



The Voice of Small Community Air Service in Rural America
<http://www.regionalaviationpartners.org>

June 18, 2008

“Member Update”

“DOT OPPOSED TO FUEL COST ADJUSTMENTS FOR EAS”

“...Even though Congress authorized legislation in Vision 100 to implement those adjustments – they have chosen the most expensive approach to ‘do nothing’”

“But wait – they want it both ways...”

Regional Aviation Partners has long advocated regulatory policies and procedures that would enhance the EAS program for small communities who need air service and for the carriers who serve this vital segment of rural community air service.

In spite of our efforts, we have received very little guidance and much resistance from the Department on many levels. Moreover, our commentary on the subjects of funding, subsidies, practices and procedures are well known to members of Congress who have EAS communities in their state.



On June 12, 2008, the Department responded to ***Congressman Bart Stupak*** (D-MI-1ST), representing Iron Mountain and Escanaba, MI, who called on the DOT to authorize an increase in the subsidy amount paid to Mesaba Airlines, to continue service to that community because of rising fuel costs not adjustable within the EAS contract. In their response, the DOT has

DOT Response to Congressman Stupak

They are cognizant of the hardships record high fuel costs are exerting on rural communities and air carriers.

- High fuel costs are placing severe budgetary pressure on the entire EAS program.
- Carriers operating smaller less fuel efficient fuel aircraft are no longer in business or have chosen to discontinue operation or get out of the business.
- Existing contracts are typically being renewed at significantly higher rates.
- Communities that were formerly served subsidy free now require a subsidy.

acknowledged virtually every aspect of this organization's (RAP) prior complaints as rationale to deny the request for a cost adjustment. Rather than debate why RAP disagrees with their reply, we can find no better way to show the inherent inequity and ambiguity in the DOT's position than the Department's own words . . .

DOT Response to Congressman Stupak:

http://www.regionalaviationpartners.org/Home/pdf/6.13.08EAS_MI_stupak.pdf

COMMENT 1:

A Transportation Department spokesman said the agency agrees *there's need for reform but is not in favor of creating flexible subsidies to reflect the rising cost of fuel*. Its solution is to limit subsidies to only the most isolated communities¹.

COMMENT 2:

While we are concerned about the significantly higher subsidy rate for Colgan than Gulfstream's less expensive option – almost \$300,000 – *we note that, adjusting for the effects of fuel*, Colgan's subsidy rate would have come down from the current rate.²

RAP's concern here takes us back to the original issue :

“ . . . FUEL COST ADJUSTMENTS.”

While we are in full support of the Department's decision to award the route to Colgan in support of the community's request, we find it disingenuous to deny the need for fuel adjustments on the one hand (comment 1) and use them to the Department's advantage when it is convenient (comment 2). This scenario is but one of many clearly ambiguous arguments we have challenged before the Department on many occasions.

The DOT's position should make it *crystal clear* to any community that believes 'going it alone' will yield a benefit to them as opposed to a coordinated effort by all EAS communities is *not a good idea!* The agency is staunch and steadfast in their position! Without specific legislation as RAP has advocated since 2001, this program will continue its path to mediocrity and eventual extinction, leaving small communities without air service altogether.

We will be contacting all members and stakeholders in the near future to discuss a strategy and a present day approach for saving the program.

‘UNPRECEDENTED COST INCREASES IN JET FUEL PRICES’ . . . are hurting everyone . . . the major carriers are reeling from the effects of this crisis.

¹ Source: “*Small airports struggle with dwindling air service*,” Associated Press June 5, 2008.

² Source: DOT ORDER 2008-6-14 Order Reselecting Carrier and Establishing Subsidy Rates for Beckley, WV issued: June 10, 2008.

Under these circumstances, it is critically important that we do not allow our small community air service resource to render itself extinct and go away. The cost to bring this program back will prove to be far too expensive, even for avid supporters, if it is allowed to fail. **It is time for an action plan if we are to save program.**

We welcome your comments.

