

1163001

DEPT. OF TRANSPORTATION
SECRET

02 APR 15 PM 2: 2

**Proposal under the Small Community Air Service
Development Pilot Program
DOCKET OST-2002-11590-14**

**Respectfully submitted to the
United States Department of Transportation**

**by the
Williamson County Airport Authority
representing the
Southern Illinois Air Service Task Force**

April 12, 2002

**Williamson County Regional Airport
10400 Terminal Drive, Suite 100
Marion, IL 62959**



April 12, 2002

Mrs. Read C. Van de Water, Assistant Secretary of Aviation and International Affairs
Docket Operations and Media Management Division
SVC-124, Room PL-401
Department of Transportation
400 7th Street, SW
Washington, D.C. 20590

Dear Mrs. Van de Water:

The Williamson County Airport Authority respectfully submits the enclosed proposal concerning the Small Community Air Service Development Program for the improvement of commercial air transportation services at Williamson County Regional Airport.

The Airport Authority has worked with communities throughout our area in recent years to collectively pursue air service improvements for Southern Illinois. Corporate Airlines d/b/a American Connection has greatly enhanced these efforts since the commencement of their operations from Williamson County Regional Airport in May, 2000. Working together much has been achieved, but the financial assistance requested within this proposal will be key to our continued success.

Emphasis has been placed during the preparation of this proposal in identifying realistic initiatives in which funding assistance will play a pivotal role in improving our region's air service. Emphasis is placed upon promoting the existing service throughout the region, but the proposal also conveys the importance of promoting our market to other regional carriers.

Your review and consideration of the proposal is appreciated, and if we can provide further information please let me know.

Very truly yours,

Douglas S. Kimmel
Airport Manager

Executive Summary

Williamson County Regional Airport is the sole commercial service airport in Southern Illinois. Due to declining passenger traffic in recent years, three separate marketing studies were conducted in order to quantify the true market potential that exists in the region. An air service task force consisting of the Airport Authority and several communities throughout the area was also organized to address the concerns.

In May of 2000, Corporate Airlines took over commercial service operations from Williamson County Regional Airport. Since that time a positive trend of growth has been established in passenger activity as a result of the airline's reliable service and broad based community support.

The greatest challenge still facing air service in Southern Illinois is the continued development of the existing service. Corporate Airlines has been limited in their ability to market and advertise their service due to financial constraints, and the recent takeover of Trans World Airlines by American Airlines. This proposal seeks financial assistance to complement the local money already established to more effectively promote the existing air service throughout our region.

Second in importance to developing the existing service is the area's ability to attract an additional, competitive carrier. Continued growth in passenger activity in the Southern Illinois market will undoubtedly contribute to the likelihood of attracting an additional carrier. This proposal also seeks the financial assistance necessary to retain the services of a professional air service consultant in order to assist with the promotion of the Southern Illinois market to regional carriers.

The Williamson County Airport Authority will serve as sponsor on behalf of the communities representing the Southern Illinois Air Service Task Force in order to utilize air service development funds under this grant program. In doing so, the Airport Authority will insure that all grant money received for air service development will be used as outlined in this proposal.

Table of Contents

Letter of Submittal	i
Executive Summary	1
Table of Contents	2
Southern Illinois Air Service	3
Market Studies	3
Southern Illinois Air Service Task Force	5
Corporate Airlines	6
Air Service Needs	8
Limitations	8
Proposal Request	11
Regional Promotion	11
Air Service Consultant	12
Project Management	13
Attachments	

Southern Illinois Air Service

Commercial air service at Williamson County Regional Airport located between Marion and Herrin, Illinois dates back to 1956 when Ozark Airlines began operations. In the decades since, other carriers serving the airport have included Britt Airlines, Northwest Airlink, American Eagle, Trans World Express, and the present carrier American Connection. Though service to St. Louis has remained the primary market, other destinations have included Chicago, Memphis, and Nashville.

Neighboring airports in Carbondale and Mt. Vernon have had air service in the past, but Williamson County Regional Airport remains the sole commercial service airport in Southern Illinois that has sustained air service over the years. At the forefront of this capability is the airport's central location in the region. Located directly on Highway 13 and minutes from Interstate 57, Williamson County Regional Airport is able to conveniently draw from the various population centers of the region. *Attachment 1* shows the airport's strategic location in Southern Illinois, and signifies the importance that sustained air service holds for the entire southern portion of the state.

Market Studies

In 1986, Williamson County Regional Airport had three carriers providing service to three hub airports; St. Louis, Memphis, and Nashville. Enplanements for that year alone totaled nearly 30,000. Though the traffic base in Southern Illinois has continued to grow since that time, annual enplanements have declined to just above 10,000 in recent years. It is recognized that the airline industry as a whole has changed considerably since 1986, but none-the-less, the unmet demand for air service that exists in Southern Illinois has prompted the completion of several studies in recent years to identify the true market potential.

The first study, entitled *Illinois Air Service, Blueprint 2015* was prepared for the Illinois Department of Transportation and Illinois Public Airports Association by Aviation Systems Research Corporation in 1996. It's review of trends that affect Illinois air service focused on the state as three separate market areas; Northern Illinois, Central Illinois, and Southern Illinois. Of

the three regions, Southern Illinois was identified as, "...the one where the most aggressive planning action will be needed to assure adequate access to air service."

The study noted that over 90% of the region's traffic leaks away to St. Louis and possibly other airports. The study concluded that if only half of the traffic potential in Southern Illinois was captured, it would represent a traffic base approximately the size of the Springfield or Champaign/Urbana markets. A centralized airport featuring a carrier providing reliable service was noted as being critical to capturing this demand.

