

# United States Senate

WASHINGTON, DC 20510-1502

November 18, 2011

COMMITTEES:  
AGRICULTURE  
APPROPRIATIONS  
HEALTH, EDUCATION,  
LABOR, AND PENSIONS  
SMALL BUSINESS

The Honorable Ray LaHood  
Secretary of Transportation  
1200 New Jersey Avenue S.E.  
Washington, DC 20509

Dear Secretary LaHood,

Both Sioux City and Waterloo, Iowa have determined that American Eagle is their favored airline for service under the Essential Air Service Program. I have been in contact with leaders in both communities about their decision regarding this matter.

I believe Sioux City and Waterloo's decisions are correct for the long-term benefit of the economies of both metropolitan areas and for long-term sustainability of the program. I urge the Department to negotiate contracts with American Eagle to serve both cities.

It is my view that service to Chicago O'Hare is more beneficial than Minneapolis when a city's only air service is to a single hub airport. For both Sioux City and Waterloo, a larger share of passengers will have O'Hare as their final destination. In addition, O'Hare offers superior connections to other destinations, thereby providing greater flexibility to Iowa residents and visitors. It will also lead to a lower level of leakage to other airports and therefore result in lower subsidy costs over the long term.

With metropolitan cities the size of Sioux City and Waterloo, there is a real chance of generating profitable service over time that will allow for the eventual elimination of the need for a subsidy. To accomplish that goal, the orientation of the airline towards making that happen is crucial. I believe that is American Eagle's intention.

While I understand that American Eagle's service bids are at a higher cost than those of Skywest, I believe it is clearly in the interest of the program and the interest of both Sioux City and Waterloo for negotiations to proceed with American Eagle as requested by both cities.

I appreciate your consideration of this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Harkin". The signature is fluid and cursive, with a prominent initial "T" and a long, sweeping underline.

Tom Harkin  
United States Senator

Cc: Dennis Devany, Chief, Essential Air Service Division, Office of Aviation Analysis

TH/nah