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July 9, 2009

The Honorable Ray LaHood
Secretary of Transportation
United States Department of Transportation
1200 New Jersey Avenue, SE
Washington, D.C. 20590

Dear Secretary LaHood:

I am writing to you regarding the significant questions surrounding whether Virgin America is in compliance with U.S. citizenship requirements. Last fall, I wrote Secretary Peters urging the establishment of a transparent review of Virgin America's citizenship status. I continue to urge for a transparent review in this letter, especially in light recent changes to the airline's ownership structure.

The Wall Street Journal reported on March 10, 2009, that the two major U.S. shareholders owning over 70 percent of Virgin America's voting stock, transferred all financial interest in their shares to the British-based Virgin Group. This reported transfer calls into serious question whether Virgin America is in compliance with the statutory requirement that a U.S. carrier have 75 percent of its voting stock owned or controlled by persons that are U.S. citizens. This news report suggests the U.S. investors may have retained title to the shares; however, title alone, absent any economic interest in the shares, would not appear to satisfy the U.S. citizenship requirements.

Several groups have requested that the Department of Transportation (DOT) examine, on the public record, whether Virgin America complies with U.S. citizenship requirements. I also believe a transparent review is needed so that interested persons have the opportunity to comment on the complex and new issues surrounding Virgin America's ownership structure that have arisen since the initial certification of the carrier.

Importantly, DOT should publicly review whether any new U.S. investment in Virgin America, replacing the original U.S. investment, represents sufficient economic interest in Virgin America so as to fully satisfy U.S. citizenship requirements.

I recognize that you are unable to respond to my letter in any substantive manner, since this is a contested matter before DOT; however, given this matter has now been pending for more than 3 months, I believe that it is past time for DOT to initiate a proceeding allowing for public

comment prior to DOT reaching a final decision on any new ownership and control structure. I fully recognize that DOT normally addresses such ownership changes without allowing for public comment. However, in this matter, it is widely believed, as reported in the Wall Street Journal in early March, that (i) the current interim ownership structure appears to have far expanded the limits of what DOT has historically considered permissible for complying with U.S. ownership requirements, and (ii) the DOT's current review is the direct result of its acceptance of a controversial structure in early 2007. Thus, this matter is not a routine ownership and control matter.

I hope that DOT will initiate a public proceeding which allows interested persons access to documents that are subject to DOT's established confidentiality procedures.

I look forward to your reply.

Sincerely,

A handwritten signature in black ink that reads "Patty Murray". The signature is written in a cursive, flowing style.

Patty Murray
Chairman
Subcommittee on Transportation, Housing
and Urban Development, and Related
Agencies