

# CITY OF HOUSTON

## INTEROFFICE CORRESPONDENCE

TO Mayor Annise D. Parker

FROM: Director of Aviation  
Houston Airport System

DATE: April 9, 2012

SUBJECT: Recommendation on Southwest Airlines' Request for Expansion of Federal Inspection Facilities at William P. Hobby Airport

Southwest Airlines (Southwest) has notified the Houston Airport System (HAS) of its intent to initiate scheduled international air service at William P. Hobby Airport (Hobby). This would require expansion of the limited Federal Inspection Services (FIS) facilities currently available there. Southwest seeks the City's support for the facility expansion.

As discussed in detail below, I recommend that the City support this effort. Since receiving Southwest's request, HAS has undertaken a review of the key factors involved; this memorandum summarizes the background, issues and process involved in reaching my recommendation. We considered what is in the best interests of the residents and taxpayers of the City and of the region, and asked what would be a common sense solution for the opportunity proposed by Southwest. Critical to my recommendation are the results of economic impact reports completed at HAS's request, which show that international air service at Hobby would produce significant benefits for the City and its residents. Factors underlying my recommendation include:

- New international air service at Hobby is projected to generate an additional 1.5 million passengers traveling to, from, and through Houston each year, creating over 10,000 jobs and generating an annual economic impact of over \$1.6 billion for the greater Houston metropolitan area.
- New international air service at Hobby will create competition in the Houston-Latin America market, leading to lower fares and more travel options for Houston passengers.
- Numerous other metropolitan areas – including Chicago and Miami/Ft. Lauderdale – successfully operate multiple international airports and have proven that the resulting competition lowers fares and grows the overall metropolitan and regional air travel market.
- Whether Southwest were to operate internationally at Hobby or at George Bush Intercontinental Airport (Bush Intercontinental), additional Customs and Border Protection (CBP) resources would be required given the volume

of additional air traffic that would be generated in Houston. We believe we can work with the Department of Homeland Security (DHS) (as have many other airports across the country) to manage this issue and accommodate the growth in international passenger traffic expected for Houston, without compromising federal inspection services at Bush Intercontinental.

- As a consequence of accepting funding from the FAA for airport infrastructure development, the City and HAS are bound by FAA grant assurances that encourage competitive access and prohibit the granting of exclusive rights to any airline, as further detailed below in paragraph VI. NATIONAL AVIATION COMPETITION POLICY

I'd like to begin by describing our evaluation process and the specifics of Southwest's proposal. Thereafter I will highlight the key findings and considerations that support my recommendation.

## **I. EVALUATION PROCESS**

As you know, in the interests of providing the City, its businesses and residents with global international air service, HAS operates an ongoing program to expand the range and scope of those services, working closely with airlines domestically and around the world. In recent years all scheduled international services in Houston have been operated from our largest airport, Bush Intercontinental, using that airport's FIS to process arriving international passengers. Southwest's request posed unique circumstances given its plan to utilize its existing and sizeable domestic network operation at Hobby to generate connecting (flow) traffic to feed its projected international flights. Based on these unique circumstances and utilizing expert consultants and advisers, we undertook an in-depth review of the key issues. This included (1) review of the feasibility of possible Southwest international operations at Bush Intercontinental, rather than at Hobby, including the availability of terminal space; (2) the development of data regarding the economic benefits to the City and this region, its residents and its businesses from implementation of Southwest's proposal; (3) consideration of CBP resource availability for a potential new FIS facility at Hobby; (4) review of the proposed FIS expansion for consistency with the nation's pro-competitive air transportation policy; and (5) input from stakeholders and the public.

## **II. SOUTHWEST'S PROPOSAL/COST TO THE CITY**

### **1. New flights to Mexico, Central America, and potentially the Caribbean and northern South America**

Southwest proposes operating low-fare flights to Mexico, Central America, and potentially the Caribbean and the northern tier of South America from Hobby. While Southwest has not disclosed the precise markets it would serve, they would likely be concentrated initially in Mexico and Central America given Houston's central location along the southern border

of the U.S., the size of the local Houston air travel market to cities in those areas, and Southwest's initial international services offered from other cities in the western half of the U.S. Using its fleet of Boeing 737 aircraft, Southwest could also reach destinations in the Caribbean and northern tier of South America. However, the operational limitations of this aircraft type and the runway length at Hobby would limit service beyond this stage-length.

