

City of
Orange Beach
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 457682



February 21, 2007

The Honorable Mary E. Peters
 Secretary of Transportation
 U.S. Department of Transportation
 400 7th Street SW
 Washington, DC 20590

OST-2000-7182-1324

Re: Docket OST-2000-7182

Dear Secretary Peters:

As Mayor of the City of Orange Beach, AL, I am pleased to support US Airways' request to provide service from the Pensacola Gulf Coast Regional Airport to Ronald Reagan Washington National Airport under the Department's slot exemption proceeding, **Docket OST-2000-7182**. The following reasons outline the importance of this air service to the Gulf Coast region:

- Located along the Florida Gulf Coast, Pensacola is the largest population center in a region stretching over 400 miles between New Orleans in the west, and Jacksonville in the east.
- Pensacola's catchment area covers three states-Alabama, Florida and Mississippi.
- Pensacola's metropolitan area population is approximately 440,000 residents. Another 580,000 residents outside the metro area, live within a one-hour drive of the Pensacola airport, increasing the total population served to over one million residents.
- The Pensacola region's economy consists of industries led by homeland security, tourism, health care and manufacturing. However, what ties Pensacola most strongly to the Washington area is the region's large military and defense presence.
- The total number of active duty military and federal employees in the Pensacola region is over 20,000, with another 30,000 retired military residents.
- Military installations in the area include Pensacola Naval Air Station, Whiting Field (the busiest air station in the world), Eglin Air Force Base (one of the largest in the world), Corry Station, Saufley Field, Hulbert Field, U. S. Air Force Materiel Command Center for Air Armament, Naval Education & Training Professional Development and Technology Center, Defense Activity for Non-Traditional Education Support, Naval Reserve Center, Technology Services Organization -- Pensacola, Center for Naval Leadership Detachment, U. S. Force 313th Training Squadron, Delta Company 344th Military Intelligence Battalion and Detachment 1 325th Fighter Wing.
- In addition, numerous defense and aerospace contractors have a significant presence in both the Pensacola and Washington areas such as General Dynamics, Lockheed Martin, ARINC, BAE Systems and Raytheon.
- **The entire Gulf Coast region – Pensacola, Mobile and Fort Walton – lacks non-stop service to DCA. In addition, neither Pensacola nor any of the Pensacola region's other airports have non-stop air service to Washington-Dulles or Baltimore. The other markets pleading for slot exemptions in this proceeding have service to one or more Washington area airports.**
- Travel to DCA requires a time consuming connection over hubs in the southeast or midwest, or surface travel over three hours for non-stop service.
- Behind Oklahoma City, Pensacola is the largest within-perimeter market without non-stop service to the Washington area. Including the nearby communities, Pensacola is by far the largest market without service to any Washington area airport.

- In the last five years, demand for air travel from Pensacola to the Washington area has grown by 51%.
- Eliminating the connection to DCA or a drive to a different originating airport would reduce cost, time and inconvenience for federal government officials, residents and tourist to the Gulf Coast region.
- Like all Florida markets, Pensacola displays some seasonality in demand. US Airways is uniquely qualified to provide this service as it has multiple types of equipment to meet the traffic flows that vary from summer to winter.
- This service needs to be provided by a financially stable, low cost competitor with a strong network. US Airways meets these requirements as evidenced by our profits in 2006 of over \$500 million (excluding special items). The new US Airways is a vigorous competitor bringing low fares and a customer-friendly attitude to the marketplace

Although we are located in the neighboring State of Alabama, the Pensacola Gulf Coast Regional Airport is the closest airport to the City of Orange Beach. This new service is critical to the future growth of our region and our City. Thank you in advance for your support

Sincerely,



Pete Blalock, Mayor
City of Orange Beach