The second study entitled *Williamson County Regional Airport Air Service Survey 2000* was completed in January of 2000 by the Van Austin Marketing Group for the Southern Illinois Air Service Task Force. The study gathered data from surveys given to passengers and area businesses, and reviewed the demographics of Williamson and Jackson counties - including Southern Illinois University at Carbondale (SIU-C) - as a representation of the area's primary market.

The study concluded that Williamson and Jackson counties currently hold the potential of providing 33,560 annual enplanements, while the students, faculty, and staff at SIU-C represent a potential of 39,960 annual enplanements. This total of 73,520 annual enplanements was considered conservative as it did not take into account counties surrounding Jackson and Williamson that also contribute to the overall market in Southern Illinois. Reliability and service to other destinations were noted among the surveys as being key to increased use of Williamson County Regional Airport.

The third study was completed by the aviation consulting firm of Edwards and Kelcy in July of 2000 for the Jackson County Business Development Corporation. The report entitled, *Market Analysis and Air Service Development Strategy* was broadly directed toward examining whether or not Jackson County should seek the restoration of air service at Southern Illinois Airport near Carbondale. The study gathered data in-part from a 'ticket lift' survey of area travel agents, and the formation of a cross-sectional statistical model of 285 airports throughout the country with commercial service.

It's review of traffic potential in Jackson and Williamson counties identified an existing potential of 82,113 annual enplanements. While the unmet demand that exists in Southern

Illinois was identified as with the previous market analysis, the study concluded that the Southern Illinois Airport should not attempt to fragment the existing market potential by soliciting the services of another carrier, but rather focus on enhancing it's role as an instruction and general aviation facility. In so stating, it was concluded that the unmet demand for air service in Southern Illinois will only be met with the support of both Jackson and Williamson counties (*See Attachment 2*).

Southern Illinois Air Service Task Force

In 1999, annual airline enplanements at Williamson County Regional Airport were dropping below 10,000. Unreliable service was paramount to the public's perception and unwillingness to utilize the service provided by Trans States Airlines d/b/a Trans World Express (*See Attachment 3*). After persistent requests by area business leaders, the Marketing Director for Trans States Airlines gave a marketing presentation to area Chambers of Commerce and travel agents on September 2, 1999. The presentation was intended to convey what was being done by Trans States Airlines to make improvements in their operations.

Few were left with an optimistic outlook toward improvements being made however, and as a result, the Herrin Chamber of Commerce hosted a meeting on October 13, 1999 to discuss what our region could do collectively to foster improvements in air service. From this meeting the Southern Illinois Air Service Task Force was created. The task force originally included the cities of Carterville, Herrin, Marion, West Frankfort, and the Williamson County Airport Authority (*See Attachment 4*).

As the group continued to meet, it was agreed that all efforts for improving air service in Southern Illinois would need to be directed toward attracting an additional carrier to serve the market. In order to achieve this objective, a marketing study was undertaken in order to quantify the data necessary to convey the profitability that exists within the Southern Illinois market to other regional carriers. While completing the study however, the task force became aware that Trans States Airlines was in the process of assigning their routes from Williamson County Regional Airport and several other airports throughout the Midwest to Corporate Airlines.

When Corporate Airlines took over the operation of Trans World Express in May of

2000, the marketing study had been completed, and the task force shared it's results with Corporate's President, Mr. Charles Howell. The task force then agreed to use the air service development funds remaining from the marketing study to assist with the promotion of Corporate Airlines 'new' service.

In the months that followed, other communities throughout Southern Illinois such as Carbondale, Murphysboro, and Benton also participated in task force meetings and the promotion of Corporate Airlines improved service. The willingness of these various communities to meet and discuss ways of fostering continued improvement of the existing air service has been an important step forward in many respects. Very few initiatives have received such broad based community support in our region.

Corporate Airlines

Corporate Airlines is a privately-held company with headquarters in Smyrna, Tennessee. It began operations in December 1996 as a Part 121 airline, and operates a fleet of nineteen-seat Jetstream 32 aircraft. It's reputation in the regional airline industry is one of consistently reliable service.

Since May of 2000 Corporate Airlines has provided daily service from Williamson County Regional Airport to and from St. Louis. Now operating as American Connection, the airline operates four non-stop round-trip flights Monday through Friday, and three non-stop round-trip flights each on Saturday and Sunday. As a codeshare partner with American Airlines the airline offers area travelers an extensive array of destinations through American's new St. Louis hub. Departing flights are spaced throughout the day and provide travelers a broad range of connecting opportunities in American's network.

Ticket prices on American Connection are reasonably priced when connecting with American Airlines at St. Louis. An average of \$60-\$70 is the add-on fare when travelers remain within this network. Historically, non-thru fares between Williamson County Regional Airport and St. Louis have been cost prohibitive. In June of 2000 Corporate Airlines countered this by offering a \$100 St. Louis round-trip airfare. The special fare was well received, particularly by area business travelers simply requiring access to and from St. Louis. The \$100 airfare is no

longer being promoted however, as the inclusion of certain taxes required by American Airlines increased the fare well beyond what could previously be offered.

Corporate Airlines' continued ability to provide reliable operations, in addition to their focus on customer service and community involvement, have resulted in passenger traffic increasing virtually every month since taking over operations at Williamson County Regional Airport (*See Attachment 5*). None-the-less, the airline filed for and received subsidy under the Department of Transportation's Essential Air Service program in November of 2000 in order to strengthen operations while annual passenger traffic is still relatively small.

The table below shows annual enplanements as reported by the airline at Williamson County Regional Airport over the past five years. The totals show the gradual decline in boardings through 1999, and the recovery since Corporate Airlines took over in 2000.