A start-up Southwest operation could likely consist of 10 daily flights to four or five markets in Mexico and Central America. As the operation builds, Southwest could operate up to 20 daily flights, expanding its reach to markets in northern South America. We have also received interest from other carriers, in providing international service at Hobby, and we could expect them collectively to operate a handful of daily flights.

## **2. A New International Concourse and FIS Facility at Hobby to be funded by PFCs**

To support the proposed new international services at Hobby, the City would need to build a new international concourse containing an FIS facility. The facility would accommodate international service offered by any airline, not just Southwest, and would consist of five gates in addition to the FIS, as outlined in Attachment 1. Enabling infrastructure projects, such as a new garage and improved roadways, would also need to be completed.

The cost of the international concourse and FIS facility would be approximately \$100 million, and would take three years to design and build. Southwest has proposed that the capital cost be funded through an FAA-approved increase in the passenger facility charge (PFC) at Hobby from \$3.00 to \$4.50 per passenger. (Hobby is one of the last remaining medium hubs in the U.S. that does not charge a \$4.50 PFC.) All incremental operating costs would be covered by a common use fee charged to the specific airlines using the FIS. This financial structure eliminates any financial burden on the City and its taxpayers. Enabling projects, such as a new garage, would be funded by HAS and paid for by the associated revenues generated by the new international services, providing a positive investment opportunity for HAS.

### **III. BUSH INTERCONTINENTAL FACILITIES**

Because of the importance of this matter to the City, we considered whether we should ask Southwest to relocate all its operations to Bush Intercontinental or to conduct split operations, i.e., maintain its current domestic operations at Hobby while operating its new international services from Bush Intercontinental.

Neither concept is feasible. At Bush Intercontinental there are insufficient gates to accommodate a complete relocation of Southwest, absent construction of a new terminal. Doing so would cost the City and Southwest between \$500 million and \$1 billion, redundantly duplicate the investment recently completed at Hobby, and could leave Hobby with only non-commercial general aviation traffic and an unworkable cost structure.

Splitting Southwest operations between Hobby and IAH is not a reasonable solution either. This would force passengers connecting between Southwest's split international and domestic services to travel between Bush Intercontinental and Hobby. Passengers doing so would be highly inconvenienced, others would simply choose not to do so, and Southwest would be placed at a severe competitive disadvantage compared with United, which operates both its domestic and international services at Bush Intercontinental. Realistically, Southwest's international flights at Bush Intercontinental could carry only local passengers who either begin or end their trips in Houston. Southwest would, in effect, lose the opportunity to carry flow traffic from its domestic flights at Hobby, which is essential for its international services to be economically viable. Southwest does not have split operations in any other metropolitan region. Indeed, no other major U.S. carrier has such an operation in the U.S. For example, about 70% of United's international traffic to Latin America at Bush Intercontinental transfers between its domestic and international flights.

None of the parties expressing opposition to the Southwest request have provided any means or methods by which Southwest could realistically resolve this problem, and Southwest has indicated that it would not conduct such an operation.

#### **IV. ECONOMIC BENEFITS TO HOUSTON**

In order to assess the economic impact to the flying public and the City that would result from the addition of international air service at Hobby, we commissioned two studies by leading aviation economic experts, InterVISTAS Consulting LLC (IVC) and GRA, Incorporated (GRA), to evaluate the effects of such an operation on the City, its residents, and our airports. Their evaluation included a market analysis, passenger traffic forecast, and an economic impact assessment. Attachment 2 comprises the complete report, merging the two studies and including extensive technical appendices with supporting data and details of the methodologies used.

The report first reviews the local market and industry-wide trends, the current state of competition in the market, and the experience of other metropolitan regions with multiple international airports. It then provides a forecast of the likely air services to be initiated, the projected passenger increases at both Hobby and Bush Intercontinental, the number of jobs that would be created in the Houston region, and the economic benefits for the residents, businesses and community of Greater Houston. The methodology applied is well tested, highly valued and utilized extensively by airlines and airports across the United States, as well as by the Federal Aviation Administration (FAA) in preparing its ongoing reports of the economic impact of U.S. civil aviation.

