BEFORE THE DEPARTMENT OF TRANSPORTATION WASHINGTON, DC

CONTINUATION OF CERTAIN AIR SERVICE

Docket DOT-OST-2020-0037

Under Public Law 116-136 §§ 4005 and 4114(b)

REQUEST OF FRONTIER AIRLINES FOR EXEMPTION FROM SERVICE OBLIGATION

Communications with respect to this document should be directed to:

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Counsel for Frontier Airlines, Inc.

NOTE: FRONTIER WILL BE POLLING ON THIS REQUEST.

April 10, 2020

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Pursuant to DOT Order 2020-4-2, Frontier Airlines, Inc. ("Frontier") hereby requests an exemption from its Service Obligation for the 35 points discussed below.

Frontier appreciates the efforts of the Department and this Administration to assist the airline industry during these unprecedented times, including the important modifications made to the Show Cause Order on continuing certain air service as reflected in the Final Order, 2020-4-2. However, even with those modifications, Frontier, like other ULCCs, continues to be significantly burdened by the Service Obligation. There are a number of communities for which the Service Obligation imposed on Frontier is not sustainable or in the public interest given the virtually nil forecast load factors (well below 5%) on every flight scheduled at each point. Indeed, such a requirement would be at odds with the underlying objectives of the CARES Act, and would adversely affect and unduly burden Frontier and its employees in significant ways *with no public benefit*.

I. REQUEST FOR EXEMPTION

Frontier requests an exemption from its Service Obligation under DOT Order 2020-4-2 to allow it to temporarily suspend service from April 13, 2020 through June 10, 2020 at the following 35 communities:

Albany, NY (ALB) Billings, MT (BIL) Bloomington, IL (BMI) Boston, MA Metropolitan Region (BOS/PVD)¹ Burlington, VT (BTV) Buffalo, NY (BUF) Bozeman, MT (BZN) Cedar Rapids, IA (CID) Charlotte, NC (CLT) Columbus, OH (CMH) Colorado Springs, CO (COS) Detroit, MI (DTW) El Paso, TX (ELP) Fargo, ND (FAR) Sioux Falls, SD (FSD) Spokane, WA (GEG) Green Bay, WI (GRB) Grand Rapids, MI (GRR) Greenville/Spartanburg, SC (GSP) Harlingen, TX (HRL) Huntsville, AL (HSV) Wichita, KS (ICT) Jacksonville, FL (JAX) Madison, WI (MSN) Norfolk, VA (ORF) West Palm Beach, FL (PBI) Pittsburgh, PA (PIT) Palm Springs, CA (PSP) Portland, ME (PWM) Raleigh/Durham, NC (RDU) Louisville, KY (SDF) Syracuse, NY (SYR) Tyler, TX (TYR) Knoxville, TN (TYS)

¹ As reflected in DOT Order 2020-4-2, Providence (PVD) is part of the Boston Metropolitan Region and is therefore part of Frontier's requested exemption from the Service Obligation for the Boston Metropolitan Region.

Fayetteville, AR, Northwest Arkansas Regional (XNA)

Frontier respectfully requests an emergency exemption so that these schedule changes and the corresponding operational plans can be changed as soon as possible. Accordingly, in accordance with DOT Order 2020-4-2 (Appendix D), Frontier also requests a waiver of the 10 business day advance filing requirement. As detailed below, good cause exists for granting such a waiver.²

II. PROMPT GRANT OF THE REQUESTED EXEMPTION IS IN THE PUBLIC INTEREST.

Frontier is one of the few ultra-low-cost carriers in the United States. Frontier operates highly seasonal and multi-variable service patterns and weekly frequencies that follow the distinct customer demand profiles of its leisure travelers on mostly point-to-point services. It operates only a few frequencies a week to a few destinations. Imposing an obligation to continue service at communities which now have practically zero passenger demand places an unsustainable burden on Frontier. As explained below, such an obligation would not be in the public interest, nor would it be – in the language of Sections 4005 and 4114(b) of the CARES Act, "reasonable" or "practicable".

Like many other carriers, Frontier is facing unprecedented financial pressures driven by the precipitous drop-off in passenger demand. Frontier has seen a revenue drop off of **over 90%** and a reduction of more than **80 points** in load factors. Frontier

² Appendix D: "[r]equests for exemptions should be filed at least 10 business days before the applicant covered carrier's proposed service alteration, except that the requesting carrier may file in less than this time period upon a showing of good cause." Frontier will poll the communities/airports and U.S. air carriers served with this Request.

must reduce costs and preserve cash during this difficult period, so that, once the pandemic emergency and resulting economic crisis are over, Frontier will be positioned again to provide its ULCC services to communities throughout the United States.

Flying empty aircraft to and from communities is wholly inconsistent with that objective. And "empty" is not hyperbole. Based on bookings, forecast load factors for every flight at each of the points subject to this exemption request are **well below 5%**.

Moreover, if the requested exemption is granted so that Frontier can temporarily suspend service, none of these communities would be left without air service. Each of the communities will still receive service from two to four of the majors (with the sole exception of Tyler, Texas, which would have service from American), and from two to six of the larger carriers, if Alaska Airlines and JetBlue are included.

In addition, a large number of these airports are in states that have issued COVID-19 shelter-in-place or stay-at-home orders, e.g., California, Colorado, Florida, Illinois, Kansas, Massachusetts, Michigan, Minnesota, New York, North Carolina, Ohio, Pennsylvania, Virginia, Vermont, Washington, and Wisconsin. Although the specific restrictions of these orders vary, the basic thrust is that people are required or strongly urged to stay at home other than for essential activities and to socially distance themselves. Operating air service with a crew and few or no passengers into a state under such an order undermines the very objectives those orders seek to accomplish to limit significantly people's movements and interactions with others in order to mitigate the spread of COVID-19.

Finally, Frontier notes that it selects the winter 2020 schedule to serve as the basis for its Service Obligation. As a result, Frontier requests a seasonal exemption for

Palm Springs International Airport in California. Frontier serves that destination only in the winter season. Absent the exemption, this provision would require Frontier to continue operating its peak winter season schedule to Palm Springs into the summer season when Frontier had no plans to operate such service even before the advent of the COVID-19 pandemic.

III. PORTSMOUTH, NH SHOULD NOT BE PART OF FRONTIER'S SERVICE OBLIGATION.

Appendix B to DOT Order 2020-4-2 lists Portsmouth, New Hampshire (PSM) as part of Frontier's Service Obligation. Frontier submits that this is an error, as Frontier stopped serving Portsmouth in July 2019. Accordingly, Frontier requests that the Department remove Portsmouth from its Service Obligation.

* * * *

For all of these reasons set forth above, such an obligation would not be in the public interest, nor would it be – in the language of Sections 4005 and 4114(b) of the CARES Act – "reasonable" or "practicable". In addition, good cause exists for a waiver of the 10 business day advance filing requirement.

Respectfully submitted,

Howard Diamont

Howard M. Diamond General Counsel and Secretary Frontier Airlines, Inc.

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Frontier Airlines' Request for Exemption was served this April 10, 2020, via e-mail transmission on the following persons:

Albany, NY (ALB) Mayor of Albany: Kathy Sheehan, bshea@albanyny.gov pcalderone@albanyairport.com

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Portsmouth, NH (PSM)

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/s/ Jessica Bartlett

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