WILLIAMSON COUNTY REGIONAL AIRPORT PASSENGER ENPLANEMENTS 1997 - 2001	
<u>YEAR</u>	<u>ENPLANEMENTS</u>
1997	11,785
1998	10,509
1999	9,854
2000	10,824
2001	12,933

Air Service Needs

The greatest challenge currently facing air service in Southern Illinois is the continued development of the existing service. As the marketing studies indicated, the potential passenger traffic in our area is far greater than what is currently being realized. Though great strides have been made in the last two years as a result of Corporate Airlines service, the market remains far from mature.

With American Airline's takeover of Trans World Airlines, and the impact of September 11th on the airline industry in general, the fact that Williamson County Regional Airport has retained air service is a surprise to many analysts. Industry forecasts post September 11th seem to indicate that regional carriers with mainline affiliations will continue to be scrutinized in determining overall profitability. Combined with an industry-wide trend of retiring smaller turboprop aircraft, the ability for Corporate Airlines to increase traffic from Williamson County Regional Airport in order to improve (and prove) profitability is critical.

Second in importance to developing the existing service will be our ability to attract an additional, competitive carrier to provide service to another hub airport. Each of the marketing studies previously conducted identified a number of potential opportunities, including:

<u>Airline</u>	<u>Destination</u>
Northwest Airlink	Memphis
United Express	Chicago (O'hare)
American Trans Air	Chicago (Midway)
Comair	Cincinnati

Though continued development of the existing service must be kept as the priority, it's success will undoubtedly contribute to the likelihood of creating a market in which additional service can be established.

Limitations

With the traffic potential that exists in Southern Illinois, the frustration continues to be the inability to wage an effective marketing campaign to further promote and develop the

market. Corporate Airlines' limitations on applying adequate funding to promotions over the past two years can be best explained from the following factors:

- The initial start-up expense of a small airline opening five new stations in the St. Louis system simultaneously.
- The inability during the American/TWA takeover to market their product.
- Post 9/11 constraints, financially and otherwise, within their organization and through their affiliation with American.

During their first year of operations from Williamson County Regional Airport, Corporate Airlines was forthright with the fact that due to the costs of starting operations from five new markets they were limited in what they could apply financially toward advertising. They also expressed the need to become acquainted with each new market and familiarize themselves with what would work best on a case-by-case basis. Even so, during this first year Corporate Airlines joined area Chambers of Commerce, regularly made the effort to attend Air Service Task Force meetings, make Chamber of Commerce presentations, and make sales calls to local travel agents and businesses.

In light of Corporate's financial constraints, the Air Service Task Force agreed to contribute the funds remaining from the air service marketing study in order to promote the new service. These funds contributed to three months of radio advertising, a billboard along Highway 13, and a banner promoting the \$100 airfare. Other in-kind contributions included promotional flyers in Chamber of Commerce newsletters, a direct mailing, news releases to travel agents and local media, and a regional Chamber of Commerce business social held at the airport to honor Corporate Airlines' first year of service.

Toward the end of 2000, the air service task force met with Corporate Airlines to discuss advertising and marketing initiatives for the coming year. The resultant agreement was an overall air service development budget of \$20,000. Corporate Airlines was to contribute \$15,000 while members of the task force would collectively contribute a local share of \$5,000. The budget was directed toward additional radio advertisements and billboard placements, in addition to newspaper and television promotions. Half of the local share was to be paid by the Carterville, Herrin, and Marion Chambers of Commerce, while the remaining amount would be

provided by the Airport Authority. *Attachment 6* shows the overall amounts budgeted by the Airport Authority for airport marketing over the past two years from which funds directed toward air service development are derived.

As 2001 began however, all plans were put on hold as a result of American's pending takeover of Trans World Airlines. The initial concern was of course American honoring the existing affiliations with regional carriers such as Corporate Airlines. In March of 2001, members of the task force traveled to Springfield, Illinois to meet with American Airlines CEO, Don Carty, and convey the success and support Corporate Airlines had established in Southern Illinois (*See Attachment 7*).

Even after American's commitment to maintain the regional affiliations, Corporate Airlines was faced with the inability to market an existing name that was being phased out (Trans World Express), and a new name which had yet to be decided (American Connection). Promotions for the remainder of the year subsequently took the form of additional Chamber of Commerce and civic group presentations, coverage in Chamber of Commerce newsletters, development of an airport web page, and news releases.

Corporate Airlines officially began operations as American Connection on December 2, 2001. In the aftermath of 9/11 however, they found themselves once again in the position of having limited financial resources to direct toward promotions. Portions of their insurance costs alone for example, increased by 100% post 9/11, requiring a scale back throughout their system of 'non-essential' costs.

At a time when the continued development of the existing market is critical to sustaining service however, promotional initiatives must be maintained as 'essential' items. As such, the ability for us to obtain funds through the Small Community Air Service Development Pilot Program for promoting the existing service is imperative.

Proposal Request

This proposal seeks financial assistance from the Small Community Air Service Development Pilot Program for two areas:

- I. Development of the existing air service market through the ability to implement increased advertising and marketing initiatives.
- II Efforts to attract additional, competitive airline service through the assistance of an air service development consultant.

The request for financial assistance is broken down on an annual basis, and would provide the ability to implement a three year promotional campaign. The objective with regard to promotions is to develop the market within that period of time in order for the airline to become self-sufficient in all future promotions. With regard to attracting additional service, the objective is to utilize consultant services during this period of time so that as the market grows there will be an increased likelihood of securing new service.