The report finds that "the addition of international airline services at Houston Hobby will have a significant positive impact on the region's economy" based on the following:

- 1. Houston's population and local air service market are large and growing*

2. *New international service at Hobby is projected to create over 10,000 jobs and generate approximately \$1.6 billion in annual economic impact for the Houston area*
3. *Southwest will provide needed competition to United's dominant position in the Houston-Latin America market (where United currently offers 97% of all available seats), resulting in lower fares and new travel options for Houston passengers*
4. *Through the "Southwest Effect", international service at Hobby will expand the market for all airlines, including for United at Bush Intercontinental*
5. *Other metropolitan areas, including Chicago and Miami/Ft. Lauderdale, have experienced significant air service growth with multiple international airports*
6. *Southwest will continue to expand internationally at other U.S. cities if it cannot do so at Hobby, leading to fewer local air travelers at Hobby, diversion of connecting passengers from Houston and the loss of associated economic benefits.*

While the report speaks for itself and documents its conclusions comprehensively, I would like to highlight some of the main findings:

1. **Houston's population and local air service market are large and growing**

The Houston metropolitan region is the fastest-growing and most diverse in the U.S., officially reaching a total of 6 million people last summer, surpassing Philadelphia to become the nation's fifth-largest metropolitan area. From 2000 to 2009, Houston's population grew by 24.4 % compared to the national average of 9.1%.

The Houston metropolitan region has the fourth largest Hispanic population in the U.S. By 2035, Houston is expected to add nearly 3.4 million new residents, and a large majority of them will either be from or have roots in Latin America. These factors support the likely success of new international flights and the ability of the market to support multiple international airline services to Latin America.

2. **International service at Hobby is projected to create over 10,000 jobs and generate approximately \$1.6 billion in annual economic impact for the Houston area**

The addition of more local travelers, connecting passengers and visitors to Houston is estimated to generate over 10,000 jobs and approximately \$1.6 billion in annual economic impact for the region. More travel by Houston residents means that there would be additional employment and income at the airports and in airport-related sectors. More visitors to Houston will result in more money being spent on shopping, hotels, and restaurants, among other things. Of note, it is important to bear in mind that the economic impact analysis does not attempt to calculate benefits resulting from real estate purchases, new business formation, foreign visits to the Texas Medical Center, and many other types of

economic activity that would inevitably result from more foreign visitors coming to Houston because of the availability of more affordable air service.

**3. Southwest will provide needed competition to United's dominant position in the Houston-Latin America market, resulting in lower fares and new travel options for Houston passengers**

United and its Star Alliance partners have a 90%+ share of all domestic seats at Bush Intercontinental. United's share of the overall domestic market in Houston (all domestic services at Hobby and Bush Intercontinental combined) is 66% as compared to Southwest's 25%. All of Houston's international flights are operated at Bush Intercontinental, and there United and its Star Alliance partners hold an extremely dominant position, offering 87% of all international seats worldwide, and 97% of all seats to Latin America.

Southwest's entry into markets in Mexico, Central America, the Caribbean and northern South America from Hobby will increase service offerings and lower airfares through competition. A comparison of airfares in these markets from Chicago – where airlines at both O'Hare International (O'Hare) and Midway airports offer international service in a competitive environment – show that, in general, fares are significantly lower than those available from Houston, despite the extra distance to those markets from Chicago. The report projects that opening Hobby to international service would create a more competitive landscape, with United and its Star Alliance partners continuing to offer 73% of the available seats compared to a 20% share by Southwest and 7% by other carriers. The potential entry into the Hobby market by other low-cost carriers would further increase competition and help bring additional balance to Houston's air transportation network. The report projects that this new competition would result in fares for Houston passengers that are lower by 47% or more, depending on the market.

**4. Other metropolitan areas, including Chicago and Miami/Ft. Lauderdale, have experienced significant air service growth with multiple international airports**

The report highlights other major metropolitan areas that support multiple international airports and the positive impact of low-fare competition on their air travel markets. While New York, Los Angeles, San Francisco, and Washington provide good case studies, the cities whose airports are most comparable to Houston's are Chicago and Miami/Fort Lauderdale. Chicago re-opened Midway to international service in 2002, and since then it has attracted low-fare international flights to Mexico and the Caribbean that compete with the services offered by United and American Airlines (American) at O'Hare. Continuing this trend, Southwest's subsidiary, Air Tran Airways (AirTran) recently was granted approval by the U.S. Department of Transportation (DOT) to begin nonstop Midway-Cancun service, which will provide additional competition to United and American.

