

2007 Update to
Competition Plan of
General Mitchell International Airport
Original Submission: September 2000

1. GATES AND RELATED FACILITIES

a. Number of gates available at the airport by lease arrangement

Original MKE Response dated September 28, 2000
(attached as Exhibit 1) (Exhibits and tables indicated in original and 2001 update are not included, but available upon request)

GMIA has 42 gates, all currently leased to airlines on an exclusive basis.

Supplementary MKE Response dated December 18, 2000 (attached as Exhibit 3)
(Exhibits and tables indicated in original and 2001 update are not included, but available upon request) in response to the FAA's letter dated November 27, 2000
(attached as Exhibit 2) (Exhibits and tables indicated in original and 2001 update are not included, but available upon request)

In the next few years, it is Milwaukee County's intent to develop at least six additional gates as indicated in our GMIA Competition Plan. It is the County's intent to assign these, and all future PFC gates, on a preferential use basis and subsequently be able to provide, by action of airport management, access to any carrier wishing to utilize the airport. It is not practical to change the existing lease agreement signed by 13 carriers (See Exhibit 7) (Exhibits and tables indicated in original and 2001 update are not included, but available upon request) without significant effort and potential disputes with the carriers who have signed. It is unlikely that any of the signatory carriers would be willing to sign an amendment to this lease somewhat subrogating its power to control its own destiny. However, in the case of the new gates, Milwaukee County, in conjunction with the Milwaukee County Corporation Counsel, will develop language for the preferential use of gates as well as increased control on the part of Milwaukee County. It should be noted that the provision referenced to the assigning of a new entrant to an existing carrier provides great latitude in terms of selecting among a number of carriers to make provision to accommodate a new entrant rather than the limiting of airport management's right to insist upon an existing carrier to accommodate a new entrant to only one carrier at a time. The ability of a new entrant is enhanced by that provision. Milwaukee County will also attempt to develop wording to provide the County with more "definitive" control on accommodating new entrants, when lease space assignment between carriers occurs.

2001 Update

At the start of 2001, GMIA still had 42 gates, all leased on an exclusive use basis.

However, in early 2001 TWA Airlines, Inc. declared bankruptcy, and in accordance with the bankruptcy proceedings, it is anticipated that one of the two gates previously leased by TWA will be returned to Milwaukee County. At that time, it will be held by the Airport for "common use" purposes or it will be converted into a "preferential" use gate for potential preferential use lease by other carriers. In addition, the 2001 Milwaukee Airport Capital Improvement

Budget included funds to design the expansion of the "C" Concourse. Initial Construction funding of \$25 million has been requested in the Airport's 2002 Capital Improvement budget. That expansion anticipates the construction of eight additional hold rooms with six additional aircraft parking positions. It is Milwaukee County's intent to construct these gates on "preferential use" basis possibly, with one common use gate using PFC funds.

To increase the efficiency and effectiveness of these gates, Milwaukee County has been in substantial negotiations with the carriers presently serving GMIA and recently developed a Memorandum of Understanding (copy attached as Exhibit 5) (Exhibits and tables indicated in original and 2001 update are not included, but available upon request) based upon a meeting with the Airline Airport Affairs Committee (AAAC) early in 2001. That Memorandum of Understanding was forwarded to the carriers involved for their agreement (a copy of the Memorandum is attached). In addition, a 2002 Capital Improvement ballot (copy attached as Exhibit 6) (Exhibits and tables indicated in original and 2001 update are not included, but available upon request) was submitted to the signatory carriers in Milwaukee for the expansion of the "C" Concourse to accommodate this Memorandum of Understanding.

To date, Milwaukee County has not received the unanimous agreement needed from all the carriers involved with the Memorandum of Understanding. And, several of the ballots returned (a 51% majority is required) regarding the capital funding for this project have been conditioned upon the Memorandum's approval by the carriers involved.

However, Milwaukee County still intends on constructing the "C" Concourse expansion utilizing PFC funding with all the additional gates to be "preferential use" gates for new and/or existing carriers. (The airport will also give some consideration to "common use" gates.) It is also Milwaukee County's intent to provide through the PFC funding process jet bridges for these all gates.

2007 Update

At the beginning of 2007, GMIA had 40 permanent gates (two were permanently “lost”, one each to the “C” and “D” construction projects), as well as 3 temporary gates which had been constructed to accommodate airline relocations during the remodeling of the C Concourse stem. An additional 8 gates on an extended “hammerhead” alignment at the end of the C Concourse will become available approximately July 1, 2007. At that time, GMIA will have 48 permanent gates and it is expected that the 3 temporary gates will be demolished.

In accordance with the Airport’s stated plan to convert Exclusive Use gates to Preferential Use gates wherever possible, of the 39 currently useable, permanent gates, 12 gates are Preferentially leased to Signatory carriers (AirTran-2, American Eagle-2, Express Jet-1, Frontier-1, Midwest Airlines-2, Skyway Airlines-3, Northwest Airlines-1). As the additional C Concourse gates become available in mid 2007, US Air/America West will relocate from its 2 Exclusive D Concourse gates to 2 Preferential Use Gates on the C Concourse. The two vacated D Concourse gates will also become Preferential as Midwest Airlines (an expanding carrier) will become the new lessee. Two additional C Concourse hammerhead gates will become Preferential as Comair and Delta Airlines relocate to their respective new gates on the C hammerhead.

The four remaining C Concourse hammerhead new gates will be unassigned, County controlled gates. Those four, unassigned gates will ultimately be Preferentially Leased when the demand occurs. However, to further the Airport’s capability to accommodate new entrants, the four unassigned gate Preferential leases will have “call back” provisions which the Airport will exercise if a new entrant(s) can not be agreeably accommodated by Preferential lessors.

Subsequently, in late 2007, it is expected that of the Airport’s 48 gates, 26 will be Exclusively leased, 18 will be Preferentially leased and four will be Airport controlled vacant gates which would be available for Preferential lease with “call back” and/or “use it or lose it” provisions.

In terms of the Airport’s long-term Competition Plan, it should again be noted that all long-term leases will expire in September 2010. It is expected that the new base lease agreements will have all gates Preferentially leased with “use it or lose it” provisions. Although preliminary work has not begun on new lease structure, the term of the new leases is expected to be significantly shorter than the current 25-year term.

Further, the “Direct Competition” language, presently found in GMIA leases, will not be included in the new lease.

b. Gate use monitoring policy

Original MKE Response

Due to the exclusive arrangement with lessees, GMIA does not have a gate monitoring policy.

Supplementary MKE Response

GMIA does not have a formal gate use monitoring policy and believes that one is not required for a facility of this size. GMIA has approximately 220 daily flights and 42 existing gates; consequently the average daily "turns per gate" is 5.5. It is readily

Due to the exclusive arrangement with lessees, GMIA does not have a gate monitoring policy.

