



U.S. Department
of Transportation
**Federal Aviation
Administration**

Office of Airport Planning
and Programming

800 Independence Ave., SW.
Washington, DC 20591

JUN 20 2011

Mr. Louis E. Miller
Aviation General Manager
City of Atlanta Department of Aviation
Hartsfield-Jackson Atlanta International Airport
P.O. Box 20509
Atlanta, GA 30320

Dear Mr. Miller:

Thank you for submitting the City of Atlanta Department of Aviation's (City) 2011 Competition Plan Update for Hartsfield-Jackson Atlanta International Airport (ATL), reflecting the amended and extended central passenger terminal complex lease agreements with United Airlines, American Airlines, Continental Airlines and US Airways (collectively known as the Spoke Airlines).¹ We have reviewed your Plan Update and have determined that it is in accordance with the requirements of section 155 of the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21), Pub. L. 106-181, April 5, 2000, codified as Title 49 U.S. Code sections 40117(k) and 47106(f).

We commend the City for establishing the following pro-competitive policies and practices in the Spoke Airline leases:

- Executing short term seven year leases;
- Eliminating exclusive use gates and converting to 13 preferential gates;
- Establishing that the City has the right to recapture gates if minimum gate utilization standards are not met;
- Adopting clear procedures for accommodating new air carrier requests for airport access;
- Pre-approving a "Seven Year Plan" for necessary capital improvements to enhance competition and eliminate an airline's ability to use Majority In Interest (MII) clauses to block improvements during the term of the extension agreements; and
- Contractually binding airlines to begin negotiations for new leases two years before the expiration of the current lease.

¹ ATL's submission of the executed extended CPTC lease for United Airlines and a side by side table constituted ATL's Competition Plan Update submission. In addition, ATL affirms that the not yet executed CPTC lease extensions for the other spoke air carriers are substantially similar to the executed United CPTC lease extension.

The Update also indicates the Authority plans to implement the following competitive actions:

- Optimizing Concourse T north to add 2 additional (smaller gates). Once these gates are completed Continental will surrender their 3 gates on D south and move to T north and the surrendered gates on D south will become City gates; and
- Establishing a non-hub contracting airline minimum gate utilization standard of an average of six hundred total departing seats on outbound domestic flights per gate, per day for the previous 12 calendar months that will become effective 12 months after the completion of Phase 4 of the Concourse T North Expansion Project.

We expect you to act proactively to accommodate other carriers at ATL and make appropriate adjustments as represented in Attachment 2 to the Spoke Airline leases. We trust your prior representation, as restated in FAA's approval letter dated May 10, 2011, that you negotiated the lease accommodation provision to further competition at ATL applies to the Spoke Airline leases also.

We enclosed in the May 10, 2011 approval letter a chart highlighting actions taken by airports covered by the Competition Plan requirement to reduce barriers to entry and enhance competitive access. We recommend you periodically review the chart as you fully implement ATL's Competition Plan.

As you are aware the City has filed, and the FAA has approved, an initial Competition Plan and now five Plan Updates of the initial Competition Plan for ATL. A further written Competition Plan Update will be required when you amend and extend your lease with your international air carriers.

Further, the Secretary is required by section 40117(k) to review implementation of Competition Plans from time to time to verify that each covered airport implements its Plan successfully. In connection with our review, we may determine that site visits to, or teleconferences with, one or more locations would be useful. We will notify you should we decide to visit ATL in connection with its Competition Plan.

Please do not hesitate to contact me or my staff to assist you in this important endeavor. If you have any questions regarding this letter, please contact Mr. Joe Hebert, Manager, Financial Analysis and Passenger Facility Charge Branch, at (202) 267-8375.

Sincerely,



Benito DeLeon
Director, Office of Airport Planning
and Programming