For Immediate Release

LOW FARE AIRLINES: DELAY REDUCTION EFFORTS MUST NOT HARM COMPETITION

Coalition of Smaller Airlines Defend Their Right to Compete at Congested Airports

Washington, D.C. – Nov. 28, 2007 – A group of low-cost, low-fare and charter airlines today urged the Department of Transportation (DOT) to preserve their competitive access to vital congested airports in the U.S., including New York's John F. Kennedy Airport (JFK). The Bush Administration is currently working with a number of airlines serving New York to reduce flight operations next summer and establish a system for better managing delays at congested airports in the future. This past week, trade associations representing large, major airlines urged DOT to adopt a system of capping flights, freezing historic operations, and shutting out new entrants, forcing smaller airlines to not only pay for rights the incumbent carriers got for free, but to rely on the incumbent competitors to sell slots to them.

Former Secretary of Transportation Samuel K. Skinner, Vice Chairman of Virgin America, pressed his case with the Administration today, and said: "We've got to find a solution to airport delays that doesn't shut out smaller airlines, which in many cases are offering premium service at lower fares."

"If the U.S. had been relying on the big airlines' trade associations to allocate scarce capacity, there wouldn't be an AirTran, jetBlue, Spirit, Frontier or Virgin America, and consumers would not see our product innovations and lower fares," said Fred Reid, CEO of Virgin America.

Bob Fornaro, CEO of AirTran, added, "The Department's done a great job fostering new airline competition, so we're hopeful they won't buy the largest airlines' latest attempt to close the door to new low-fare service."

"We feel confident that the Department will not allow carriers that dominate an airport to decide who can operate at that airport," said Ben Baldanza, CEO of Spirit Airlines.

"If competition isn't allowed to thrive in congested markets, delays will be the least of our worries—consumers will pay much higher fares," said Shaun Nugent, CEO of Sun Country.

"The Department has long recognized the need to make special accommodations to new entrants and limited incumbents in congested airports to preserve competition," said Subodh Karnik, CEO of ATA Airlines parent company Global Aero Logistics.

"We understand why larger airlines would not want to grant us access to important airports like JFK—the better question is why they think the Department, which is interested in promoting and preserving competition, would listen to this nonsense," said Bill Stockbridge, CEO of MAXjet.

The coalition of airlines fighting to preserve access to congested airports were joined by the Air Carrier Association of America (ACAA), and the National Air Carrier Association (NACA).

ACAA Executive Director Ed Faberman said: "Consumers should not be deprived of low-fare travel options because a few airlines have flooded an airport with a large number of flights."

NACA President Tom Zoeller stated: "Relying on the large airlines to sell airport slots to their competitors is not a free market, it's a closed market, and consumers will suffer."

The group of low-cost and charter airlines includes Virgin America, AirTran Airways, Spirit Airlines, Frontier Airlines, Allegiant Air, ATA Airlines, Atlas Worldwide Holdings, Champion Air, Gemini Air Cargo, MAXjet, Miami Air International, North American Airlines, Omni Air International, Pace Airlines, Ryan Air International, Southern Air, Sun Country, USA 3000 Airlines, and World Airways.

The Department will be hearing from a number of the smaller airlines tomorrow at one of the final meetings of an advisory group formed to help formulate recommendations for Secretary of Transportation Mary Peters to send to President Bush, who has asked for final proposals by mid-December, before the holidays. The first schedule reductions at JFK are expected by Summer 2008.

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