Supplementary MKE Response

GMIA does not have a formal gate use monitoring policy and believes that one is not required for a facility of this size. GMIA has approximately 220 daily flights and 42 existing gates; consequently the average daily "turns per gate" is 5.5. It is readily apparent, therefore, when a carrier would vary significantly from this average. It is inefficient and uneconomical for an airline to maintain more than the necessary number of gates at GMIA. It is likely that such an airline would approach Milwaukee County to try to adjust its leasehold interests. Milwaukee County would offer to broker a deal to the mutual advantage of airlines, and would consider releasing any carrier from its lease. Finally, projected flights of each airline serving GMIA are submitted to management routinely; significant deviations from historic patterns would be noticed and appropriate follow-up measures taken.

Non-signatory carriers are invited to attend monthly station managers meetings where gate availability might be discussed, although that is not a typical topic of discussion. (The FAA has asked) "who determines gate assignments?" Clearly the long-term agreement specifies gate assignments. One of the airport's criteria for new gate assignments relates to requests made for the construction of additional and/or new gates.

2001 Update

In early 2001, Milwaukee County initiated a Gate use monitoring policy and procedure. The air carriers are required to provide a schedule of gate usage on a regular basis. By analyzing and recording this data Milwaukee County will have an understanding and record of which gates are more heavily utilized and which gates have less usage.

2007 Update

Prior to 2005, GMIA staff manually monitored gate use on an “as needed” basis. Since GMIA’s 2001 Update (and even before), the Airport has had great success in accommodating expanding carriers, locating new entrants to the Milwaukee market, as well as accommodating the charter season operators often during times of extensive remodeling and construction based on this manual review system. It should be noted that during the annual process to accommodate charter carriers, Airport staff spends a great deal of effort, time and resources to provide “Direct Intervention” on behalf of the facility-seeking carrier, significantly beyond existing contractual language.

In addition, three temporary use gates were constructed as part of the C Concourse remodeling project (funded with Passenger Facility Charge revenues) allowing Airport staff to work cooperatively with existing airlines in accommodating relocations, expansions, seasonal entrants, and new and/or expanding carriers.

Three gates formerly occupied by Air Wisconsin d/b/a United Express were converted into Preferential Use lower level boarding gates for Skyway Airlines (an expanding carrier), although one “permanent” gate was “lost” in the process.

Further, it is expected that after the additional C Concourse gates are completed in mid-2007, Midwest Airlines (an expanding carrier) will be provided with Preferential Leases for the 2 gates vacated by US Air after its move to the C Concourse. And, as indicated, winter charter carriers have been accommodated on the C Concourse temporary gates in accordance with the Airport’s Competition Plan, and subsequent supplementary clarifications, all in concert with the goals of the FAA in terms of having facilities readily available for new entrant or expanding (and/or charter) air carriers.

Beyond discussing the Airport's success in accommodating relocations, expansions, seasonal entrants, and new and/or expanding carriers and specifically addressing the gate monitoring function at GMIA, a Com-Net flight information display system has been installed. Although primarily designed to improve passenger information capabilities, the software included with the flight information display system provides Airport staff with the additional online capability of monitoring the gate usage of all gates at GMIA. Reports can be run at will and staff now has the ability to carefully evaluate gate usage to accommodate new entrant, expanding carrier, and seasonal entrant needs.

Finally, it is, again, germane to note that all long-term Exclusive Leases with the Signatory carriers in Milwaukee will expire in September 2010, at which time all gates will be converted to either Preferential (with recall provisions) or common use gates allowing Airport staff to manage the assignment of gates based on "use it or lose it" principles, as well as to accommodate new entrant, seasonal or expanding carriers.

c. Differences, if any, between gate-use monitoring policy at PFC -financed facilities, facilities subject to PFC assurance No. 7, and other gates.

Original MKE Response

All of the gates at GMIA currently in place were constructed without the assistance of PFC or A.I.P. funding. Therefore, there is not a current need to have a gate monitoring policy with respect to the use of gates in place

2001 Update

As indicated in 1b. above, Milwaukee County has instituted a gate use monitoring procedure which will encompass all "exclusive use" and any PFC financed "preferential use" or "common use" gates, including the temporary gates being constructed.

2007 Update

As indicated in 1.b above, Milwaukee County has instituted a flight information display system provided through Com-Net, which provides the Airport with extensive information on gate use activity for all gates, Exclusive, Preferential, and unassigned. In addition, upon the opening of the C Concourse "hammerhead" in mid-2007, Airport staff believes that the four as yet unassigned gates will provide sufficient space for new entrant and/or

expanding carriers until 2010, the conclusion of the current Exclusive Agreement with Signatory carriers in Milwaukee. Although not formulated yet, the new lease agreements will all be:

- 1. of a shorter term;**
- 2. preferential;**
- 3. have “use it or lose it” provisions;**
- 4. provide for direct intervention for the accommodation of new/expanding carriers seeking space;**
- 5. provide the capability of approving or disallowing objectionable ground handling agreements;**
- 6. exclude all “direct competition” language;**
- 7. provide dispute resolution capability for Airport staff; and**
- 8. be inclusive of provisions for the Airport to recover gates if found necessary by Airport staff to accommodate new entrants.**

- d. Has the PFC Competitive assurance No. 7 operated to convert previously exclusive-use gates to preferential use gates or has it caused such gates to become available to other users?

Original MKE Response

PFC assurance No. 7, dealing with competitive access to facilities financed in whole or part with PFC monies, has not caused any gate currently at GMIA to be converted from the exclusive use arrangement now in place. However, later in this plan the possibility of additional gates will be introduced, and competitive assurances will be addressed at that time.

2001 Update

As indicated in 1a. above, Milwaukee County intends to convert the presently "exclusive use" gate being returned to Milwaukee County by TWA to a "preferential use" or "common use" basis and as such, it will become available to

other users wishing to gain entry to the Milwaukee market.

2007 Update

As stated in the Airport's original response and its 2001 Update, Milwaukee County intends to convert as many Exclusive use gates as possible to Preferential use gates through the use of PFC constructed/furnished gates to existing Exclusive use carriers or new entrant/expanding carriers. The significant progress of the Airport in converting gates to Preferential use indicated above, with 12 of 39 current gates, (and 22 of 48 in July of 2007) to be Preferentially leased (whereas none were Preferential in 2000), reflects the effectiveness and determination of GMIA to encourage competition in Milwaukee.

- e. Gate utilization per week and month

Original MKE Response

Total commercial airline departures from GMIA average 234 per day. This works out to an average of 39 per week, approximately 168 per month per gate.

2001 Update

The gate monitoring procedure indicated in 1c. and 1d. above has not been in place long enough to give a meaningful report of specific airport gate utilization. The average number of GMIA daily departures in 2000 was 240 or roughly 6 per gate per day.

