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PRESS RELEASE

To Promote Economic Growth In Regions Affected by Hurricane Katrina and Across the Country, Steps Must Be Taken to Expand Airline Service

September 14, 2005

The airline industry wants to continue to play a major role in helping to rebuild the areas impacted by Hurricane Katrina. In order to stimulate the economy and create jobs throughout the country including areas impacted by Hurricane Katrina, it is essential that the U.S. airline industry initiate and expand service. As government studies clearly indicate, as low-fare carriers re-enter markets and start service to new cities, those cities and states receive significant economic benefits. The Air Carrier Association of America (“ACAA”) is dedicated to working with the leadership and members of the Senate Commerce Committee to identify actions that can be taken to help carriers maintain and expand service to communities in the affected region and throughout the country. We believe the Committee is taking an important first step by holding the “Review of the Impact of Hurricane Katrina on the Aviation Industry” hearing on September 14, 2005.

The members of the ACAA have already demonstrated their dedication to addressing the devastating consequences of Katrina. As Ed Faberman, Executive Director of the ACAA, noted, “together we can partner to help these counties and their residents get on the road to recovery. ACAA carriers have already taken some important steps.” He added, “AirTran Airways, Frontier Airlines, and Spirit Airlines took immediate action after the hurricane hit to help the people and communities damaged by Katrina. These airlines have donated much-needed resources and services to the communities hardest hit by the hurricane.” Contributions from ACAA members have included provision of flights to displaced residents and delivery of food and supplies for victims.

Spirit Airlines was one of the first carriers to provide airlift to aid victims when, on Friday, September 2nd, it brought the first flight to Louis Armstrong International Airport (MSY) in New Orleans. Working closely with government agencies, Spirit has flown thousands of residents to various Texas cities.

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AirTran Airways initiated humanitarian aid flights on Friday, September 2nd, from Hartsfield-Jackson Atlanta International Airport to Gulfport/Biloxi Regional. AirTran delivered more than 40,000 pounds of water, food, clothing, medical supplies and other goods to support the Red Cross and the Salvation Army. AirTran also has operated other support flights including partnering with Peyton and Eli Manning to bring more than 15 tons of relief items into Mississippi. AirTran also operated Air Mobility Command flights from various military bases to MSY.

Frontier Airlines operated aircraft to evacuate residents from the impacted region. Frontier also coordinated with Volunteers of America in Denver to seek out individuals and families at the Houston Astrodome who would relocate and bring them back to Denver. Additionally, the carrier donated frequent flyer miles to the American Red Cross.

"Our members are grateful and proud to support the people and communities hardest hit by Hurricane Katrina," said Ed Faberman. "It is uplifting to see these and other airlines across the country respond with such generosity and dedication to those communities who have sought their service."

Unfortunately, the continuing increase in carrier costs, particularly jet fuel costs, are making it more difficult for low-fare carriers to bring important full-size jet service to small communities. With oil at its current prices, it will be harder for the industry to expand, particularly into small markets.

To help address these concerns, we applaud the Senate Committee on Commerce, Science & Transportation for considering certain tax relief proposals to support the airline industry at today's hearing. Among the issues to be discussed at the hearing are jet fuel markets, airport infrastructure, and Hurricane Katrina's impact on the National Airspace System. The Committee can recommend important steps to help the entire industry expand service options. In anticipation of this discussion, the ACAA supports the recommendations of Jim May of the Air Transport Association and Debby McElroy of the Regional Airline Association that Congress should grant a one-year holiday from the 4.3 cents-per-gallon jet fuel tax and that additional efforts should be undertaken to expand oil production. We congratulate them for their leadership on these issues. It is essential that steps be taken to help the entire industry weather the horrendous storm.