Regional Promotion

Based upon advertising initiatives already researched, the following represents efforts that would be undertaken on an annual basis in order to effectively promote the existing service:

	<u>Description</u>	<u>Cost</u>
1.	Radio advertisement contract	\$16,583
2.	Placement of two billboards	\$11,400
3.	Television advertisement contract	\$10,360
4.	1/2 page ad contract/Business Journal	\$4,020
5.	1/4 page ad contract/Southern Illinoisan	\$5,085
6.	Quarterly direct mailing	\$5,950
6.	Contingency	\$5,000
	Annual Promotions Cost	\$58,398

The contingency amount is intended to account for increases in the budgeted items from year to year. Factoring the expected airline and local share contribution however, the annual

funding this proposal seeks for advertising is as follows:

Annual Advertising Cost	\$58,398
Airline Contribution	<\$15,000>
Local Share	<\$5,000>
Annual Promotions Funding Request	\$38,398
<u>Three Year Promotions Funding Request</u>	<u>\$115,194</u>

Air Service Consultant

The marketing studies have already laid the groundwork from which to proceed in the promotion of our area to additional carriers. This proposal also seeks the funding assistance necessary to select and retain the services of a professional air service consultant to assist in that effort. The utilization of an air service consultant will be directed toward the following:

- Compiling data from previous studies with updates as necessary.
- Creating a finished document which defines existing potential in the entire Southern Illinois market area.
- Carrier strategy planning.
- Competitive market analysis.
- Continued development of business and community support.
- Creation of presentation materials and marketing plan development.
- Contact and coordination of marketing presentation to carriers.
- Presentation of marketing plan and follow-up.

The Airport Authority will solicit Requests for Qualifications from interested consultants to assist in the selection process. The selected consultant would enter into an initial one year agreement with the airport for the services described. As with the requested advertising funds, the intent will be to retain such consultant services for a three year period in order to meet our objective. If during this time a competitive carrier begins operations at Williamson County Regional Airport, the consultant agreement would no longer be renewed, and all remaining funds set aside for the consultant agreement would then be directed toward the promotion of both air carrier operations.

Based upon researched averages in the industry, the following represents an annual cost this proposal requests to retain the services of an air service development consultant:

<u>Description</u>	<u>Cost</u>
Labor/25 hours per month @ \$75 per hour	\$22,500
Materials	\$7,500
Annual Consultant Funding Request	\$32,500
<u>Three Year Consultant Funding Request</u>	<u>\$97,500</u>

In total, this proposal seeks financial assistance as follows:

<u>Description</u>	<u>Cost</u>
Promotions	\$115,194
Air Service Consultant	\$97,500
<u>TOTAL FUNDING REQUEST</u>	<u>\$212,694</u>

Project Management

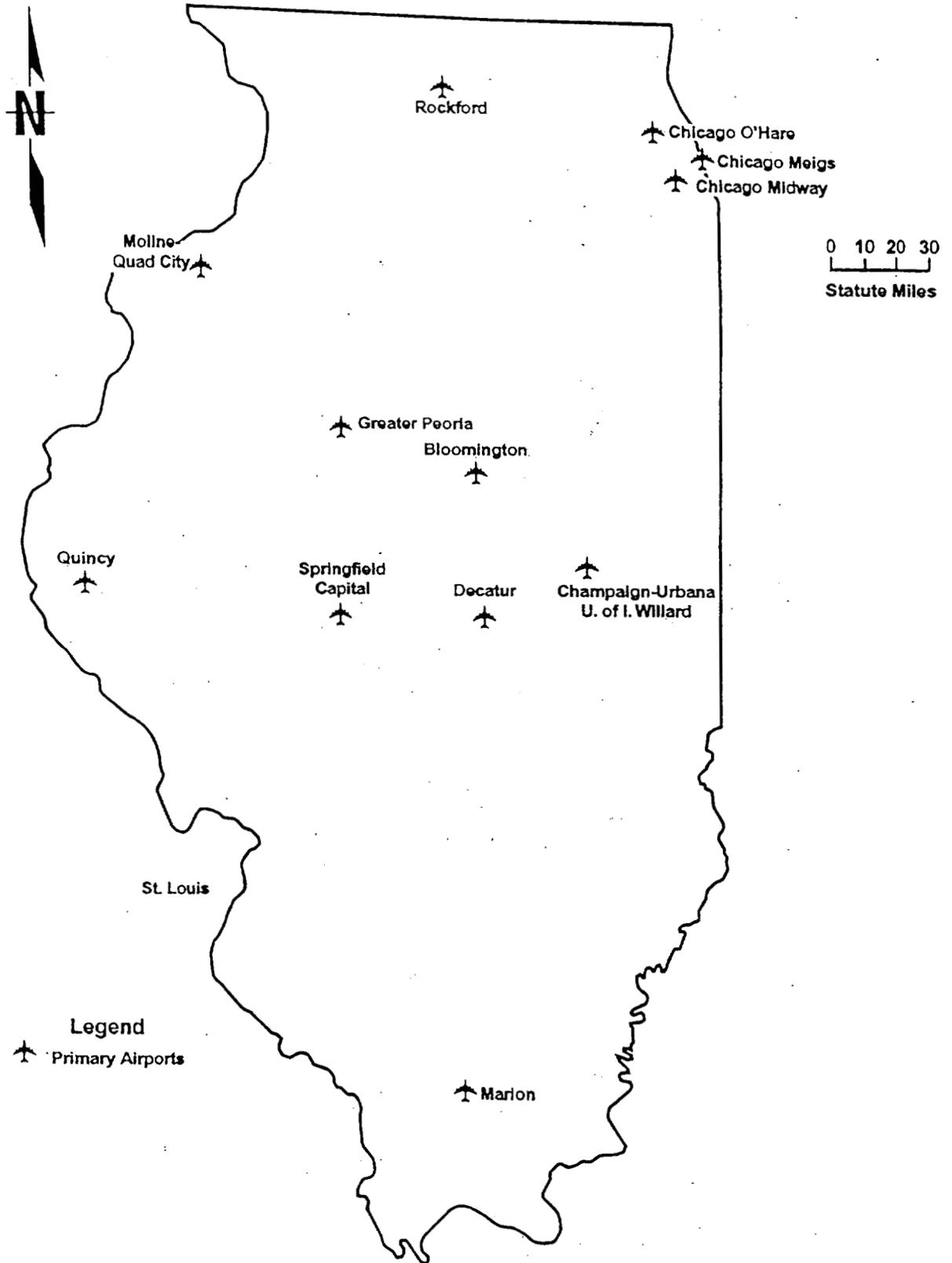
The Williamson County Airport Authority will serve as sponsor on behalf of the Southern Illinois Air Service Task Force in order to accept program reimbursements. The Authority has already established a separate fund accounting system in order to identify revenues and expenditures related to air service marketing initiatives, and would simply utilize the same system to account for future transactions.

