


METROPOLITAN NASHVILLE AIRPORT AUTHORITY

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September 11, 2002

Mr. Randall Bennett
 Director, Office of Aviation Analysis
 U.S. Department of Transportation
 Room 6401
 400 7th Street, S.W.
 Washington, DC 20590

**RE: Delta / Northwest / Continental Code-share and
 Frequent Flyer Reciprocity Agreements**

Dear Mr. Bennett:

The following comments are submitted on behalf of the Metropolitan Nashville Airport Authority (MNAA), which operate Nashville International Airport (BNA) and works to develop air service to support the travel and economic development needs of nearly 3 million residents in the Middle Tennessee region. The economy of the Middle Tennessee region is highly dependent on the entertainment, tourism, education and health care industries, and these industries all need access to a wide range of competitively priced scheduled air service. BNA serves approximately 8 million passengers annually.

Together, these three applicant carriers have near monopolistic control of nine major hub airports (CLE, EWR and IAH for CO; ATL, CVG and SLC for DL; and DTW, MEM and MSP for NW). Air service at Nashville is directly influenced by the services these carriers provide at their hubs, especially at Memphis, Atlanta and Cincinnati. The markets between Nashville and these nine major hub airports are among the most important destination markets for Nashville passenger and several of those markets already have extremely high fares from Nashville.

We also believe that the pending Code-share and Frequent Flyer reciprocity agreements between Delta, Northwest and Continental raise serious competition issues that are likely to have severe adverse impacts on the availability and cost of air services offered at Nashville International Airport. The scope of the proposed agreements, especially when coupled with the previously filed agreements between United and US Airways, represent a major diminution of competition in the air transportation industry not only at Nashville, but across the entire nation and in the international arena.

Consequently, MNAA urges the Department to immediately act to delay the effectiveness of the agreement. Furthermore we also urge the Department to conduct a formal review of the Delta/Northwest/Continental agreements to determine whether or not the agreements are unlawful under 49 U.S.C. 41712.

Sincerely,

Raul L. Regalado, C.A.E.
 President and CEO

cc: The Honorable Read Van de Water, USDOT ✓
 The Honorable Jeffrey Shane, USDOT
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