

United States Senate

COMMITTEE ON COMMERCE, SCIENCE,
AND TRANSPORTATION

WASHINGTON, DC 20510-6125

July 31, 2008

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

Dear Secretary Peters,

We would like to commend the Department for its dedication and continued work toward alleviating congestion at our airports, especially in the New York region. The imposition of caps on operations at JFK and Newark airport, efforts to implement capacity enhancing recommendations of the New York Aviation Rulemaking Committee (ARC), progress on the New York/New Jersey/Philadelphia Metropolitan Area Airspace Redesign program, and the appointment of the New York airspace czar will benefit the entire national airspace system (NAS) and lead to fewer delays.

However, it is our understanding that the Department continues to seriously consider publicly auctioning a portion of the current slots at airports in the New York region, and has chosen to move forward with a controversial auction proposal. We are concerned that you would consider this action when neither the Department nor the Federal Aviation Administration (FAA) holds any explicit authority from Congress to implement such a program. As the FAA itself stated in its 2006 proposal to manage congestion at LaGuardia, "legislation would be necessary to employ market-based approaches such as auctions." Congress has never provided the FAA explicit authority to dispose of property for distributing slots at airports.

In addition to the absence of explicit authority for such a proposal, we are also troubled by the timing of this action. Given the current fragility of the U.S. airline industry, we believe it is not the time to move forward with such new, untested, and unproven policy. We are also concerned such action would significantly hamper the fiscal stability and operational competitiveness of the U.S. airline industry, and we respectfully request you cease action on any current proposal or course of action that would auction slots at any U.S. airport. We urge you to reconsider the impact auctions may have on the nation's air transportation system and the disruption and litigation they will likely elicit.

We believe the Department should be focused first on mitigating delays in the system through continued capacity enhancements. Instead of moving forward with slot auctions at this time, we urge the Department to focus on alleviating congestion at these and other airports by improving FAA's operations, increasing airport thru-put capacity, modernizing the U.S. air transportation system, and closely monitoring performance under the operation caps at the New

York airports. We also encourage the Department to pursue alternatives to slot auctions that would allow for improved competition and increased new entrants to New York airports, along with adequate service to small communities.

Sincerely,

Key Bailey Hutchison

Jay Ruppel

Lee Stevens

[Signature]