2007 Update

Similar to the 2007 update responses in 1.a, b, c, and d above, GMIA has made extensive efforts to increase the number of Preferential use gates at the Airport. Gate utilization data is readily available from the Com-Net system and is used on an as needed basis when promoting service to Milwaukee from new entrant carriers and/or expanding carriers.

The Com-Net system presently in place very effectively indicates gate usage times and identifies available times for each of GMIA's 40 gates. Consolidating these daily reports into monthly data reports can be readily accomplished. To assist Airport staff in the use of the information provided on the Com-Net reports, a gate usage protocol is also being established by

Airport management to help monitor and make determinations when the Preferentially leased gates would be available for new entrants or expanding carriers.

In addition, the gate use reports clearly indicate, in graphic format, gate use data for the ultimate conversion to the “use it or lose it” provisions which will be incorporated in 2010 for all gates at GMIA. The four gates soon to be available for new entrant carriers on the C Concourse hammerhead, if Preferentially leased, will also have County prerogative “call back” provisions, whereby Airport management will have the right of recall the gates should a new entrant not be able to be accommodated by existing Preferential carriers.

Further, GMIA has an active promotional campaign to encourage new entrant carriers to serve Milwaukee markets. It is to the Milwaukee community’s great advantage for Airport staff to do everything possible to increase and/or improve competition and service to GMIA. The ability of the Airport to provide facilities to new entrants is of vital importance to that effort.

- f. Policy regarding "recapturing" gates that are not being fully used.

Original MKE Response

Recapture of gates not fully utilized is not applicable under the current exclusive use arrangements in place. The potential use of otherwise underutilized gates, in the event of a carrier wishing to serve GMIA is covered in the lease agreement, a partial copy of which is attached at Exhibit A (Exhibits and tables indicated in original and 2001 update are not included, but available upon request).

2001 Update

As indicated in 1 a. above, Milwaukee County will be recapturing the TWA gate that is being returned to Milwaukee County. Milwaukee County is not capable of recapturing gates not fully utilized under the current exclusive-use arrangements in place.

2007 Update

The Airport's original competition plan response and its 2001 update indicated that under the then-effective Exclusive Use agreements, a recapture of gates was not fully possible. However, with the Gate expansion on the C Concourse, four permanent, unassigned gates, will be available and be "controlled" by Milwaukee County to provide availability for new entrant carriers until the appropriate recovery/recapture provisions can be incorporated into new Signatory agreements post- 2010. "Use or lose" provisions may be included in any leases developed for those gates (dependent on circumstances) and a recall provision will also be included.

Further, as indicated in 1.e above, the development of a new master lease agreement to be placed into effect on October 1, 2010, will result in the inclusion of a significant number of new, pro-competitive provisions.

Airport staff has made significant strides in promoting competition under the terms of the existing Exclusive Use agreements and through the development of the new Preferential agreements through the use of Passenger Facility Charge funding.

- g. Use/lose or use/share policies for gates and other facilities.

Original MKE Response

Use/lose or use/share policies for gates or other facilities are not applicable given the exclusive use agreements with incumbent airlines which allows the airline to use the leased gates as deemed appropriate for their business.

2001 Update

As was originally reported, use/lose or use/share policies for gates and other facilities are not applicable given the exclusive use agreements with incumbent airlines which allows the airline to use the least gates as deemed appropriate for their business.

However, provisions for use/lose or use/share procedures will be incorporated into all preferential leases commencing with the returned TWA gate and the construction of the temporary and permanent "C" Concourse gates.

2007 Update

GMIA's 2001 update indicated that provisions for use/lose or use/share procedures would be incorporated into all Preferential leases commencing with the return of an Exclusive TWA gate to the County and the construction of the temporary and permanent C Concourse gates. However, and as indicated in 1.g. above, the agreement by Exclusive use carriers to the significant relocations and inconveniences resulting from the relocations required for various remodeling/expansion projects precluded such "use it or lose it" provisions in the replacement Preferential leases developed.

GMIA has been involved in a substantial remodeling effort on the C Concourse with the conversion of a number of Exclusive Use gates to Preferential gates that was made possible through the use of PFC funds associated with the C Concourse remodeling/expansion. While this has been ongoing, the inclusion of a recovery/recapture provision has not been possible in the Exclusive agreements which remained outstanding or in the Preferential agreements developed as airline agreement for the relocations required by the remodeling/rehabilitation process was vital. As indicated above, at the conclusion of the C Concourse expansion, four gates will have recall provisions in agreement with the competition goals of the federal government. Although use it or lose it provisions were not incorporated into the most recent Preferential use agreements, such provisions will be incorporated into the Preferential lease for the four gates on the C Concourse hammerhead, if and when those gates become Preferentially leased. Indeed, Airport staff will carefully monitor the use of those gates by any potential Preferential lessees to detect any diversion of activity to those gates to create exaggerated activity. The recall provision will then be invoked by Airport management to accommodate new entrant users without the requirement of Preferential use placement. Other than charters, note that there is not currently demand for any additional gates or for preferential use of existing preferential gates.

- h. Plans to make gates and related facilities available to new entrants or to air carriers that want to expand service at the airport.

Original MKE Response

In August 2000, GMIA PFC Application No. 4 was submitted. One (1) of the

projects in that application formalizes GMIA's intention to plan, design and build eight (8) additional gates (6 aircraft parking positions). Current thinking is (was) that at least one (1) or two (2) of this added capacity will be held available for common use or new entrants.

Even without the addition of these gates, current lease provisions allow GMIA to direct current leaseholders to accommodate carriers seeking service should incumbent carriers not make space available through a sub-lease.

2001 Update

Milwaukee County concurs that the "time frame" to accommodate a new entrant under the lease appears long as pointed out in the FAA's letter of February 23, 2001 to Milwaukee County (Copy attached as Exhibit 4) (Exhibits and tables indicated in original and 2001 update are not included, but available upon request) but again, it has not been necessary to enforce these provisions. Furthermore, as indicated in la. above, Milwaukee County anticipates constructing eight new gates on the end of the "C" Concourse during 2002/2003. This project directly addresses the airports' capability and desire to make gates immediately as available to new entrants or to air carriers that want to expand service at the airport.

2007 Update

Milwaukee County has provided significant “direct intervention” in the accommodation of new and/or expanding carriers beyond current Exclusive and Preferential contract wording as evidenced by the accommodations made for the annual arrival of seasonal charter carriers. In GMIA’s Preferential leases, improved wording to allow such intervention has been included. Also, to accommodate new entrant carriers, the construction of the eight gates as mentioned in the 2001 update, at the end of the C Concourse, will provide the Airport with four gates specifically and readily available for the direct accommodation of new entrant carriers, bypassing existing contract wording reducing the need for Airport staff intervention.

