

April 2, 2020

The Honorable Joel Szabat
Assistant Secretary of Aviation and International Affairs
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

RE: docket DOT-OST-2020-0037 – Objection to proposed Service Level

Dear Assistant Secretary Szabat –

On March 31, 2020, the U.S. Department of Transportation (USDOT) issued a show cause order proposing air carriers offering scheduled passenger service and all-cargo carriers which receive financial assistance under Coronavirus Aid, Recovery, and Economic Security Act (the CARES Act) maintain a schedule of flights to communities they served prior to March 1, 2020, through September 30, 2020.

The requirements that “[f]or points that a covered carrier served with at least one flight at least five days per week, the covered carrier would need to provide at least one flight per day, five days per week, for that point” and “any Service Obligation to apply to the marketing carrier” are nonsensical as demand for service does not exist at a level requiring such operation and forcing each air carriers to operate five days per week may harm all carriers serving that covered point as well as the passengers and consumers serviced at the covered point.

Considering that the proposed order would mandate operating vast more planes, terminals, and gates than is necessary to service passengers, it would result in the unnecessary use of energy (electricity, water, fuel); significantly accelerate as well as increase the rate of COVID-19 virus infection spread by persons reporting to work as ticketing, gate agents, maintenance service, air traffic controllers, TSA agents, and janitors; and unnecessary related costs, the order as proposed is not worth the expense.

Additionally, considering, as stated in the show cause order, “all-cargo services appear to be in greater demand as a result of the COVID-19 public health emergency, due in part to the dramatic decline in belly cargo capacity resulting from the cancellation of scheduled passenger flights”, it is nonsensical to provide to all-cargo carriers any financial assistance under Coronavirus Aid, Recovery, and Economic Security Act (the CARES Act).

Further, if the proposed order stands it would result in many U.S. based passenger air carriers being forced into filing for bankruptcy harming its suppliers, employees, shareholders, and the passengers in the markets those air carriers have traditionally served. Third, to serve all points, it will likely become necessary for the government to takeover ownership (i.e., nationalize) of those bankrupt passenger air carriers, assets (i.e., landing/takeoff rights, gate rights) will be consolidated, and competition will be reduced. This is not good for the passengers or others living, working, or operating businesses in the U.S.

Please keep all U.S. citizens, residents, and taxpayers in mind and take actions which will enable and encourage air carriers’ competition in all locations which have had regularly scheduled commercial air service without unnecessarily burdening taxpayers.

My comments and recommendations have been shaped by my work and life experience. In my early career I worked for a Creative Services agency, Courtlemagne Communications, at which I conceived promotional marketing campaigns, produced and managed placement of

promotional advertisements in regional and national television programs, and provided creative direction and coordinated filming for naturally integrated exposure in feature films and television programs as well as creation of stock footage when brand identities changed for **one (1) national and four (4) large regional passenger air carriers serving markets throughout the United States**. Having worked shoulder-to-shoulder on long shoot days and in the editing bay with my clients' most senior Marketing executives afforded me the opportunity to learn much about the economics of running an airline. As half the staff at the boutique agency I worked at were licensed travel agents facilitating booking travel in trade of the promotional exposures, from clients and co-workers I learned air carriers will honor tickets booked on a competitor under certain conditions. Further, when each of two tragic flight incidents occurred, all air carriers adhered to a policy of pulling all advertisements and promotional marketing activities, and their observing silence out of respect for those who died, which demonstrated that these competitors can ethically work together in the best interest of the marketplace.

For the past 25 years I have been a Business Strategist and Corporate Development Consultant. Throughout my career I have had to travel for work, at times to small towns. Also, I lived in Ithaca, New York, during graduate school. Small regional airports such as Tompkins Regional Airport (ITH) are often the artery for commerce as well as quality of life for those living in the region.

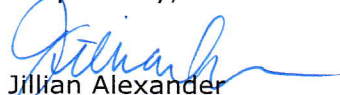
Revising the proposed order to eliminate unnecessary operating burdens yet retain adequate service levels at all points at the lowest possible cost to citizens, residents, and taxpayers is imperative and is the USDOT's mandate. Until recently, the U.S. has had a strong and healthy air transportation industry. Having multiple carriers providing service on same routes encourages competition. Competition improves quality and convenience and reduces prices, all of which benefit the consumer and passengers.

The National Air Carrier Association's request on behalf of member air carriers to be able to consolidate their passengers onto flights between cities rather than, for example, sending five passengers on Delta and five passengers on United, makes sense. To ensure that covered points remain served at a level necessary to satisfy market needs and demands, facilitate commerce and enhance life enjoyment, please allow passenger air carriers to consolidate passengers between cities on flights, so that passenger air carriers may minimize operating expenses. Doing so will have multiple benefits and is a pragmatic solution which will facilitate the greatest number of passenger air carriers to survive, retain the greatest number of points served after the emergency ceases to exist, and minimize taxpayers financial burden.

Alternatively, air carriers could reduce the number of flights flown between cities and anti-trust regulations could be furloughed and scheduling could be allocated based on current demand and recent year's marketshare. Perhaps air carriers could each be allocated days or week or specific dates which they are the service provider between specific markets. (For example, American on Mondays and Thursdays, Delta on Tuesdays and Fridays, United on Wednesdays and Sundays, and Southwest on Saturdays.) This would not be much different than how during the 1970s oil crisis people were allowed to purchase gasoline based on their vehicles license plate number.

Thank you for your consideration and attention to this matter.

Respectfully,



Jillian Alexander
President & CEO

Managing Director, Strategy & Corporate Development practice
Conduit Consulting LLC