



BRADFORD REGIONAL AIRPORT

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August 20, 2003

Mr. Dennis J. DeVany
Chief, Essential Air Service Division
Office of Aviation Analysis
US Department of Transportation
400 Seventh Street, S.W. Room 6401
Washington, D.C. 20590

Dear Mr. DeVany:

Thank you for your review of proposals for essential air service for Bradford Regional Airport. Our Airport Advisory Committee has thoroughly reviewed the proposals and solicited the input of major business users of the airport and local travel agencies. We also discussed the proposals with each of the carriers – Mesa, CommutAir, and Colgan Air – and called other regional airports served by these carriers to determine the level of satisfaction. The results of the analysis and the subsequent recommendations were discussed with a broad range of community representatives including the city of Bradford and other communities served by the airport, the commissioners and other officials from the four counties participating in airport governance, and our state representative and state senator. The community unanimously supports the following recommendation.

Recommendation

By far the most important consideration when making this recommendation was the likelihood that the commitment and actions of the carrier would return Bradford Regional Airport to self-sufficiency over the long term. It is our unanimous opinion that the proposal by CommutAir provides the greatest opportunity to recapture the air passenger market in our region and to return Bradford to self-sufficiency.

The proposal by Colgan was comparable to CommutAir in many respects but we believe starting fresh with a new carrier flying to a new destination – CommutAir to Cleveland vs. Colgan to Pittsburgh – is more likely to have a positive impact on the flying public. Mesa has not shown a comparable commitment in the years it has provided service to Bradford. We are also concerned about the uncertainty of USAirways future commitment to Pittsburgh and the high and non competitive prices that USAirways charges to customers flying from Bradford.

Background

We are convinced that Bradford represents a significant and growing market for air travel. Based on bookings information from the four principle corporate clients of Bradford Travel, a local travel agency, the Bradford market for business travel has grown significantly – by 113% in two years. However, the share of that market flying from Bradford has declined significantly – from 10.3% of the market to only 3.6%.

Bookings Originating from Bradford Market (four companies)

	<u>2000</u>	<u>2001</u>	<u>2002</u>
Thru all airports	4790	6639	10,237
% change – 2000 to 2002			+113%
Thru Bradford Airport	493	369	373
% change – 2000 to 2002			-24%
Bradford market share	10.3%	5.6%	3.6%
% change – 2000 to 2002			-65%
Total Bradford enplanements	12,834	8918	6109
%change – 2000 to 2002			-52%

Despite the downturn in the economy and 9/11, travel by these corporations has more than doubled in the last two years and has continued to increase in 2003. In the same period, total enplanements from Bradford decreased by 52%.

The potential market is clearly significant and growing but travelers are now driving over 80 miles to fly from Buffalo. Surveys indicate that both business and leisure travelers have become discouraged by inconvenient flight schedules (particularly the lack of an early morning departure), high fares, and poor reliability. Bradford area corporate leaders express a strong commitment to the airport and say that they will direct their business travelers to fly from Bradford if the flights are convenient and fares are reasonably competitive.

Key Factors

The criteria for reaching our recommendation included:

- **Flight schedule** – an early morning and an evening flight are essential to (re)attract the business traveler. Four flights per day are preferable to three flights.
- **Community involvement** – how willing is the carrier to become involved in the community, to promote the airport and its services, to work with local officials?
- **Airport partnership** – is the airport important to the carrier, will the carrier work with airport officials to address problems, to supervise the carrier's local representatives?
- **Negative perceptions** – how will the carrier overcome the current negative perceptions of air service in Bradford, to reverse the decline in market share?
- **References and history** – what is the record of the carrier in providing service to Bradford and other similar communities, are they recommended by other small regional airports?

- ***Liaison with major carrier*** – will the carrier work creatively and aggressively with its major carrier partner to provide competitively priced flights?
- ***Return to self-sufficiency*** – will the commitment and actions of the carrier increase Bradford enplanements, allow the airport to recapture the market and, as soon as possible, wean the airport from the EAS program?