Upon the granting of funds under this proposal, the task force will hold quarterly meetings (at minimum) in order to track results, review ongoing and proposed initiatives, discuss current issues related to air service, and agree upon use of local and development fund money. Proposed items requiring use of the air service development grant money will be reviewed and agreed upon by a majority vote of the task force, to include: Williamson County Airport Authority; Corporate Airlines; City of Herrin; City of Marion; and City of Carterville. Surrounding communities that participate with the task force, but that do not contribute financially, may assist with the review of proposed initiatives, but shall not carry a vote related to fund expenditures.

In order to further insure that air service development grant money is being utilized as requested under this proposal, the Authority will submit quarterly reports to the Department of Transportation summarizing all activity within that period related to air service development. This summary shall include a listing of revenues and expenditures, a description of each promotional initiative undertaken, a status report of air service consultant efforts, and copies of the previous task force meeting minutes. The Airport Authority will also compile and submit reports showing monthly enplanements in order to track the success of the air service development program.

Illinois Airport Location Map

April 2001



Source: Illinois Division of Aeronautics



November 15, 2000

SI Edge Board
c/o Marianne Lather, Director
150 East Pleasant Hill Road, Box 11
Carbondale, IL 62901

Dear Board Members:

The Southern Illinois Airport Authority Board of Commissioners wish to express our full support for the efforts of those who seek to retain and improve the airline service provided by Corporate Air/TWE at the Williamson County Airport. Based upon the results of a recently completed Airline Market Study that we commissioned, it is clear that the service provided by Corporate Air should receive comprehensive encouragement and use from the regions travelers.

The Southern Illinois Airport does not plan to seek the reinstatement of airline service at this airport within the current airline operating environment. The very structure of the local, Midwest and National airline system will have to change in order for us to consider this service offering in the future. In the meantime, we encourage the retention and strengthening of the existing airline service provider.

We likewise urge the support of your group for the efforts we have underway to develop the Transportation Education Center at this airport. Letters of support and other forms of encouragement would be appreciated.

For the Board of Commissioners,

Respectfully,

Patrick L. Brady
Chairman

Air service must get better

Editor, Southern Illinoian:

While eating breakfast about a week ago, I read in The Southern Illinoian that the management of Trans States Airlines (which operates Trans World Express in Southern Illinois) says that it is satisfied with its level of service. I almost dropped my toast. TWE is one of most unreliable airlines I have ever flown.

On one occasion, they canceled our flight (maintenance problems) and sent my fellow passengers and me off to St. Louis in a taxi. We had a flat on Interstate 64. No spare. Along with the rest of us, a visiting investor missed his connection. While we were stranded, he was talking to someone on his cell phone. "Southern Illinois," we heard him say, "No way. Can't get in and out."

This past Sunday in St. Louis, more than half of TWE's early afternoon flights were delayed or canceled due to maintenance problems or a shortage of pilots. My fellow passengers and I finally arrived at Marion in a van — over two hours late. Their corporate policy seems to be "your time is our time."

If the conversations among my fellow van passengers on Sunday is any indication, the six or seven of them will never fly TWE again. I am one of them. I have finally had enough of their sloppy, third-rate operation. (Even my travel agent now warns me that TWE cannot be trusted.)

As frequent fliers like me who cover 20 or more segments per year between Marion and Lambert Field abandon TWE, there will be both winners and losers. Local airport shuttle services and the Evansville airport will probably be winners. TWA, the Williamson County airport, the hardworking employees of TWE and, of course, the Southern Illinois economic development will almost certainly be the losers.

As for the Trans States management, they probably won't even notice. After all, they say they are satisfied with their current level of service.

Larry Hickman
Carbondale

REGION

The Southern Illinoisan

PAGE 3A

THURSDAY, FEBRUARY 24, 2000

►WEST FRANKFORT JOINS THREE TOWNS LOOKING AT AIRPORT EXPANSION

City interested in bigger Williamson County airport

By Linda A. Krutsinger
The Southern Illinoisan

West Frankfort became the fourth city to join the Williamson County Airport to explore the idea of expansion to allow for larger flights into Southern Illinois when the city council allocated \$1,200 to a research project Tuesday.

"We are interested in better air service in the entire area," said airport representative Van Austin. "So far we have Franklin, Williamson and Jackson counties involved. Currently we

are undertaking a marketing research program to gather information as to the type of air service residents use, to see what would be needed."

Austin said that the project's research is expected to cost in the area of \$11,300, with the airport paying half and communities such as Herrin, Marion, Carterville and West Frankfort paying an equal portion to make up the other half.

