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## American Airlines bankruptcy won't ground Waterloo service, officials say

Story Discussion

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By JIM OFFNER, jim.offner@wfcourier.com | Posted: Monday, July 23, 2012 10:30 am | (5) Comments

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An American Airlines airplane is waved in to the Waterloo Regional Airport Tuesday, July 17, 2012, in Waterloo, Iowa. (MATTHEW PUTNEY / Courier Photo Editor)

winter as the airport switched carriers from Delta to American.

American Airlines launched its service between Waterloo and Chicago's O'Hare International Airport April 3.

American, which filed for Chapter 11 bankruptcy reorganization in November, says it plans to re-emerge as a viable airline.

In June, the chief executive officer of US Airways said he would like to buy American's assets and merge the two carriers. The idea has some support among industry analysts, according to media reports.

Reports have speculated US Airways would like to keep up with rivals who also have merged, including Delta-Northwest and United-Continental.

American says it prefers to come out of reorganization as a stand-alone carrier.

"While this week's announcement from our CEO mentions that all possibilities are being explored, American's plan is still to exit the bankruptcy process as a stand-alone carrier," said Brett Hooyerink, manager of marketing development with American.

Whatever happens will have little effect on service to Waterloo, Hooyerink added.

"There is not any reason our commitment to provide service as mandated by the Essential Air Service program would be affected — less flights — if that situation were to change," he said.

The goal, he said, is to build the Waterloo market.

"Ideally we would like to get the route to the point where EAS assistance is not necessary," he said.

WATERLOO, Iowa — As American Airlines navigates its way through bankruptcy reorganization, insiders are speculating about whether the airline will emerge as an independent entity or part of a larger system, such as through a merger with US Airways.

Whatever happens, say officials from American and Waterloo Regional Airport Director Brad Hagen, the Cedar Valley will remain a viable market.

"I don't think there will be an effect on Waterloo," Hagen said. "They're going to continue service, especially since we're now part of the EAS program."

Essential Air Service is a federal program designed to subsidize commercial airline service to smaller communities. Waterloo joined the system last

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"Additional frequencies and destinations are all things that would be considered if the demand is there."

Waterloo's airport reported a decrease in passenger boardings in the second quarter, which ended June 30, with 5,152 passengers this year, compared to 5,812 a year earlier. The transition from one airline to another may have had something to do with this year's lower number, Hagen said.

"Many passengers didn't book Waterloo for a couple of weeks as to avoid flying out on Delta and returning on American," Hagen said.

Waterloo's direct connection with O'Hare is an asset that could lead to a boost in future bookings, Hooyerink said.

"As far as connections are concerned, Chicago O'Hare remains one of the five 'cornerstone' pillars of American Airlines route network," he said. "One of the major components of our restructuring plan is to continue to grow and strengthen our presence in these five cornerstones. So in this case, Waterloo is certainly on the map as far as our future is concerned."

Whatever happens in American's bankruptcy, commercial airline service out of Waterloo should stay viable, Hagen said.

"The reliability of American Airlines out of Waterloo has been very good," he said. "From what we track and the feedback from the community is that the fares are generally in line and generally competitive."

What if a merger happens?

"If there is a merger, I think that does give travelers out of Waterloo more options with connectivity to more markets," Hagen said. "In the case of US Airways, they do have a strong presence in some markets and regions American doesn't have."

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