A similar situation exists in the Miami/Fort Lauderdale area where low-cost airlines in Ft. Lauderdale, most notably JetBlue Airways (JetBlue) and Spirit Airlines (Spirit) compete

with American and its Oneworld partners, which operate a large-scale domestic/international transfer hub in Miami. In both cases, the legacy airlines have actually expanded their operations and passenger traffic due to the low-cost (low-fare) competition at the alternate airport. In the case of Chicago, the entry of two Mexican low-cost carriers at Midway has caused American and United to increase their departures from O'Hare by 29% and 46%, respectively. We can expect to see a similar stimulative effect on traffic at both Bush Intercontinental and Hobby.

5. **Through the "Southwest Effect", international service at Hobby will expand the market for all airlines, including for United at Bush Intercontinental**

The term "Southwest Effect" was first used by DOT in 1993 to describe the boost in air travel that follows Southwest's (or any low-cost airline's) entry into a new market. These markets have usually been dominated by incumbent carriers able to charge high fares. The entry by a low-cost carrier sparks competition with incumbent carriers, and the combination of more available seats and lower airfares generates more travelers. Established (legacy) airlines, like United, have traditionally had concerns about losing passengers to the low-fare competition, but the drop in airfares actually has stimulated demand for air transportation from both business and leisure travelers. Opening Hobby to international service would provide competition in key Latin American markets, and just as competition and low-fare service options are beneficial for Houston's domestic travelers, they will also be beneficial for our international travelers.

While the "Southwest Effect" has been at work in the broader domestic U.S. market for approximately 20 years, it remains relevant today in select U.S. markets and many international ones. But the "Southwest Effect" has nothing to do with where fuel prices were in the past, where they are today or where they might be in the future. It has to do with the entry by Southwest (or any low-cost airline) into markets dominated by a single airline that has been able to use its market power to charge higher fares due to that dominance, as is the case with United's current service from Houston to Latin America. It is that gap between those higher fares and the costs of service that the Southwest Effect serves to narrow, and why Southwest sees opportunity in and for Houston. See Attachment 3 for recent illustrations of the "Southwest Effect".

In total, there will be a net incremental gain for Houston of over 1.5 million passengers annually, as more Houstonians decide to fly more frequently due to the availability of lower fares, and more connecting passengers reroute over Houston versus other U.S. international gateways.

6. **Southwest will continue to expand internationally at other U.S. cities if it does not do so at Hobby, leading to passenger diversion from Houston and the loss of associated economic benefits**

Southwest's acquisition of AirTran has created a merged company with international service currently provided from numerous U.S. cities. While these cities do not provide the

same strong demographic, geographical and market size advantages for serving short-haul Latin American markets that are present at Hobby, Southwest will continue to develop and expand internationally out of these other U.S. international gateways if the City does not build an FIS at Hobby. Southwest has already begun its international expansion elsewhere, announcing new international flights to Mexico from Austin, Chicago, Denver, Orange County, and San Antonio, in addition to its current international operations at Atlanta, Baltimore, and Orlando that were acquired through its merger with AirTran. This trend threatens Houston's position as an international gateway, particularly to Latin America, and the result will be diversion of more and more connecting traffic from Bush Intercontinental to competing gateways. The Houston community could potentially claim this growth if Southwest International operations were initiated and expanded at Hobby.

## **V. CUSTOMS & BORDER PROTECTION RESOURCES**

Data routinely collected by HAS, in collaboration with CBP, shows that, consistently, over 70% of all passengers arriving at Bush Intercontinental clear primary federal inspection screening within 30 minutes. We are working with CBP to push that percentage well into the nineties. This is a goal we believe we can attain.

There are several important and positive trends that will help CBP reduce average processing time and meet the demands of increased passenger volumes, despite staffing limitations, in the future. In particular, technology solutions are proving to be effective in reducing CBP staff workload and increasing the efficient use of CBP resources. These include Trusted Traveler programs, such as Global Entry, for which Bush Intercontinental is known as a national leader. Global Entry is a relatively new program, and HAS is working closely with CBP and others to expand participation by Houston passengers. Increased use of this very effective program will help CBP manage its workload to address increasing demand. Various other technology-driven solutions are being used to increase the flow of passengers through the regular immigration process, including CBP's Electronic System for Travel Authorization (ESTA) program, which collects information from travelers planning to travel to the U.S. under the Visa Waiver Program (VWP) and eliminates certain paperwork. Overall, CBP has achieved a 58% faster processing time for travelers under the VWP since the implementation of ESTA.