"We also need to find out what the airlines require as far as numbers of passengers are concerned," Austin

said. "This information will allow us to go to an airline and say that we have so many passengers a day for them, outline the facilities available and find out if they would want to come here."

West Frankfort Mayor Jack Woolard said that joining the group would allow for the entire area to progress in a unified manner.

"An airport is quite an asset to Southern Illinois," Woolard said. "Even though it is located in Williamson County, I don't feel that is any reason not to join in this effort."

In other action the council accepted a bid for \$18,500 from Charles Wilson of Du Quoin, for the purchase of a 1999 Bonneville owned by the city.

"This was a car purchased by the previous economic developer that we neither needed, nor feel was appropriate for this council," said Finance Commissioner Bob Ellis. "We still owe \$23,000 and this will certainly be a large step toward eliminating that extra cost."

Ellis said that the balance of the vehicle will be paid off with the funds allocated for the monthly payments of

the vehicle.

Woolard also told audience members that the city is attempting to attract someone from the private sector to build a semi-truck parking lot in the city.

"We have trucks and trailers parking throughout the city," Woolard said. "We haven't been too hard on these people, because we realize that a lot of our out-of-work coal miners are now making their living by driving a truck, but we would like for someone to build a parking facility for these vehicles."

Boardings increase at Williamson airport

Commercial boardings at the Williamson County Regional Airport have increased about 50 percent since a carrier change in May, the new airline announced this week.

Corporate Airlines, Inc. also said that for the past two months, the airport has produced the highest traffic figures of all five of its new stations that fly into St. Louis.

In May, the Smyrna, Tenn.-based private airline assumed a contract with Trans World Airlines to fly from Williamson County to St. Louis. Since then, boardings have risen from about 800 to 1,200 a month, the company said.

"It's the positive trend we've all hoped for, and proves that if the service is there, the market will respond ... as time goes on,

and Corporate Airlines continues to prove themselves, we fully expect more and more people in Southern Illinois to take advantage of the service."

The company said it has operated 836 of 847 scheduled flights, for a 98.7 percent reliability record. Through October, 97.6 percent of flights operated within five minutes of their scheduled time.

Delays and service problems had been cited in the decline of boardings at the airport. In 1986, yearly boardings were nearly 30,000, but by 1999 had fallen to about 10,000.

THURSDAY, DECEMBER 7, 2000

MAR 30 2000

ORDINANCE NO. 2-2000

**ORDINANCE ADOPTING BUDGET FOR THE
WILLIAMSON COUNTY AIRPORT AUTHORITY FOR THE YEAR
BEGINNING JANUARY 1, 2000 AND
ENDING DECEMBER 31, 2000**

SECTION 1.

The following budget, containing a statement of the cash on hand at the beginning of the fiscal year hereinafter designated, an estimate of the cash expected to be received during the fiscal year from all sources, an estimate of the expenditures contemplated for the fiscal year, and a statement of the estimated cash expected to be on hand at the end of the fiscal year, is hereby adopted as the budget of the Williamson county Airport Authority for the fiscal year beginning January 1, 2000 and ending December 31, 2000, the budget to be in full force and effect from and after its adoption in accord with law.

Part A: Estimated cash on hand at beginning of fiscal, including cash received from sale of bonds, property taxation, and including funds derived from sale of anticipation warrants and all other sources:

(1)	In bank accounts	\$ 790,871.19
(2)	C.D.'s and U.S. Bonds	100,000.00
	Net Cash on hand at beginning of year:	\$ 890,871.19

Part B: Estimated Receipts

Cash receipts expected from all sources during fiscal year:

Fixed Base Operator (FBO)	\$ 35,890.00
Fuel Flowage Fees	15,000.00
Hangar Rent	32,993.00
Corporate Hangar	52,436.00
Terminal Rent	35,534.00

Landing and Parking Fees	10,000.00
Commissions: Auto/Phone/Vendor	19,000.00
Farm Income	2,000.00
Business Park	61,766.00
CFR Standby	3,000.00
Surplus Property	2,000.00
Weather Service	13,300.00
Local projects/In House	1,000.00
Miscellaneous Income	2,000.00
Property Tax-Operating Fund	292,536.00
Property Tax-Bond Interest	203,550.00
Property Tax-IMRF	20,233.00
Payroll Tax-FICA	15,205.00
Workers Compensation Insurance	7,773.00
Unemployment Insurance-IDES	4,014.00
Replacement Tax	95,000.00
Payment in Lieu of Taxes	5,000.00
Other Tax Revenues	3,500.00
Interest Income	30,000.00
Airport Improvement Program	50,000.00
Oil and Gas Leases	3,500.00

Total Estimated Receipts **\$ 1,016,230.00**

Part C: Estimated expenditures contemplated for the fiscal year constituting the appropriations for the fiscal year beginning January 1, 2000 and ending December 31, 2000, as provided in Section 2. of this Ordinance:

Expenditures from funds derived from tax monies received from the collector of taxes, Williamson County, and from other sources:

Salaries	\$ 205,956.00
Hospitalization-Employees	9,828.00
Office Equipment	3,000.00

Shop Supplies	1,000.00
Equipment Maintenance	10,000.00
Equipment Rental	500.00
Legal Service	10,000.00
Environmental-EPA	10,000.00
Auditor	5,000.00
Engineering Services	5,000.00
Postage/freight	2,000.00
Office Supplies	2,000.00
Employee Training	1,500.00
Payroll Taxes-FICA	14,422.00
IMRF Expense	20,300.00
Advertising	1,000.00
Marketing	10,000.00
Travel Expense (Commissioners/Manager/Employees)	5,000.00
Building Repair/Maintenance	100,135.00
Equipment Fuel/Lubs/Coolants	4,000.00
Uniforms	500.00
Outside Labor-Service	39,736.00
Dues/Memberships	4,689.00
Registration Fees	1,000.00
Local projects	95,600.00
Airport Improvement Program	73,500.00
Equipment Purchases	56,000.00
Real Estate Taxes	3,000.00
Regulatory Publications	500.00
Official Bonds	4,000.00
Insurance-Unemployment-IDES	4,100.00
Insurance-Workers Compensation	5,000.00
Miscellaneous Expense	1,000.00

