



U.S. House of Representatives
Committee on Transportation and Infrastructure
Washington, DC 20515

Don Young
Chairman

James L. Oberstar
Ranking Democratic Member

March 17, 2006

Lloyd A. Jones, Chief of Staff
Elizabeth Megginson, Chief Counsel

David Heymsfeld, Democratic Chief of Staff

The Honorable Jerry Lewis
Chairman
Committee on Appropriations
H218 Capitol
Washington, D.C. 20515

The Honorable David Obey
Ranking Member
Committee on Appropriations
1016 Longworth HOB
Washington, D.C. 20515

The Honorable Joe Knollenberg
Chairman
Subcommittee on Transportation, Treasury,
HUD, The Judiciary, District of Columbia,
and Independent Agencies
2358 Rayburn HOB
Washington, D.C. 20515

The Honorable John W. Olver
Ranking Member
Subcommittee on Transportation, Treasury,
HUD, The Judiciary, District of Columbia,
and Independent Agencies
1016 Longworth HOB
Washington, D.C. 20515

Dear Chairman Lewis, Ranking Member Obey, Chairman Knollenberg and Ranking Member Olver:

Airline Deregulation Act of 1978, which phased out the federal government's control over domestic fares and routes, established the essential air service (EAS) program because of concerns that the free market alone could not be relied on to maintain air service to all small communities. In fact, over the last six years, airlines have experienced severe financial pressure to leave smaller communities, and demands on the EAS program have increased.

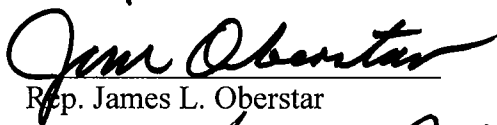
Since 2000, U.S. airlines have suffered massive financial losses due to the September 11th attacks, SARS, the Iraq war, the unwillingness of many business travelers to pay premium fares and rising fuel costs. In total, U.S. airlines have lost over \$44 billion since the beginning of 2001, and the number of communities that require EAS subsidy to support scheduled air service has grown from 106 in 2000 to 152 in 2006.

Given the massive financial losses suffered by the airlines and the intent of the Airline Deregulation Act, Congress and the Administration should fortify the EAS program to ensure that small and rural communities do not lose air service. However, the Administration's FY2007 budget request provides \$50 million for the EAS program – less than half the enacted level of funding EAS has received for the last 5 years and \$77 million less than what Congress authorized for the program. Moreover, the Administration's proposal would require communities to pay a local contribution. If all existing communities paid the local contribution and continued to participate in the program, more than 60 communities would be eliminated from the program.

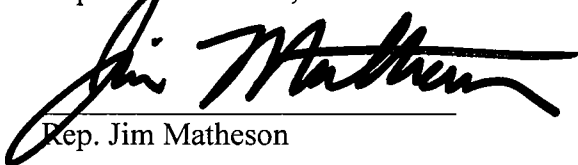
The Honorable Jerry Lewis
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For these reasons, we respectfully request in drafting the FY2007 House Transportation-Treasury Appropriations bill you reject the Administration's proposal and provide the fully authorized \$127 million level of funding for the EAS program.

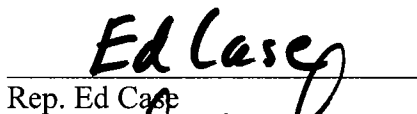
Sincerely,

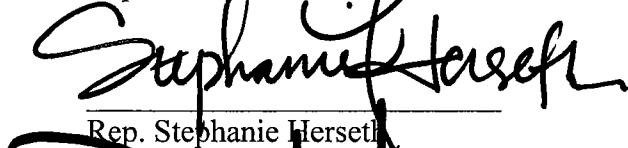

Rep. James L. Oberstar


Rep. Nick J. Rahall, II

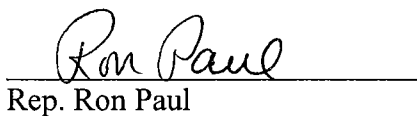

Rep. Jim Matheson


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Rep. Ed Case


Rep. Stephanie Herseth

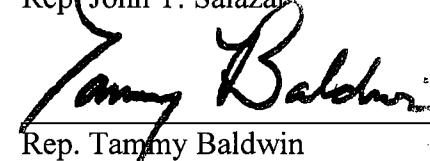

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Rep. Ellen O. Tauscher

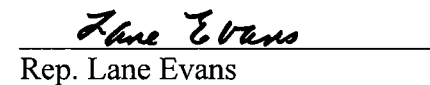

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Rep. Tammy Baldwin

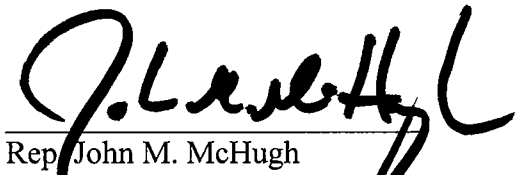

Rep. John Barrow


Rep. Sherrod Brown

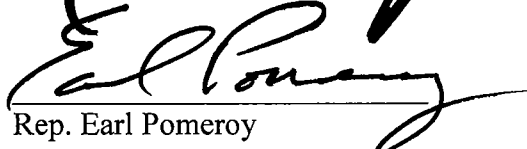

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Rep. Lane Evans

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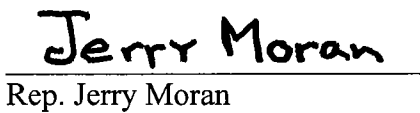
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Rep. Earl Pomeroy



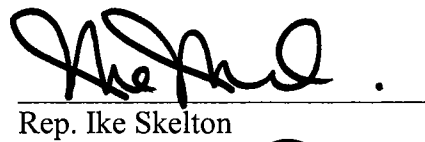
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Rep. Bill Shuster



Rep. Ike Skelton



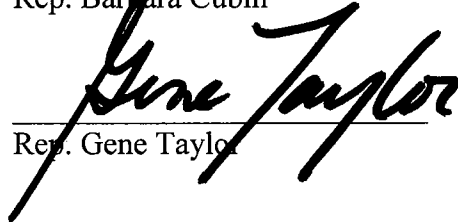
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Rep. Ron Lewis



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Rep. Gene Taylor

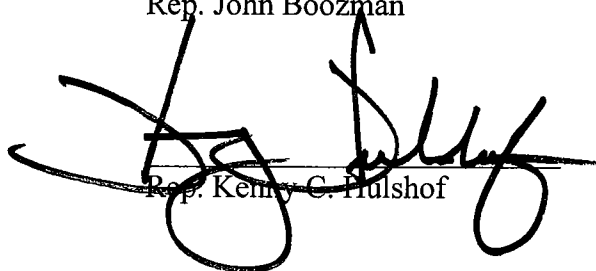
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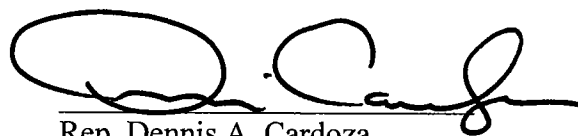
Rep. John Boozman



Rep. Thomas H. Allen



Rep. Kenny C. Hulshof



Rep. Dennis A. Cardoza