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April 28, 2020

Secretary Elaine L. Chao
US Department of Transportation
1200 New Jersey Ave, SE
Washington, DC 20590
United States

Dear Secretary Chao:

Yesterday, I became aware of an initiative from Delta Air Lines (DL) to suspend all service operating at Orlando Melbourne International Airport (MLB) due to the COVID-19 pandemic. The airline cited the many operational and financial challenges that DL is facing and that this action is part of wider measures being contemplated to preserve the airline's cash. Delta explained that MLB would be part of nine other stations that it is seeking permission from the U.S. Department of Transportation to shut down but the only station to close in Florida.

While the Airport certainly understands the gravity of the company's fiscal situation and the negative impacts of an unprecedented 96% decline in passenger activity nationwide, we strongly believe that closing MLB, even for a short period, is an illogical mistake.

Please consider these facts and why the decision to discontinue service is unreasonable:

- MLB is Delta's lowest cost station in the southeast and one of its lowest systemwide. Our Cost Per Enplanement (CPE), the performance measure used to gauge airline costs at an airport composed of landing fees, terminal rent, into plane fueling, etc., is lower than any other Florida station. Our Airport is unique as we provide all "below the wing" ground handling services and all cost are inclusive as part of the low CPE. From a business performance standpoint, MLB has historically topped the list for the past 35 years in generating high load factors, solid yield, and low CPE.
- Passenger traffic at MLB is different than most Florida locations as it is largely business related with many corporations located on airport or nearby within the community. L-3 Harris, Northrop Grumman, Embraer, Collins Aerospace, Thales, and others are important customers. Last week, Aerion Supersonic announced that they are relocating their company global headquarters to MLB from Reno, Nevada and investing \$300M into facilities. Their immediate need to transport employees, their families, and vendors to MLB is critical.

- Click on <https://www.clickorlando.com/news/local/2020/04/24/supersonic-aircraft-facility-675-high-paying-jobs-coming-to-melbourne-airport/> or search Aerion Supersonic for additional information. Please keep in mind that our market is mostly composed of high yield, corporate travelers with a lesser percentage of lower yield leisure passengers. Our corporate community also entails a large concentration of brand loyal Platinum / Diamond Skymiles members.
- We have historically delivered excellent support to Delta and have earned several Delta station service awards. Since the beginning of this pandemic, we have invested heavily into new training, more scheduled hours, and obtaining specific equipment to combat COVID-19 on DL aircraft. Our staff have adapted to the current crisis by operating efficiently while maintaining quality of service. We immediately adopted all Delta mandated Airport and aircraft cleaning standards and required employee masks for passenger facing employees.
- Business travelers who enjoy the attributes of MLB and are less likely to drive to MCO than leisure travelers. If there is a lack of minimal DL service at MLB, many business customers will resort to discontinuing the trip altogether and use teleconferencing instead. DL not providing services over an extended period of time will further alienate high yielding business travelers pushing them to opt for teleconferencing as a preferred method.
- Our Airport has been extremely responsive to DL's request for rent deferral and have worked with their company properties department to find ways of assisting through this period. Suspending service is contra to this partnership and two way cooperation.

Lastly, Delta mentioned it can simply shift all operations to nearby Orlando International Airport (MCO) and that since we share the same market, our customers can simply use Delta's existing capacity at MCO. We ardently disagree with this approach as MLB has worked extremely hard to provide distinctive service amenities for our customers and we would regret losing even more of our market share because of this decision. We have pending litigation with MCO and diverting our customer base to that facility will only exacerbate the situation.

As a small community, it is imperative that we retain service from our largest airline (American Airlines and Delta Air Lines are the only two Part 121 carriers at MLB). Having scheduled air service is essential for our economy, is an important factor in retaining employers, and vital to emergency services.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act requires carriers receiving federal payroll support to maintain service to all domestic markets "to the extent reasonable and practicable." For these reasons, MLB formally objects to DL's plan of discontinuing service and requests that the U.S. Department of Transportation deny any minimum service exemption request by the airline as it relates to MLB service.

We have requested Delta upper management to reevaluate any decision to suspend service at MLB and to compare our station performance statistics side by side to comparable Florida stations such as Daytona Beach (DAB). Our performance is better and if the decision making process is truly objective, keeping MLB open is clearly the correct decision, particularly when planning a path for recovery.

Thank you for consideration and for your leadership during these extraordinary times. Please contact me at 321-312-8669 if any further detail or information is needed.

Sincerely,

A handwritten signature in blue ink, appearing to read "Greg Donovan", with a stylized, flowing script.

Greg Donovan, A.A.E.
Executive Director

xc: MAA Board of Directors
Florida Congressional Delegation
FDOT Secretary and District Secretary