Bond and Interest Payments	207,225.00
Operating Supplies	5,000.00
Insurance-Liability (Building and Equipment)	25,000.00
Utilities-Gas/Electricity	70,000.00
Utilities-Water	4,000.00
Utilities-Sewer	6,000.00
Utilities-Telephone	6,000.00
Facilities Maintenance	88,750.00
Restaurant-Repair/Maintenance	5,750.00
AWOS Service/Maintenance	3,280.00
Real Estate Purchase	60,000.00

Total Estimated Expenditures/Appropriations **\$ 1,190,271.00**

Part D: Estimated cash receipts expected to be on hand at end of fiscal period:

(1) Grand Total of cash on hand and estimated receipts (Part A + B)	\$ 1,907,101.00
(2) Total of Estimated Expenditures (Part C)	\$ 1,190,271.00
(3) Estimated net cash balance at end of fiscal year (Item 1 and Item 2)	\$ 716,830.00

SECTION 2.

There is hereby appropriated for the use of the Williamson county Airport Authority, for the fiscal year commencing January 1, 2000 and ending December 31, 2000, a total of One Million One Hundred Ninety Thousand, Two Hundred Seventy-One Dollars (\$1,190,271.00), such total being divided among the several purposes specified and enumerated, and in the specific amounts stated under Part C of Section 1 of this Ordinance, and the statement and enumeration of purposes and amounts under Part C of Section 1 hereof is restated and incorporated by reference in this Section 2, with the same effect as if the statement and enumeration were repeated in their entirety, and that

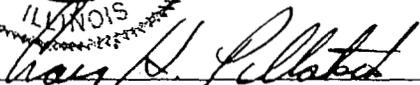
this Section 2 shall be and hereby is enacted as the Annual Budget Ordinance of the Williamson county Airport Authority for the fiscal year beginning January 1, 2000 and ending December 31, 2000, ordained by the Board of Commissioners as required by law.

SECTION 3.

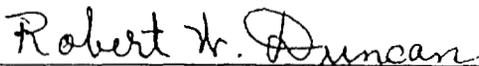
This Ordinance shall be in full force and effect from and after its passage. The Treasurer is directed to post notice of this Ordinance in pamphlet form and publish notice of hearing for public discussion as prescribed by law.

Passed and Approved This 14th day of March, 2000.





Craig Pilfatsch, Secretary
Board of Commissioners
Williamson County Airport Authority



Robert W. Duncan, Chairman
Board of Commissioners
Williamson County Airport Authority

FILED

MAR 28 2001

Benny R. Bostear

ORDINANCE NO. 2-2001

ORDINANCE ADOPTING BUDGET FOR THE
WILLIAMSON COUNTY AIRPORT AUTHORITY FOR THE YEAR
BEGINNING JANUARY 1, 2001 AND
ENDING DECEMBER 31, 2001

SECTION 1.

The following budget, containing a statement of the cash on hand at the beginning of the fiscal year hereinafter designated, an estimate of the cash expected to be received during the fiscal year from all sources, an estimate of the expenditures contemplated for the fiscal year, and a statement of the estimated cash expected to be on hand at the end of the fiscal year, is hereby adopted as the budget of the Williamson county Airport Authority for the fiscal year beginning January 1, 2001 and ending December 31, 2001, the budget to be in full force and effect from and after its adoption in accord with law.

Part A: Estimated cash on hand at beginning of fiscal, including cash received from sale of bonds, property taxation, and including funds derived from sale of anticipation warrants and all other sources:

(1)	In bank accounts	\$ 969,263.52
(2)	C.D.'s and U.S. Bonds	100,000.00
	Net Cash on hand at beginning of year:	\$1,069,263.50

Part B: Estimated Receipts

Cash receipts expected from all sources during fiscal year:

Fixed Base Operator (FBO)	\$ 32,838.00
Fuel Flowage Fees	15,000.00
Hangar Rent	34,322.00
Corporate Hangar	49,434.00
Terminal Rent	38,644.00

Landing and Parking Fees	10,000.00
Commissions: Auto/Phone/Vendor	18,000.00
Farm Income	2,000.00
Business Park	63,031.00
CFR Standby	3,000.00
Surplus Property	2,000.00
Weather Service	500.00
Local Projects/In House	500.00
Miscellaneous Income	4,500.00
Property Tax-Operating Fund	354,685.00
Property Tax-Bond Interest	201,005.00
IMRF Expense	20,300.00
Payroll Tax-FICA	14,875.00
Workers Compensation Insurance	5,744.00
Unemployment Insurance-IDES	1,450.00
Replacement Tax	100,000.00
Payment in Lieu of Taxes	5,000.00
Other Tax Revenues	3,000.00
Interest Income	40,000.00
Airport Improvement Program	160,797.00
Oil and Gas Leases	4,000.00
Air Show	25,000.00
Total Estimated Receipts	\$ 1,209,625.00

Part C: Estimated expenditures contemplated for the fiscal year constituting the appropriations for the fiscal year beginning January 1, 2001 and ending December 31, 2001, as provided in Section 2. of this Ordinance:

Expenditures from funds derived from tax monies received from the collector of taxes, Williamson County, and from other sources:

