



Grand Forks Regional Airport Authority
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April 16, 2020

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

Re: Docket DOT-OST-2020-0037 – GFK COMMENTS ON APPLICATION OF ALLEGiant AIR, LLC FOR EXEMPTION FROM SERVICE OBLIGATION

Dear Assistant Secretary Szabat:

I am writing on behalf of the Grand Forks International Airport (“GFK”) in regard to the Allegiant Air (“Allegiant”) application for exemption from service obligation for the continuation of certain air service which was filed on Monday, April 13, 2020. In the application for exemption, Allegiant requested an exemption from portions of the Service Obligation imposed on Allegiant pursuant to Order 2020-4-2, April 7, 2020 (the “Order”) issued by the U.S. Department of Transportation (the “Department”).

GFK would like to commend the Department in recognizing the importance of our aviation industry to the U.S. economy and applaud the efforts of the Federal government to assist business continuation under the CARES Act. GFK also understands the need for carriers such as Allegiant to have flexibility in making appropriate scheduling decisions during these unprecedented times while balancing the needs of local communities. In sum, GFK supports part of Allegiant’s application for exemption, but objects to the blanket exemption through September 30, 2020, in its current form without knowing the full impact of the COVID-19 crisis on air travel demand.

The portion in Allegiant’s application for exemption as it pertains to GFK is:

“Grand Forks, North Dakota (GFK) – Allegiant normally serves four airports from GFK – SFB, BNA, AZA and LAS. Allegiant expects to maintain limited service from GFK over the course of the next few months, but it may be at a level below that required by the Order. GFK has experienced an outsized drop in demand, at least partially due to closure of the U.S./Canada border (numerous Canadian residents normally utilize Allegiant’s service at GFK). Allegiant expects to resume service in excess of the minimum requirements later this year.”

GFK agrees that it is unreasonable to expect Allegiant to continue to serve GFK to leisure-oriented destinations such as Las Vegas McCarran International Airport ("LAS") while much of the Las Vegas Strip and attractions are shuttered and most states are under some type of "stay-at-home" orders. Offering service to a destination such as LAS at this time would likely result in load factors in the 5%-10% range or lower, put an unnecessary financial and human burden on Allegiant and its employees without significant benefit to the GFK community and would not be a prudent use of the scarce financial resources allotted to carriers such as Allegiant under the CARES act.

However, as the country begins to overcome the COVID-19 crisis and the economy and travel begins to open back up, the GFK community would request that the Department require Allegiant to meet their minimum service obligation as it pertains to GFK. In that vein, we propose the following to the Department:

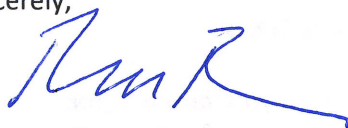
- 1.) Exempt Allegiant from the minimum service obligation at GFK through June 30, 2020.
- 2.) From July 1, 2020 through September 30, 2020 (or later as determined by the Department in any potential forthcoming orders), Allegiant would be required to maintain service levels under the minimum service obligation under the Order.
- 3.) Allow GFK and Allegiant to continue to work together as partners to balance and evaluate GFK community's needs with the commercial demand and viability of service provided by Allegiant to determine whether the minimum service obligation exemption should be waived beyond July 1, 2020.

GFK believes the above proposal would allow Allegiant additional (and needed) flexibility while balancing the needs of our local community and guarantee we are all being good stewards of taxpayers funding to ensure the most positive, balanced impact for all parties involved. Certainly, this was the original intent of the CARES Act funding when signed into law.

If the Department approves GFK's proposal herein, we will continue to work with our partners at Allegiant in this rapidly changing environment to determine whether an exemption beyond July 1, 2020, is warranted and, if so, will provide a letter of support requesting the adjusted exemption. We would request that the Department approve any further exemption request with support from both GFK and Allegiant expeditiously.

Please don't hesitate to contact me if you have further questions or would like to discuss further.

Sincerely,



Ryan Riesinger, C.M.
Executive Director
Grand Forks Regional Airport Authority