Expanding carriers could also be accommodated at these four unassigned expansion gates through the use of Preferential leases. However, call back provisions to ensure that new entrant carriers are not excluded from the Milwaukee market will be included. The four gates will be tightly controlled by GMIA.

- i. How are complaints of denial of reasonable access by a new entrant or an air carrier that wants to expand service resolved?

Original MKE Response

GMIA management is not aware of denial of access to facilities by either an existing carrier wishing to expand service, or a carrier wishing to initiate service. Reference is made to the language of Exhibit A (Exhibits and tables indicated in original and 2001 update are not included, but available upon request) that could be enforced in the event there was a complaint from a new entrant.

Supplementary MKE Response

Since the inception of the Milwaukee lease in 1985 which expires in 2010, airport management has not found it necessary to invoke the provisions of Article XVIII to provide for a new entrant into the Milwaukee market. In all cases of new entry or expansion by existing tenants, the required space has been obtained readily at an appropriate rental charge from existing tenants. For your information, at GMIA there are 13 carriers signatory to the long-term agreement that have gate facilities. All the larger domestic carriers, save Southwest are in this group.

Should a new entrant carrier express interest in initiating service at GMIA, management sends one or both of two welcome letters (sample copies attached) to that airline. The first is a general letter addressing ordinary fees, insurance requirements, PFC charges, etc. The second goes into an explanation of the Master lease and provides the new carrier with the names and contacts of all signatory airlines to explore a sublease arrangement. The provisions of Article XVIII would be invoked only after the new airline were to represent to management that each of the signatory airlines had been contacted and that each had refused to negotiate an acceptable sublease. After management confirmed the refusal of signatory carriers in this situation, the Airport Director, as set forth in Article XVIII (E), would officially notify all the airlines of the entrant's desire to obtain a sublease and that it had not been able to do so. The Director would make a formal request to have a specific airline provide adequate space. That carrier would be determined based on a review of the airline operations (i.e. gate use, timetable compatibility, etc.) If after 30 days the selected airline had not afforded such space, the Director is obliged to indicate the reason why that incumbent airline has been selected. (Presumably so as to cause the least amount of disruption any airline or GMIA operations as a whole.)

As noted above, airport management has not been forced to invoke the formal power of Article XVIII in the sixteen years of the Agreement's life. In addition management believes that the dynamics of this marketplace are such that new entrants have the ability to readily negotiate for space at a reasonable rate. GMIA uses as an example the businesslike relationship between Northwest and Sun Country. These direct competitors have adjacent gates, share baggage make-up area and have adjoining ticket counter space and ticketing office.

2001 Update

As concluded in the original MKE response, "GNIA management is not aware of denial of access to facilities by either an existing carrier wishing to expand service, or a new entrant carrier wishing to initiate service. Reference is made to the language of Exhibit A (Exhibits and tables indicated in original and 2001 update are not included, but available upon request) that could be enforced in the event there was a complaint from a new entrant. With the addition of "preferential use" and potential "common use" gates in 2002/2003, significantly more latitude will be provided to the airport in accommodating new entrants. And, in 2010, the long-term leases expire and the opportunity for revising the "accommodation wording" will be available to Milwaukee County.

2007 Update

There have been no allegations of denial of reasonable access by new entrant, expanding or charter carriers. Direct Airport assistance and intervention to accommodate charter and expanding carriers is an ongoing activity at GMIA. Even so, GMIA management will have substantially more control over gate facilities for expanding carriers and/or new entrant carriers when the C Concourse construction is completed in approximately mid 2007. More specifically, four unassigned gates will be available. And, as mentioned several times previously in the 2007 update, recall provisions as well as "use it or lose it" clauses will be included in any Preferential leases for those four gates.

Reiterating, however, in 2010 the long-term leases will expire and significantly revised, competition-friendly wording will be incorporated into the leases to be developed by Milwaukee County.

- J. Number of carriers in the past year that have requested access or sought to expand, how were they accommodated, and the length of time between requests and access.

Original MKE Response

Four (4) carriers in the past year have sought to expand service at this facility. These carriers were accommodated by being referred to other current carriers and negotiations between these parties have been satisfactory to the carriers seeking expansion. The time frame for these negotiations has varied with the circumstances; but based upon the fact that satisfactory resolution was reached, the amount of time has not been excessive.

2001 Update

Since MKE's supplementary response of December 18, 2000, no new entrants to the Milwaukee market have requested access. Several current carriers have expressed interest in additional facilities. Specifically Midwest Express is desirous of expanding at the airport and Milwaukee County has, as indicated above, been involved in developing new gates on the "C" Concourse. Midwest Express is not interested in gates on the "C" Concourse, as all of its activities are located on "D" Concourse. Continental Airlines and Chicago Express Airlines have also indicated interest in additional space. Subsequently, Milwaukee County in conjunction with the airlines believed, at an earlier AAAC meeting, that an understanding had been reached with the properties representatives in attendance. The Memorandum of Understanding (enclosed as Exhibit 5) (Exhibits and tables indicated in original and 2001 update are not included, but available upon request) attempted to document that understanding and get approval from the airlines that the Memorandum reflected the agreement reached at the AAAC meeting. That Memorandum was not signed by all the carriers involved and Milwaukee County is in the process of developing the "C" Concourse Gates on its own. Again, the exclusive lease agreement signed, which continues to 2010 does not allow Milwaukee County to unilaterally, even based on usage, reacquire gates that have been leased to signatory carriers to accommodate new entrants or expanding carriers.

2007 Update

In 2006, no new entrant carriers (other than code-sharing partners) have attempted to provide service to the Milwaukee market. However, two existing, expanding carriers have requested and been accommodated in the expansion of their operations, Midwest Airlines and Skyway Airlines d/b/a Midwest Connect. Both airlines have been accommodated with the construction of additional facilities and/or the improvement of existing facilities.

Further, two charter season carriers, Ryan International, flying on behalf of Fun Jet Vacations, and Allegiant Airlines, flying on behalf of Apple Vacations, both have been accommodated with facilities by GMIA management working in cooperation with existing carriers and utilizing the three temporary gates built to accommodate the C Concourse construction. It should be pointed out that these accommodations were accomplished as a direct result of Airport intervention and negotiation with existing carriers at a time in which substantial remodeling and construction was underway on the C and D Concourses in Milwaukee and space was at a premium.

In addition, regarding ticketing capability, Ryan Airlines, flying on behalf of Funjet Vacations, has been accommodated on the Airport's concession mall level with portable ticket counters. Significant congestion in the ticketing areas at GMIA due to Transportation Security Administration (TSA) baggage screening equipment and constrained space availability have resulted in the need to develop alternate types of ticketing accommodations which Airport management has readily provided. In fact, the accommodation of the charter carriers in the upper level concession mall, with additional bag screening provided in a stand alone bag screening area, is exceptionally well suited for charter carrier seasonal operation.