Salaries	\$ 178,060.00
Hospitalization-Employees	12,500.00

Office Equipment	3,000.00
Shop Supplies	1,000.00
Equipment Maintenance	5,000.00
Equipment Rental	500.00
Legal Service	10,000.00
Environmental-EPA	20,000.00
Auditor	5,000.00
Engineering Services	2,500.00
Postage/freight	2,000.00
Office Supplies	2,500.00
Employee Training	1,000.00
Payroll Taxes-FICA	12,700.00
IMRF Expense	21,700.00
Advertising	1,000.00
Marketing	10,000.00
Travel Expense (Commissioners/Manager/Employees)	6,000.00
Building Repair/Maintenance	32,866.00
Equipment Fuel/Lubs/Coolants	10,000.00
Uniforms	500.00
Outside Labor-Service	81,230.00
Dues/Memberships	14,666.00
Registration Fees	1,000.00
Local projects	26,573.00
Airport Improvement Program	37,500.00
Equipment Purchases	6,800.00
Real Estate Taxes	5,000.00
Regulatory Publications	600.00
Official Bonds	4,500.00
Insurance-Unemployment-IDES	1,500.00
Insurance-Workers Compensation	6,000.00

Miscellaneous Expense	1,000.00
Air Show	25,000.00
Bond and Interest Payments	204,875.00
Operating Supplies	5,000.00
Insurance-Liability (Building and Equipment)	30,000.00
Utilities-Gas/Electricity	70,000.00
Utilities-Water	4,000.00
Utilities-Sewer	6,000.00
Utilities-Telephone	6,000.00
Facilities Maintenance	40,000.00
Restaurant-Repair/Maintenance	5,000.00
AWOS Service/Maintenance	2,000.00
Real Estate Purchase	210,300.00

Total Estimated Expenditures/Appropriations **\$ 1,132,370.00**

Part D: Estimated cash receipts expected to be on hand at end of fiscal period:

(1) Grand Total of cash on hand and estimated receipts (Part A + B)	\$ 2,278,889.00
(2) Total of Estimated Expenditures (Part C)	\$ 1,132,370.00
(3) Estimated net cash balance at end of fiscal year (Item 1 and Item 2)	\$ 1,146,519.00

SECTION 2.

There is hereby appropriated for the use of the Williamson county Airport Authority, for the fiscal year commencing January 1, 2001 and ending December 31, 2001, a total of One Million, One Hundred Thirty-Two Thousand, Three Hundred Seventy Dollars (\$1,132,370.00), such total being divided among the several purposes specified and enumerated, and in the specific amounts stated under Part C of Section 1 of this Ordinance, and the statement and enumeration of purposes and

amounts under Part C of Section 1 hereof is restated and incorporated by reference in this Section 2, with the same effect as if the statement and enumeration were repeated in their entirety, and that this Section 2 shall be and hereby is enacted as the Annual Budget Ordinance of the Williamson county Airport Authority for the fiscal year beginning January 1, 2001 and ending December 31, 2001, ordained by the Board of Commissioners as required by law.

SECTION 3.

This Ordinance shall be in full force and effect from and after its passage. The Treasurer is directed to post notice of this Ordinance in pamphlet form and publish notice of hearing for public discussion as prescribed by law.

Passed and Approved This 27th day of March, 2001.




Craig Pillatsch, Secretary
Board of Commissioners
Williamson County Airport Authority


Robert W. Duncan, Chairman
Board of Commissioners
Williamson County Airport Authority



March 21, 2001

Mr. Donald J. Carty
Chairman & CEO
American Airlines
P.O. Box 619616
Dallas-Ft. Worth Airport, TX 75261-9616

Dear Mr. Carty:

We would first like to offer our congratulations on American Airlines' developing acquisition of Trans World Airlines. Southern Illinois has a long-standing connection to TWA with service to St. Louis through Williamson County Regional Airport, and we look forward to continuing that relationship with American.

The past year has brought exciting changes to commercial air service from Williamson County Regional Airport. In May of 2000, Corporate Airlines took over the operation of Trans World Express, providing much needed improvement to the level of service for our region. Since Corporate began, dependability and reliability have averaged 99% and 98% respectively. Their involvement with the community through presentations, round table discussions, sales calls, and Chamber of Commerce memberships has continually proven their commitment to our area. In addition, joint marketing and advertising initiatives between the communities, airport, and airline have been achieved, and additional efforts continue to be pursued.

The net result of these positive changes is that boardings have increased by 50% over the past 9 months, and Williamson County Regional Airport remains to-date the most active of Corporate's new stations. Public confidence has been reestablished, and we as a region, have come together to support Corporate as they begin to tap the area's true market potential. This potential was identified in two recent air service marketing studies conducted on our area at a conservative 70,000 annual enplanements.

As American takes over the operation in St. Louis, and outlying airports such as Williamson County Regional Airport are evaluated, we feel it imperative that you are aware of the success

Mr. Donald J. Carty

Page 2

that collectively we have achieved, in addition to the ongoing potential our market represents to your operation. We look forward to working closely with American Airlines in the coming years with continued development of what we consider a mutually beneficial opportunity.

Respectfully submitted,

Robert Duncan, Chairman
Williamson County Airport Authority

Sara Berkgigler, Executive Director
Carbondale Chamber of Commerce

George Trammell, Executive Director
Marion Chamber of Commerce

Jacqueline Trammell, Executive Director
Murphysboro Chamber of Commerce

Sue Douglas, Executive Director
Herrin Chamber of Commerce

G. David Green, Executive Director
City of West Frankfort, Econ. Development

Mike Williams, Executive Director
Carterville Chamber of Commerce

Dewey Coulter, Director
Benton/West City Economic Development