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Bay Area Council

Founded in 1945, the Bay Area Council is a business-sponsored regional public policy organization that promotes economic prosperity and quality of life in the Bay Area.

February 26, 2008

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ACTION

S10-080307-010

CONTROL NO.

The Honorable Mary E. Peters
Secretary
Department of Transportation
1200 New Jersey Ave SE,
Washington, DC 20590

Re: Virgin America Inc.'s Application for Service from Los Angeles to San Jose del Cabo, Mexico; OST Docket No. OST-2008-0023.

Dear Secretary Peters:

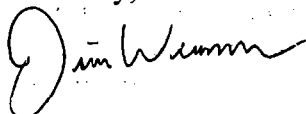
I am writing to express the Bay Area Council's strong support for the application of Virgin America to provide connecting service from San Francisco over Los Angeles to San Jose del Cabo, Mexico ("Cabo"). Since starting service in August 2007, Virgin America has delivered on its promises to bring new jobs, new aircraft, increased competition, and enhanced air service to the greater San Francisco and Los Angeles areas. It has raised the bar on innovative, fun service to the traveling public.

For too long, U.S.-Mexico service has been characterized by legacy airlines dominating the market. American holds authority to serve 14 Mexican points. Delta holds authority to serve 14 Mexican points from 15 U.S. gateways. Continental holds authority to serve 18 Mexican points from 12 U.S. points; and United holds authority to operate service to seven Mexican points from six U.S. gateways.

The Council believes it is time to permit the newest of new entrants, and the only California-based airline, Virgin America, to serve its first Mexican destination. With the introduction of new international service from California to Cabo, Virgin America will bring its exciting service to the vibrant and growing U.S.-Mexico market. Based on the dramatic consumer benefits, including significantly reduced average fares, new jobs, and superior service, already realized by Virgin America's entry into the U.S. domestic market, we believe strongly that Virgin America's entry into the U.S.-Mexico market will provide similar pro-consumer and pro-business benefits.

I respectfully urge you to approve Virgin America's application for non-stop service to Cabo from Los Angeles. Thank you for your consideration.

Sincerely,



Jim Wunderman
President and CEO