



STATE OF NEW HAMPSHIRE
OFFICE OF THE GOVERNOR

CHRISTOPHER T. SUNUNU
Governor

April 7, 2020

The Honorable Elaine Chao
Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, S.E.
Washington, DC 20590

Dear Secretary Chao,

I write to you today in response to the Order to Show Cause issued by the U.S. Department of Transportation on March 31, 2020, proposing parameters for air carriers receiving financial assistance under the Coronavirus Aid, Recovery, and Economic Security (CARES) Act (P.L. 116-136). While I applaud the administration's efforts to administer much-needed financial assistance to our nation's aviation sector, I urge you also to prioritize the long-term sustainability of the aviation system and ensure adequate service continues at small and rural communities in levels sufficient to provide connectivity to the global economy.

The bipartisan CARES Act was signed into law on March 27, 2020, and authorized more than \$60 billion in federal resources to help the aviation industry address new operational and financial demands. The legislation also included two provisions – Sections 4005 and 4114(b) – authorizing the Department to require, to the extent reasonable and practicable, airline recipients of federal aid to maintain scheduled service at points served before the declaration of a national emergency.

Among other proposals, the Show Cause Order would permit airlines to request that points be exempted from their service obligation and to consolidate operations at a single airport. While this may make sense in *cities* with multiple airports like New York, Chicago, Dallas, Houston, and Los Angeles, this does not make sense in *regions* that have multiple airports, which is how the Order views the airports in New Hampshire. In their written testimony, the carriers have expressly indicated their desire to redefine "regional designation" as including any airport that lies within 150-miles of a "point," which we presume to mean a large hub airport. This is concerning to me as the governor of a state that has two commercial service airports that could be directly impacted.

As you may know, small communities across the country have disproportionately shouldered the burden of reduced airline capacity after previous shocks to the aviation system. After the great recession, large communities in the United States saw increased competition and airline capacity at their airports in 2011, while small communities did not see this occur until three years later, and even this growth was not equally distributed throughout the national airspace system. The

simple truth is that air service lost is very difficult to replace for small communities and their airports. It takes years of tireless effort and expense for these communities to attract replacement air service.

While I certainly recognize the need for flexibility and some reductions in the short-term to address the immediate and steep declines in air travel demand, I ask that you take precautions to ensure that any temporary service cuts do not evolve into permanent shifts of capacity after the immediate crisis is over. For states like New Hampshire, any shifting of capacity – even if disguised as a temporary measure to offset losses due to CoVID-19 – will result in federal Airport Improvement Program (“AIP”) dollars and local Passenger Facility Charges (“PFCs”) flowing out of New Hampshire and into Massachusetts. This is a unique characteristic of New England states, However, we do not believe that the DOT, nor the airlines, should be picking which states and cities should be the winners and losers; rather, the traveling public should.

The combined loss of access to the national airspace system and the lost federal and local dollars that would not be reinvested into local communities will result in further erosion of economic activity across the Granite State and delay our return to economic prosperity. While this may be an unintended consequence of the Order, it is a consequence nonetheless and one that is certainly not in the spirit of the Act nor consistent with the intent of Congress.

Thank you for your attention to this important matter.

Sincerely,



Christopher T. Sununu
Governor