Maurice A. Parker
President/Executive Director
Regional Aviation Partners



DAILY AIRLINE FILINGS

JUNE 9 – JUNE 18



June 9, 2008

Essential Air Service at Augusta/Waterville, Bar Harbor and Rockland, Maine

Re: DOT Request for Community Comments of:
Augusta State Airport Manager
City Manager of City of Rockland
Hancock County-Bar Harbor Airport Manager
Knox County Regional Airport Manager
Mayor of Town of Bar Harbor

Essential Air Service at Grand Island, Nebraska; El Dorado/Camden, Harrison and Hot Springs, Arkansas; and Joplin, Missouri

Re: Order Requesting Proposals

Essential Air Service at Kingman and Prescott, Arizona

Re: City of Kingman in Support of Great Lakes Aviation
Re: City of Prescott in Support of Great Lakes Aviation

Essential Air Service at Laramie and Worland, Wyoming

Re: DOT Request for Community Comments of:
Laramie Regional Airport Manager
Mayor of Laramie
Wyoming DOT Aeronautics Division
Worland Municipal Airport Manager
Mayor of Worland

June 10, 2008

Essential Air Service at Bradford, Pennsylvania and Jamestown, New York

Re: Senator Arlen Specter (R-PA) and Congressman John Peterson (R-PA) in Support of Colgan Air
Re: Bradford Regional Airport in Support of Colgan Air
Re: Chautauqua County-Jamestown Airport in Support of Colgan Air

Essential Air Service at Kingman and Prescott, Arizona

Re: Order Selecting Carrier and Establishing Subsidy Rate

Essential Air Service at Athens and Macon, Georgia

Re: DOT Letter to Congressman John Linder

Essential Air Service at Altoona and Johnstown, Pennsylvania

Re: Order Reselecting Carrier

June 11, 2008

Essential Air Service at Beckley, West Virginia

Re: Order Reselecting Carrier and Establishing Subsidy Rates

June 12, 2008

Essential Air Service at Altoona, Pennsylvania

Re: City of Altoona in Support of Colgan Air

Re: Blair County Chamber of Commerce in Support of Colgan Air

Essential Air Service at Grand Island, Nebraska; Harrison and Hot Springs, Arkansas; and Joplin, Missouri

Re: Letter of Explanation of Island Air

Essential Air Service at Visalia, California

Re: Request of City of Visalia for an Expedited Request for Proposals

Essential Air Service at Minto and Manley Hot Springs, Alaska

Re: Alaska Statewide Aviation Deputy Commissioner

June 13, 2008

Essential Air Service at Iron Mountain and Escanaba, Michigan

Re: DOT Response to Congressman Bart Stupak

Essential Air Service at Burlington, Iowa

Re: DOT Memorandum on Subsidy Payment for Great Lakes

June 16, 2008

Essential Air Service at Grand Island and McCook, Nebraska; El Dorado/Camden, Harrison, Hot Springs and Jonesboro, Arkansas; and Columbia/Jefferson City, Joplin and Kirksville, Missouri

Re: Order Extending Service Obligation

June 17, 2008

Essential Air Service at Bradford, Pennsylvania

Re: KOA Speer Electronics in Support of Colgan Air

Essential Air Service at Ely, Nevada; and Merced and Visalia, California

Re: Proposals of Great Lakes Aviation

Re: DOT Request for Comments Email

Essential Air Service at Bar Harbor, Maine

Re: The Jackson Laboratory in Support of Colgan Air

June 18, 2008

Essential Air Service at Bradford, Pennsylvania

Re: Zippo Manufacturing Company in Support of Colgan Air

Re: W.R. Case & Sons Cutlery in Support of Colgan Air

Essential Air Service at Kingman, Arizona

Re: Arizona Department of Transportation Aeronautics Division in Support of Great Lakes Aviation

Essential Air Service at Merced, Visalia and Ely, California

Re: Order Selecting Carrier and Establishing Subsidy Rate

Re: City of Merced Comments