

March 23, 2005

The Honorable Norman Y. Mineta
Secretary
U.S Department of Transportation
400 Seventh Street, SW, Room 10200, Washington, DC 20590

Mr. Karan K. Bhatia
Assistant Secretary for Aviation and International Affairs
Office of the Secretary
U.S. Department of Transportation
400 Seventh Street, SW, Room 10232, Washington, DC 20590

Re: 2005 Los Angeles-Mexico City Combination Service Proceeding
Docket OST-2005-20406

Dear Secretary Mineta,

I am writing to express support for Alaska Airline's application for authority to serve the Los Angeles-Mexico City route. Alaska's plan to offer 2 daily nonstop round trip flights between Los Angeles and Mexico City will provide many benefits to the Portland metropolitan region, for businesses, residents and tourists alike. For several reasons, we believe Alaska is uniquely qualified to serve this market and is the best candidate to fill this vacant route designation.

Alaska's new Mexico City service will bring greater convenience and new competitive alternatives to tens of thousands of leisure and business travelers in Oregon and throughout the Pacific Northwest. More specifically, Alaska will offer two daily flights to Mexico City, using Portland-Los Angeles-Mexico City and Seattle-Los Angeles-Mexico City routings. As one of the two daily flights will originate in Portland, residents of Oregon will enjoy same-plane, one-stop or single-connection service to Mexico City. Oregon residents, businesses and tourists will benefit from greater and more convenient access to Mexico City.

Also, as both the leading Los Angeles-Mexico and West Coast-Mexico carrier, Alaska is in a position to build on the strength of its existing market presence. Alaska, with its sister carrier Horizon Air, offers a superior north-south West Coast route system, which extends from Mexico throughout multiple points in the western United States. Alaska's West Coast network makes them uniquely positioned to support multiple daily Los Angeles-Mexico City flights.

Additionally, Alaska's new entrant status at Mexico City provides the greatest incentive to maximize competition in the Los Angeles-Mexico City market. Alaska is the only applicant that

does not serve Mexico City. Every other applicant already serves Mexico City from its principal hub and, in some cases, from multiple hubs.

Moreover, Mexico City represents a key addition to Alaska's international route system. With the exception of the Los Angeles-Guadalajara market, Alaska's Mexico service is entirely in leisure markets, which are highly seasonal in nature. In sharp contrast, the Los Angeles-Mexico City route represents the largest year-round U.S.-Mexico market, making it an appropriate addition to Alaska's route network. In addition, Mexico is one of only two international markets Alaska serves, while the other applicants serve much wider international networks.

Finally, as the above information reflects, Alaska has demonstrated a highly impressive track record in developing U.S.-Mexico markets. It speaks volumes that Alaska was able to become the largest West Coast-Mexico carrier even without the benefit of large, non-seasonal markets. Because of this record, we believe Alaska will continue to provide high-quality, reliable and competitive service on the LAX-Mexico City route.

Thank you for considering our views.

Sincerely,

Bob Van Brocklin
Chair, Government Relations Committee
Portland Business Alliance