarasota				
Seattle	X	X		
Tampa/St Petersburg	X	X	X	
Washington	X	X	X	
<b>25 Routes</b>	<b>22</b>	<b>24</b>	<b>7</b>	<b>4</b>

Source: June 2000 OAG

**AIRTRAN FACES FAR LESS AND CERTAINLY  
MORE LIMITED COMPETITION AT ITS ATLANTA HUB**

<b>Atlanta Market</b>	<b>Delta</b>	<b>American</b>	<b>United</b>	<b>Other</b>
Akron				
Bloomington				
Boston	X			
Buffalo	X			
Chicago	X	X		
Dallas	X	X		
Dayton	X			
Flint				
<b>Ft Lauderdale</b>	X			
<b>Ft Myers</b>	X			
<b>Ft Walton Beach</b>	X			
Greensboro	X			
<b>Gulfport</b>	X			
Houston	X			X
Jacksonville	X			
Memphis	X			X
Miami	X	X		
<b>Moline</b>				
Myrtle Beach	X			X
New Orleans	X			
<b>LaGuardia</b>	X			X
Newark	X			X
Newport News				
Orlando	X			X
Philadelphia	X			X
Raleigh/Durham	X			X
<b>Savannah</b>	X			
Tampa	X			
Washington	X			X
<b>29 Routes</b>	<b>24</b>	<b>3</b>		<b>9</b>

Source: June 2000 OAG

**MIDWAY FACES ONLY MINIMAL COMPETITION  
AT ITS RALEIGH/DURHAM HUB**

<b>Raleigh/Durham Market</b>	<b>American</b>	<b>Delta</b>	<b>United</b>	<b>US Airways &amp; Southwest</b>
Atlanta		X		X
Boston		X		X
<b>Buffalo</b>				
Charleston				
Columbus				
<b>Ft Lauderdale</b>				
Hartford				
<b>Indianapolis</b>				
<b>Jacksonville</b>				
<b>Louisville</b>				
Myrtle Beach				
New Orleans				
<b>Laguardia</b>				X
Newark				X
<b>Newburgh</b>				X
Orlando				X
Philadelphia				
Rochester		X		X
Tampa				X
Washington			X	X
West Palm Beach				
Wilmington				
<b>22 Markets</b>	<b>0</b>	<b>3</b>		

Source: June 2000 OAG

AMERICA WEST MAY NOT CLAIM LIMITED INCUMBENT STATUS AT  
WASHINGTON REAGAN NATIONAL AIRPORT

<b>Carrier (Including Codeshare Partners)</b>	<b>Slots Currently Operated</b>
America West	4
America West Express (Mesa)	2
Continental	22
Northwest	<u>20</u>
Subtotal	48
America West Request	<b>10</b>

Note: America West Has Codeshare Agreements with Continental, Northwest and Mesa

Source: June 2000, OAG