Additionally, Airport management continues to relocate airlines whenever possible, to improve ticket counter availability and efficiency. The recovery of four ticket counter positions from American Eagle Airlines, which had previously been Exclusively leased, was accomplished through Airport management initiatives.

2. LEASING AND SUBLEASING ARRANGEMENTS

- a. **Whether a subleasing arrangement with an incumbent carver is necessary to obtain access.**

Original MKE Response

A sublease arrangement with an incumbent carrier is necessary for a new carrier to gain access within the current parameters of forty-two (42) gates, all of which are leased.

2001 Update

As concluded in Milwaukee's original response, a subleasing arrangement with an incumbent carrier is necessary for a new carrier to gain access within the current parameter of the 42 gates, all of which are exclusively leased. However, the gate being relinquished through the TWA bankruptcy may be leased on a preferential use basis. Any subsequent sublease agreement, resulting from a new entrant using the preferentially leased gate, will be closely monitored by Airport staff for "equitability and fairness." Similarly, with the additional gates being added on the "C" Concourse, all secondary sublease arrangements will be monitored and equitable.

2007 Update

GMIA now has 12 Preferentially leased gates. New entrant, expanding or

charter carriers to the Milwaukee market can sublet with the Preferential lessee(s) or Milwaukee County. New entrant, expanding or charter carriers are not required to sublet from the Preferential lessee(s).

- b. How the airport assists requesting airlines obtain a sublease.

Original MKE Response

GMIA provides a list of signatory carriers and the appropriate contact person to any and all carriers who inquire. A carrier making such an inquiry is advised of the fact that all existing gates are leased and that a sublease arrangement would be needed.

2001 Update

Milwaukee County's original response is still appropriate.

2007 Update

Milwaukee County's original response is still appropriate although when a Preferential gate(s) has been selected, a sublease can be established with the County directly. And, the new entrant is free to select any ground handler it desires.

- c. Airport oversight policies for sublease fees and ground-handling arrangements.

Original MKE Response

GMIA does not have a formal policy regarding sublease fees and/or ground handling arrangements.

Currently, eleven (11) (of the 13) signatory carriers lease gates. A new entrant could approach any of the 11 for gate space. Airport management believes that competitive pressure among these carriers is sufficient to keep negotiated fees and/or arrangements reasonable to the market.

2001 Update

Milwaukee has begun a preliminary program of sublease review to oversee sublease fees and ground handling charges. However, Milwaukee County is still of the belief that the eleven signatory gate leasing carriers located at GMIA provide an ample opportunity for new entrant carriers to arrange an appropriate sublease agreement with appropriate fees and/or ground handling arrangements. And, Milwaukee County is also working towards the construction of the additional gates on the "C" Concourse and will be converting the TWA gate into a preferential use gate. Subsequently, although sublease fees and/or ground handling arrangements will be monitored more closely by Airport management, the increasing availability of gates, "preferential use" and "common use", will greatly improve new entrant access to the Milwaukee Airport.

2007 Update

Milwaukee County has periodically attempted to survey these fees and found them to be difficult to obtain, subject to change based on the client(s), and extremely variable. With the advent of multiple Preferential gates and the construction of four Airport controlled gates on the C Concourse, the ability of new entrants to select suitable and reasonably priced sublease and ground handling services will be greatly improved.

- d. How complaints by subtenants about excessive sublease fees or unneeded bundling of services are resolved.

Original MKE Response

GMIA management is not aware of any complaints of subtenants with regard to fees charged or bundling of unneeded services.

2001 Update

Milwaukee County is still unaware of any complaints of subtenants with regard to fees charged or bundling of unneeded services. And, as indicated in the above, closer Airport monitoring and sublease control will soon be possible on PFC funded "preferential or common use" gates.

2007 Update

As reported in its original response, as well as its 2001 update, Milwaukee County remains unaware of any complaints of subtenants regarding fees charged or the bundling of unneeded services.

Further, as indicated in 2.b above, the upcoming addition of four airport controlled gates and the presence of 12 (soon to be 18) Preferentially leased gates has resulted in a greatly improved situation whereby new entrant or expanding carriers can sublease directly from the Airport or through the Preferential lessee(s) to obtain the best possible arrangements. New entrant carriers are also able to arrange for various services with the vendors of their choice.

- e. How independent contractors who want to provide ground handling, maintenance, fueling catering, or other support services but have been unable to establish a presence at the airport are accommodated.

Original MKE Response

Independent contractors wishing to provide a support service or product to an airline deal directly with the airline without interference from GMIA management. This airline right to purchase supplies, materials and services is stipulated in the lease agreement between the airline and GMIA; and is extended to non-signatory carriers as well.

2001 Update

Milwaukee County's original response is still appropriate.

2007 Update

Milwaukee County's original response is still appropriate.

- f. Are formal arrangements in place to resolve disputes among air carriers regarding the use of airport facilities?

Original MKE Response

The lease agreement establishes an Airline Airport Affairs Committee (AAAC) which consists of one (1) representative per signatory airline authorized to represent and vote on items subject to AAAC review. While this committee is not a formal dispute resolution body, it functions in this way at the airport.

Air cargo carriers at GMIA and non-signatory carriers are notified of AAAC meetings and are encouraged to attend as a way of expressing their concerns, albeit in a non-voting context.

Since the inception of the lease in 1985, GMIA management is not aware of any potential dispute not being resolved through this vehicle.

Supplementary MKE Response

The principle purpose behind the Airline Airport Affairs Committee (AAAC) is for the approval of the annual capital improvement budget as well as to review and comment on the airport's annual operating budget. In addition, the AAAC is contacted for discussion and consultation of the PFC applications. Specifically with regard to disputes among air carriers regarding the use of airport facilities, this group has not, since its inception in 1985 been called upon to arbitrate any dispute, whether on gate assignments or any other matter. There is no formal appeal of AAAC decisions to the County of Milwaukee, but again there has not been a need to do so. The composition of the AAAC, as defined by the lease agreement which extends from 1985 through 2010, is that each signatory airline to the agreement has a vote on proposed airport capital projects and are all free to comment on the operating budget. The two-tiered vote weight mechanics requires that 51% of the signatory airlines contributing least 51% of the direct airline revenues paid on an annual basis are required to approve (or disapprove) of capital projects.

There are six non-signatory carriers serving GMIA which sublease space from the signatory carriers. All non-signatory property representatives are invited to attend formal meetings of the AAAC, and while they are not balloted (where a vote is required) on any capital improvement projects, they are afforded the opportunity to comment and discuss the merits of all subjects at AAAC meetings. In addition, the cargo carrier representatives are also invited to the AAAC meetings and often attend.