Expansion of these programs is critical to the growth of U.S. airports, and is occurring with the strong support of the Obama Administration. In 2012, Global Entry will be expanded to four new airports and children under the age of 14 will now be allowed to participate, allowing more families to enjoy the benefits of the program. As part of his strategy to boost tourism, President Obama announced in January that Global Entry will be made available to almost all international travelers coming to the U.S., and he directed the extension of the VWP program to more countries. Attachment 4 contains materials on these and other related initiatives.

While the Hobby project represents growth and opportunity for Houston, we also recognize that there are limits on CBP resources over the short-term. While CBP's current



funding for additional officers and support staff at major airports around the country is constrained, over the medium- to long-term we believe that CBP resources will be increased to meet the needs of growing international air services, given the positive economic benefit of those services for U.S. communities. In any event, these additional resources would not be needed until the 2015 target date for completion of a new Hobby FIS facility, and the facility would not open until they were secured. We will also take all practical steps that these resources do not diminish CBP at Bush Intercontinental.

We should note that DHS has an obligation to allocate CBP staff where there is demand for its services, and it is reasonable to expect that Houston will secure its fair share of national resources if this is where international traffic growth occurs. Other airports, such as Atlanta and Miami, have recently expanded their FIS facilities and have been able to secure higher CBP staffing levels, while others, such as Tampa, are just beginning that process. In the case of Atlanta, it will open a new twelve-gate international terminal on May 16, 2012, adding 120 CBP officers to its existing FIS facilities. As noted above, Southwest will grow its international traffic at other U.S. cities, if not at Hobby, and additional CBP resources will be required regardless of the location. The need for more CBP resources is equally applicable to the growth of international services in Houston by United, which has the option under its Council-approved agreements to build a second FIS at Bush Intercontinental in Terminal B (vs. the existing one in Terminals D and E).

For many years HAS has worked closely with United, CBP and others to develop the FIS facilities needed at Bush Intercontinental; that effort is ongoing. We intend to work closely with Southwest, CBP, other airlines, local businesses, Houston's Congressional delegation and other interested groups to secure the necessary approvals and staffing for the new FIS at Hobby.

## **VI. NATIONAL AVIATION COMPETITION POLICY**

The City's support for a new FIS at Hobby would be consistent with the nation's laws and policies encouraging competition between airlines and airports. Indeed, the Congressionally approved statutory mandate which governs our nation's air transportation system places "maximum reliance on competitive and market forces and on actual and potential competition." That same mandate encourages "efficiency, innovation and low prices", and emphasizes the importance of "avoiding unreasonable industry concentration, excessive market domination, monopoly powers, and other conditions that would tend to allow at least one air carrier...unreasonably to increase prices, reduce services, or exclude competition in air transportation." 49 U.S.C. § 40102. Applying this mandate, DOT has consistently emphasized both the importance of avoiding domination of air services in a metropolitan region by one airline, and the benefits to communities that flow from competitive service at international gateways. Where, as here, new international air services at Hobby and enhanced competition in the Houston market overall would produce

such significant economic advantages to the City, its residents and the region as a whole, the arguments in favor of supporting construction of a new FIS are significant.<sup>1</sup>

## VII. STAKEHOLDER AND PUBLIC INPUT

We have discussed this project with many stakeholders during the weeks leading up to this recommendation. They include Southwest and United, as well as the leadership of our constituent chambers of commerce and business groups. Overall, with a few exceptions (the principal objections coming from United), stakeholder input and public sentiment are highly supportive of starting international operations at Hobby. Attachment 5 contains recent correspondence between Southwest and the City, and United and the City.

We did not conduct any formal surveys of public sentiment on the question of international air service at Hobby, but we have received numerous communications from individuals, and recorded several hundred comments and opinions from local media reports and the resultant commentary/blogs (i.e., chron.com). An overwhelming majority of the public supports the idea of scheduled commercial international air service from Hobby.