Comparison of Proposals

- ***Flight Schedule*** – both CommutAir and Colgan proposed early and late flights without prompting (“absolutely essential to attract the business traveler”) and both indicated that they were likely to introduce a fourth mid day flight even though it would not be covered by the EAS subsidy.
- ***Community involvement*** – from our reference calls, CommutAir and Colgan participate actively in the local communities they serve and plan to join the local Chamber and other groups. Mesa has not become involved in the community.
- ***Airport partnership*** – both CommutAir and Colgan described plans to work with the airport, that there will be close supervision of local carrier representatives. It is clear that “Bradford would matter” to these small carriers.
- ***Negative perceptions*** – Colgan speaks of “breaking the habit of not using the airport” through a marketing blitz and free tickets. CommutAir describes active multi media promotion and free tickets and an assigned sales executive visiting Bradford on a regular basis. Both carriers express pride in their high reliability. CommutAir’s connection to Cleveland and its relationship with Continental were seen as an advantage, a fresh start. The uncertainty of USAirways’ long term commitment to Pittsburgh and generally negative perception of USAirways made the Colgan and Mesa proposals less attractive.
- ***References and history*** – both CommutAir and Colgan received strongly positive recommendations from other regional airports.
- ***Liaison with major carrier*** – Colgan has worked closely with their regional airports to develop attractive pricing packages with USAirways. CommutAir also is attuned to the need for competitive pricing and describes a cooperative relationship with Continental. Both Colgan and CommutAir offer unrestricted low walk up fares to travelers. The presence of low cost carriers in Cleveland also is an advantage for CommutAir. USAirways dominance of the Pittsburgh market and the concomitant higher fares are a disadvantage for Colgan and Mesa.
- ***Return to self-sufficiency*** – we are convinced that there is great potential in the Bradford market and we know that there is a deep commitment by the community to flying out of Bradford if reliable and convenient and price competitive flights are restored. We are also convinced that the commitment expressed and actions proposed by CommutAir are what are required to return Bradford Regional Airport to self-sufficiency.

The previous discussion shows our clear preference for working with CommutAir or Colgan. Our recommendations in order of preference are:

1. CommutAir 18 flights (minimum of three flights a day is a necessity)
2. Colgan Option 1B 18 flights
3. Colgan Option 2 23 flights (shared with Jamestown)

We realize that Mesa’s proposal has a lower subsidy requirement than the alternatives proposed

by CommutAir and Colgan. However, we are convinced that CommutAir is far more committed and capable of returning Bradford to self-sufficiency. Mesa has had many years to demonstrate that it could operate profitably in the Bradford market and has not been able to do so. We do not want our survival to depend on continued subsidies from the EAS program. The long term future of our airport depends on providing good service to our community and recapturing our market; we believe we can do that in partnership with CommutAir.

We appreciate this opportunity to provide the community perspective. If you have questions regarding our analysis or recommendations, please do not hesitate to contact us.

Sincerely,

Thomas Frungillo, Airport Director

Larry Stratton, Chairman, Bradford Regional Airport Authority

Martin M. Glesk, Chairman, Airport Advisory Committee

Michele Corignani, Mayor, City of Bradford

These recommendations also have been endorsed by the following people and organizations:

Sen. Joseph Scarnati, PA State Senator, 25th Senatorial District
Rep. Martin Causer, PA State Representative, McKean, Cameron and Potter Counties
Ray McMahon, Office of Economic and Community Development, City of Bradford
McKean County Commissioners
Elk County Commissioners
Cameron County Commissioners
Potter County Commissioners
Joseph DeMott, Mayor, Port Allegany
Mark Caldwell, Mayor, Kane
North Central Regional Planning and Development Commission
Greg Booth, President and CEO, Zippo Manufacturing Company
George Leonhardt, President and CEO, Bradford Regional Medical Center
Thomas Bromeley, Chairman, Topline Corporation
Lester Rice, Vice Chairman, KOA Speer Corporation
Thomas Arrowsmith, President and CEO, Case Cutlery
Dr. Livingston Alexander, President, University of Pittsburgh at Bradford
John Satterwhite, Publisher, The Bradford Era