2001 Update

Milwaukee's original response is still appropriate. However, the failure of the MOU and the "C" Concourse ballot, has brought to the forefront the inability of Milwaukee County to enforce changes to the leasing arrangements held with exclusively leased gates and ticket counters. Subsequently, with the construction of the additional gates on the "C" Concourse and with the relinquished TWA ticket counter, the need to resolve disputes among air carriers who sublease airport facilities will be further lessened.

2007 Update

Milwaukee County's original response is still appropriate. However, again, as has been stated numerous times in this update, the advent of four County controlled gates, as well as, the increasing number of Preferential use gates can only enhance the Airport's ability to resolve disputes among air carriers.

3. PATTERNS OF AIR SERVICE

a. Number of markets served

Original MKE Response

There are ninety (90) markets reached through either nonstop or direct service.

2001 Update

There are approximately ninety (90) markets reached through either nonstop or direct service.

2007 Update

There are approximately ninety (90) markets reached through either nonstop or direct service.

b. Number of markets served on a non-stop basis. Average number of flights per day.

Original MKE Response

Fifty-two (52) markets are served non-stop. The average number of flights per day is two hundred thirty four (234) departures.

2001 Update

Fifty-four (54) markets are served non-stop. The average number of flights per day is two hundred forty (240) departures.

2007 Update

Fifty-three (53) markets are served non-stop. The average number of flights per day is 225 departures.

c. Number of small communities served

Original MKE Response

Twelve (12) small communities are served by the airlines using this airport.

2001 Update

Eleven (11) small communities are served by the airlines using this airport

2007 Update

Five (5) small communities are served by the airlines using this airport.

d. Number of markets served by low-fare carriers

Original MKE Response

Two (2) low-fare carriers serve seven (7) markets from GMIA

2001 Update

Two (2) low-fare carriers serve seven (7) markets from GMIA

2007 Update

Two (2) low-fare carriers serve seven (7) markets from GMIA

e. Number of markets served by one carrier

Original MKE Response

A single carrier serves thirty-two (32) markets.

2001 Update

A single carrier serves thirty-two (32) markets.

2007 Update

A single carrier serves forty-two (42) markets

f. Number of new markets added or previously served markets dropped in the past year

Original MKE Response

Five (5) new markets have been added in the past year. No markets have been dropped in the same period.

2001 Update

No new markets have been added in the past year. One market has been dropped in

2000.

2007 Update

One market has been added in the past year. Two markets have been dropped.

4. GATE ASSIGNMENT POLICY

- a. Gate assignment policy and method of informing existing carriers and new entrants of this policy.

Original MKE Response

Signatory agreements stipulate the gate numbers leased to a carrier, along with all fees due from that carrier. No deposit is required, and no minimum usage is stipulated under current agreements. An example of a new entrant letter is attached as Exhibit B (Exhibits and tables indicated in original and 2001 update are not included, but available upon request).

Supplementary MKE Response

All 42 existing gates are exclusively leased to and used by the 13 signatory carriers. A number of gate re-assignments have taken place since 1985, typically involving the assignment from a parent to a related carrier and/or a negotiated agreement between two existing carriers. It has traditionally been the practice of Milwaukee County to have all gates leased to guarantee that operating costs of the airport are paid through the airport system. In-place leases are not typically terminated based upon the wish of a carrier to leave the Milwaukee market. For example, American Airlines ceased service to Milwaukee in approximately 1996. It was Milwaukee County's position that while American could assign the gates to another carrier; American would remain liable for its lease until another carrier could be found to be assigned the lease and relieve American from its obligation. American Airlines formerly had two gates, and one of them has since been assigned to American Eagle at the mutual request of each airline. American is retaining a gate at GMIA to use for diversions and also for use by its code-sharing partner, American Eagle. However, in today's market, Milwaukee County would consider allowing a carrier to be released from its lease obligation in order to recover a gate for new entrants. This would depend, in part, on the status of other gates with other airlines.

MKE 's original response is still appropriate. However, as indicated above Milwaukee County will be constructing eight additional Gates on the "C" Concourse as well as acquiring and converting to "preferential" and/or "common use" the TWA Gate being relinquished due to the bankruptcy.

2007 Update

MKE's original response and 2001 update are still appropriate. However, significant changes in the number of gates Preferentially leased versus Exclusively leased has been demonstrated throughout this 2007 update. More specifically, at the present time, 12 gates are Preferentially leased and 27 are Exclusively leased. Upon completion of the eight additional gates on the C Concourse hammerhead, 18 gates will be Preferentially leased, 26 will be Exclusively leased, four permanent gates will be under the control of Milwaukee County.

Current and expanding carriers in the Milwaukee market are aware of all gates that become vacant or became available for lease. New entrant carriers are informed of gate availability and assignment policy through a welcome letter sent out upon the Airport's notification that a new entrant is considering the Milwaukee market. A significant amount of effort and information is provided to a potential new entrant carrier via that transmittal letter. Further, Airport staff is ready on a moment's notice to conduct physical inspections of all gates and facilities available for lease to a new entrant or an expanding carrier.

Finally, GMIA actively markets the Airport to potential new entrants.

- b. How announcements are made to tenant air carriers when gates become available. Do all tenant carriers receive information on gate availability, terms, and conditions by the same process at the same time?

Original MKE Response

In the event that an airline under lease would wish to make a gate(s) available, all other carriers would be made aware by means of a letter sent to each of the signatory carriers, with a copy to the non-signatory carriers. In addition, this information would also be shared at monthly station managers meetings.

2001 Update

The original MKE response is still appropriate.

2007 Update

The original MKE response and its 2001 update are still appropriate.

- c. New policies that have been adopted or actions that have been taken to ensure that new entrant carriers have reasonable access to the airport and that incumbent carriers can expand their operations.

Original MKE Response

Milwaukee County management has traditionally been pro-active in providing facilities to potential new entrants and allowing for the expansion of operations by incumbent carriers. An illustration of this practice is the current move to plan, design, and build six (6) additional gates at the airport.

2001 Update

As indicated above, as Airport policy, the Milwaukee Airport is embarking on an aggressive PFC funded gate expansion program to address the issue of access.

2007 Update

As indicated numerous times in this 2007 update, additional gates have been constructed in Milwaukee and numerous gates have been converted from Exclusive leases to Preferential leases in conjunction with use of Passenger Facility Charge funding for the purchase of jet bridges and/or other improvements.

And, subsequently, a new entrant carrier has the selection, dependent upon schedule and other protocols, of 12 (soon to be 18) Preferential use gates, which it might be interested in utilizing, as well as, in July 2007, the capability of Preferentially leasing or renting on a per use basis from Milwaukee County, four unassigned gates.