With respect to the concerns raised by some interested parties, I believe it is worth addressing the following:

### 1. *Alleged City Policy of Bush Intercontinental Being Houston's Sole International Airport*

The claim has been made that there is a long standing City policy in effect that Bush Intercontinental would be the only international airport in the Houston Airport System. I have not been able to find a single document or any evidence supporting that contention. On the contrary, I have spoken with my two immediate predecessors, one of whom served as far back as 1982. Neither recalls any such policy, and both maintain that if such a policy had been discussed they would have been opposed to it.

It is also worth noting that, dating back to at least 2002, HAS's Master Plan for Hobby has anticipated international operations as a key component of the airport's future, plans which include the development of international passenger traffic forecasts for the 2007-2022 time frame, and construction of an FIS and new international operations terminal. For example, in 2003, the Master Plan Oversight Committee noted that: "If the demand exists for international flights from Hobby, there should be no reason that the activity could

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<sup>1</sup> Another consideration is that, as a consequence of accepting funding from the FAA for airport infrastructure development, the City and HAS are obligated to provide fair and open access to all airlines interested in serving Houston. In particular, the City and HAS are bound by FAA grant assurances that encourage competitive access and prohibit economic discrimination and the granting of exclusive rights to any airline. Violations can lead to the loss of federal funding, both for airports and other municipal projects, such as for highways and port facilities.

not take place". Both United (then the pre-merger Continental Airlines) and Southwest were involved in discussions with HAS on this issue. These documents have long been available to the public on HAS's website. Indeed, the Master Plan documents specifically mention not only Southwest's interest in developing international air service from Hobby, but also that of Continental. See Attachment 6 for a summary of the 2003 Master Plan and excerpts from the Oversight Committee's comments.

## **2. Impact on United and Bush Intercontinental**

United has raised objections to Southwest's proposal, and has described the negative consequences it asserts will befall Houston and United if international service is introduced at Hobby. We understand that United has retained consultants to provide support for its claims. United is and has long been an invaluable partner with HAS and the City in developing the global air transportation network that the City enjoys today. We hope for a long and mutually beneficial partnership in the future, and we certainly will review and evaluate any data that United wishes to provide.

However, thus far United has presented no persuasive data to support its claims. United is saying that it would not compete with Southwest by lowering its prices and improving the quality of service it provides in Houston, and indeed that it will drop a large number of flights at Bush Intercontinental, with resulting layoffs of employees. But that assertion is at odds with its actions at every other airport where it has faced low-cost competition. We know from numerous examples across the country that legacy carriers - including United - *do* compete by lowering prices, increasing capacity and/or frequencies, and improving the quality of the services they provide.

That said, it is not the City's role, nor is it in the community's best interests, to act as an arbitrator between two competing carriers over airport access. Rather it is our duty to help provide a level playing field for competition to flourish, to the ultimate benefit of Houston travelers and our entire region. I would also note that the economic impact report prepared by HAS's expert consultants demonstrates that international flights at Hobby will produce long term traffic gains at both Hobby and Bush Intercontinental, resulting in economic benefits that will flow from both airports to the advantage of Greater Houston as a whole.

## **CONCLUSION**

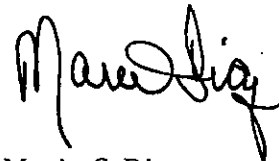
At HAS we compete daily with many other cities to generate interest from airlines in serving our community. There are many more cities than there are airlines, and those communities with competitive air service enjoy proven economic benefits. Just last week the City of Chicago expressed its appreciation that Southwest's AirTran subsidiary was selected to provide new international service at one of that city's airports, releasing a statement that "the Chicago Department of Aviation and the City of Chicago are pleased to learn that AirTran, a wholly owned subsidiary of Southwest Airlines, today received final approval from the U.S. Department of Transportation to provide daily nonstop service from

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Chicago Midway International Airport to Cancun International Airport. It will be the first service from Midway to Cancun in four years". It is worth noting that in making the selection, DOT emphasized the enhanced competition that AirTran's service will bring to the market. DOT noted especially the market structure benefits that will accrue from AirTran service at Midway competing with legacy carrier service from O'Hare. DOT Order 2012-3-10, March 16, 2012.

I believe we are fortunate that Southwest is interested in making this significant investment in Houston's future, and that the City should be as pleased as was Chicago that Southwest is interested in providing the same level of quality air service at comparable prices to our community.

I would be happy to answer any questions you may have, and I look forward to working with you and City Council on this important decision.



Mario C. Diaz

MCD:IW:kk

CC: Andrew F. Icken  
Chief Development Officer