Should a new entrant carrier wish to enter the Milwaukee market, sometime after the opening of the four, unassigned gates, and those gates had become Preferentially leased to another carrier in Milwaukee, a recall provision may be invoked to allow Airport staff to recall the Preferentially leased for gates that had been added to the C Concourse hammerhead for assignment to a new entrant or new entrant carriers.

5. FINANCIAL CONSTRAINTS

a. The major source of revenue at the airport for terminal projects.

Original MKE Response

Historically, the major source of revenue for terminal projects has been Federal and State aid, in the form of grants, used in conjunction with General Obligation Bonds of Milwaukee County. Beginning in 2000, the airport issued its first General Airport Revenue Bonds (GARBs); it is anticipated that GARBs will be

used in the future for significant projects, to include terminal projects, where local funding is needed. As appropriate, PFC funding may be utilized as illustrated by the application referenced earlier in this document. Federal and State grants will continue to be sought as an integral source of financing for many airport projects.

In situations where Federal, State, or potentially PFC funding is utilized in the construction or acquisition of any asset, including terminal related assets, costs (acquisition, nor depreciation) are not included in the rates and charges passed on to carriers.

2001 Update

As indicated throughout this 2001 update to the Airport's Competition Plan, the extensive use of PFC funding is being requested in the Airport's PFC IV and V Applications.

2007 Update

The original MKE response, as well as 2001 update are still appropriate. In addition, numerous references have been made to the use of PFC funding to improve the Airport's competition position with regard to gates in Milwaukee.

b. Rates and charges methodology.

Original MKE Response

GMIA utilizes a residual cost methodology for rates and charges.

2001 Update

The Airport's original response to this question remains still accurate, However, the expansion of the "C" Concourse and the temporary expansion of the "C" Concourse utilizing PFC funding (which is not recoverable through rates and charges) will enable airport management to construct the PFC gates without requiring ballots from the signatory carriers. Airport staff believes this is the exact intent of the PFC Program.

2007 Update

The original MKE response, as well as 2001 update remain accurate. However, please again be reminded that the long-term agreements with Milwaukee County (1985-2010) will expire on September 30, 2010.

Subsequently, it is Airport's staff intent to have all gates in Milwaukee be Preferential and/or common use gates with "use it or lose it" provisions, as well as the other provisions indicated in this 2007 update, which will provide for an extremely competitive "open" environment for new entrant and/or expanding carriers in the Milwaukee market.

- c. Past use, if any, of PFCs for gates and related terminal projects

Original MKE Response

Not applicable at the present time. PFC Application No. 4 will use this source of funding for specific gate related projects.

The original response to this question remains accurate. However as indicated in 5.b. above the ballot process for the signatory carriers is no longer required, subsequently the Airport can proceed with capital improvements as long as rates and charges assessed to the signatory carriers are not affected. Utilizing 100% PFC funding for the appropriate common use areas and the construction of gates will not affect Airport rates and charges.

The use of PFC funding for gates and related terminal projects began with PFC Application IV and will continue with Milwaukee PFC Application V to construct gates, and purchase jet bridges.

2007 Update

Significant PFC revenues have been used for the improvement of numerous gates, the construction of new gates, as well as to purchase jet bridges to foster increased competition through the development of Preferential use gates.

At the time of the original submittal of the Milwaukee competition plan, all 42 of Milwaukee's gates had been leased on an Exclusive use basis. Upon completion of the 2007 C Concourse hammerhead addition, 18 gates will be Preferentially leased, 26 will be Exclusively leased, and four gates will be directly under the Airport's control.

6. AIRPORT CONTROLS OVER AIRSIDE AND GROUND SIDE CAPACITY

a. Majority-in-interest (MII) or "no further rates and charges" clauses covering groundside and airside projects.

Original MKE Response

The lease agreements between signatory airlines and Milwaukee County, operating as GMIA contain language that clarifies the steps to be taken in¹ promulgating capital improvements and/or projects regardless of the funding source. In general, this language provides for GMIA to introduce proposed projects to the airlines for their approval. If the airlines do not approve a project that would be paid for by bonding or reserve funds (i.e. No federal, state, or PFC funding) for two (2) submissions², GMIA has the prerogative to go forward with the project after the third submission and include the appropriate operating cost (typically depreciation) in rates and charges, as appropriate to the funding source(s). Should GMIA decide to continue with a project not approved by the airlines but before the third cycle, the subsequent cost will not be included in rates and charges.

Supplementary MKE Response

Leasing and Subleasing

The principle purpose behind the Airline airport Affairs Committee (AAAC) is for the approval of the annual capital improvement budget as well as to review and comment on the airport's annual operating budget. In addition, the AAAC is contacted for discussion and consultation on the PFC applications. Specifically with regard to disputes among air carriers regarding the use of airport facilities, this group has not, since its inception in 1985 been called upon to arbitrate any dispute, whether on gate assignments or any other matter. There is no formal appeal of AAAC decisions to the County of Milwaukee, but again there has not been a need to do so. The composition of the AAAC, as defined by the lease agreement which extends from 1985 through 2010, in that each signatory airline to the agreement has a vote on proposed airport capital projects and are all free to comment on the operating budget. The two-tiered vote weighting mechanics requires that 51% of the signatory airlines contributing at least 51% of the direct airline revenues paid on an annual basis are required to approve (or disapprove) of capital projects.

There are six non-signatory carriers serving GMIA which sublease space from the signatory carriers. All non-signatory property representatives are invited to attend formal meetings of the AAAC, and while they are not balloted (where a vote is required) on any capital improvement projects, they are afforded the opportunity

¹ See Airline Lease Agreement between Milwaukee County and (individual) Airline, section XVIV "Airline Airport Affairs Committee"

² A submission is typically an annual submittal at the time of the capital and/or operating budget review.

to comment and discuss the merits of all subjects at AAAC meetings. In addition, the cargo carrier representatives are also invited to the AAAC meetings and often attend.

2001 Update

The original and supplementary responses to this question remain accurate. However as indicated in 5.b above the ballot process for the signatory carriers is not required as rates and charges are not impacted. Subsequently the Airport can proceed with capital improvements as long as rates and charges assessed to the signatory carriers are not affected. Utilizing 100% PFC funding for the appropriate common use areas and construction of gates will not affect Airport rates and charges.

2007 Update

The original MKE response, as well as 2001 update are still appropriate. However, with the introduction of the Preferential use leases, it should be stated that the Preferential carriers are in all respects equivalent to the Exclusive lessees in terms of voting capability.

- b. List any capital construction projects that have been delayed or prevented because an MII was invoked.

Original MKE Response

A listing of capital construction projects submitted to the AAAC in the budgetary process which were denied by the signatory airlines over the past five (5) years may be found in Exhibit C (Exhibits and tables indicated in original and 2001 update are not included, but available upon request) with brief commentary as to the subsequent disposition of those projects. All these projects, save two (2), were re-examined by management in view of commentary made at the point of denial, and the subsequent re-submittal of the projects has resulted in a better, more effective project that was approved and went forward.

Of the two (2) projects, the first (Training and Sleeping Quarters), has not been formally resubmitted by management; it is not critical to the operation, or capacity of the airport.

The second project (Acquisition of available land), was denied by the airlines as

the land was for future runway development, which in the airline's opinion, was too speculative at this time. GMIA management will continue to negotiate with the airlines about this project for future submittals. Continued denial of this project results in either a capacity restriction or more expensive land purchases later.

There are no plans to modify the existing agreement on MU provisions due to the success of the existing provision. The current agreement expires in 2010.

2001 Update

The original submittal by Milwaukee County is still accurate and no further projects have delayed through the ballot process. However, as indicated above the ballot relating to the "C" Concourse expansion, although approved, had several caveats principally insisting that all carriers must agree to the move and "relocate", are unacceptable to Airport management. Subsequently the projects will likely be modified to incorporate only elements that are wholly PFC eligible.

2007 Update

The Airport's original response and its 2001 update are still appropriate and accurate. Both projects previously denied are still possible, but not yet needed. No further significant impact on Airport intentions to improve the capital facilities at the Airport have been affected through a negative ballot process by the airlines.

7. WHETHER THE AIRPORT INTENDS TO BUILD OR ACQUIRE GATES THAT BE USED AS COMMON FACILITIES

a. The number of common use gates available at the airport today.

Original MKE Response

None, as previously described.

2001 Update

The original response is correct. However, as indicated throughout the 2001 Update, the Airport is planning the construction of a number of PFC financed gates, "preferential Use" and "common use" gates.

2007 Update

As indicated throughout this 2007 update, at the present time the Airport has 12 Preferential Use gates and 28 Exclusive Use gates. Whenever and wherever possible, Airport staff uses PFC available funds to construct, modify or improve facilities and convert them to Preferential use gates. By the end of 2007, it is expected that the Airport will have 18 Preferential Use gates, 26 Exclusive Use gates, and 4 gates under the direct control of the Airport, which would be available for Preferential use, but would have recall provisions as well to accommodate new entrant carriers if the Preferential leases were signed by expanding or existing carriers at GMIA.

- b. The number of common-use gates the airport intends to build or acquire and the timeline. Give intended financing for these common-use gates.

Original MKE Response

GMIA is intending to build six (6) additional gates as an expansion of an existing concourse. It is thought that incumbent airlines may absorb four (4) or five (5) of these gates with modifications to their existing leases; this would leave an estimated one (1) or two (2) gates for new entrants to this market.

Planning for this expansion will begin in earnest in 2001. Design and construction will take place in 2002 and 2003. The tentative cost of the several projects in this endeavor is \$26.9 million.

2001 Update

The original Airport response is still correct. This 2001 Competition Plan update further describes the planned expansion.

2007 Update

As indicated throughout this 2007 update, at the present time the Airport has 12 Preferential use gates and 28 Exclusive use gates. Whenever and wherever possible, Airport staff uses PFC available funds to construct, modify or improve facilities and convert them to Preferential use gates. By the end of 2007, it is expected that the Airport will have 18 Preferential use gates, 26 Exclusive use gates, and 4 gates under direct control of the Airport, which would be available for Preferential use, but would have recall provisions as well to accommodate new entrant carriers if the Preferential leases were signed by expanding or existing carriers at GMIA.

- c. Are there any air carriers that have been servicing the airport for more than three years relying exclusively on common-use gates?

Original MKE Response

There are no such carriers or gates at GMIA.

2001 Update

The original response is still correct

2007 Update

The original Airport and its 2001 update are still correct.

- d. Whether common-use gates will be constructed in conjunction with gates leased through exclusive-or preferential-use arrangements.

Original MKE Response

See the description of the current expansion project above.

2001 Update

With the construction of the "C" Concourse gates it is likely that one or several common-use gate will be constructed for use by carriers not wishing to enter into preferential or other lease arrangements with the Airport

2007 Update

As indicated throughout this 2007 update, of the eight additional gates being constructed on the C Concourse hammerhead, 4 gates will be under the direct control of Milwaukee County and be available for potential common use, if that becomes necessary, or the accommodation of a new entrant carrier.

The ultimate, possible elimination of Exclusive use gates will occur in the 2010 time frame as a new contract will be developed being much more competition friendly than the existing Exclusive agreements and the virtually identical Preferential use agreements.

“Use it or lose it” provisions will be incorporated, as well as recall provisions and significantly Airport management will have significantly more control.

- e. Whether gates being used for international service are available for domestic service.

Original MKE Response

GMIA has a separate international arrival terminal with one (1) gate. Technically, this building/gate could be used for domestic service; but to do so would be inefficient for both airlines and passengers given that the facility is not contiguous to the main terminal building, nor is it equipped or configured for domestic service operations.

2001 Update

GMIA's original response is still correct.

2007 Update

At the present time MKE’s original response and 2001 update are still correct. However, the stand-alone International Arrivals Building’s facility is being considered for demolition and the construction of a facility adjacent to and connected to the current Airport domestic terminal is being considered.

It may be possible that gates used for international service might be available for domestic service should the need arise, based upon some future plans for that function at GMIA.

8. AIRFARE LEVELS COMPARED TO OTHER LARGE AIRPORTS

- a. The following information is presented for illustration:

Original MKE Response (See Exhibit 1 for Exhibits and Charts indicated below.) (Exhibits and tables indicated in original and 2001 update are not included, but available upon request)

Summarized data for this airport showing, by air carrier, the number of

passengers, average fare, and market share at GMIA (Table 1 following) (Exhibits and tables indicated in original and 2001 update are not included, but available upon request).

Summarized data for this airport compared to all airports showing the city-pair markets served, the number of passengers so served, passenger trip length, and average passenger yield for short haul and long haul segments. (Table 2 following) (Exhibits and tables indicated in original and 2001 update are not included, but available upon request)

Summarized data for this airport showing the destinations of passengers originating from the airport (MKE) and indicating the number of competitor air carriers serving these destinations (Table 3 following) (Exhibits and tables indicated in original and 2001 update are not included, but available upon request).

1999 O&D data in support of Table 3 (Table 4 following) (Exhibits and tables indicated in original and 2001 update are not included, but available upon request).

This statistical information is presented for the year 1999 from government sources and is intended to be a basis for comparison to data compiled for the current and future years.

2001 Update

Revised tables are presented in Exhibit 8 (Exhibits and tables indicated in original and 2001 update are not included, but available upon request).

2007 Update

The revised tables are presented in Exhibit 9. In addition, the attached LCC Passenger Share at Medium Hub report dated February 27, 2007 from McGraw Hill, the Milwaukee average airfare and trip length for 2006 (Exhibit 10).