



476981

**U.S. Department of
Transportation**
Office of the Secretary
Of Transportation

DEPT. OF TRANSPORTATION
DOCKETS

2007 JUL 18 A 9:40

1200 New Jersey Ave., S.E.
Washington, DC 20590

July 17, 2007

The Honorable Donald Kaspizak
Mayor of Plattsburgh
41 City Hall Place
Plattsburgh, New York 12901

OST-2000-8025-44

OST-2003-14783-52

Dear Mayor Kaspizak:

I would like to update you on the Essential Air Service (EAS) situation at Plattsburgh and give you an opportunity to submit comments if you wish. A similar letter has been sent to managers of the Plattsburgh International and Adirondack Regional Airports, the civic officials of Clinton County, Harrietstown, Saranac Lake, Lake Placid, and the New York State Department of Transportation, Aviation Service Bureau.

As you may know, on May 18, CommutAir filed a 90-day notice with the Department of its intent to terminate its subsidized EAS at Plattsburgh and Saranac Lake/Lake Placid, New York and Rutland, Vermont, effective August 17. By Order 2007-6-6, June 6, the Department prohibited CommutAir from terminating its subsidized EAS at the above mentioned communities, beyond the end of its 90-day notice period, and requested long-term proposals from carriers interested in providing EAS at all three communities, for a new two-year period, with or without subsidy. In response to that order, Big Sky Airlines (Big Sky), was the only carrier to submit a proposal to serve Saranac Lake/Lake Placid.

Big Sky, operating as a Delta Connection carrier, submitted a proposal with two service options. Each service option provides three round trips each weekday and over each weekend between Saranac Lake/Lake Placid and Boston with 19-seat Beechcraft 1900D aircraft, with a mix of nonstop and one-stop (at Plattsburgh) service. Big Sky's first service option is a package bid for all three of the above mentioned communities and requires an annual subsidy of \$3,270,598. The second service option includes only the two New York communities, for an annual subsidy of \$2,408,294, representing an increase of approximately \$700,000 over the existing rates.

We are currently reviewing Big Sky's annual compensation requirement. Copies of the Big Sky's proposal may also be accessed online through the Department's Dockets Management System at: <http://dms.dot.gov/> by doing a simple search on Docket Numbers 8025 or 14783.

Please note that the average passenger fare shown in its proposal does not necessarily reflect the average local fare passengers would actually pay, but, rather, reflect a prorated portion of the total ticket price (e.g., the Plattsburgh – Boston portion of a Plattsburgh – Boston – Washington D.C. ticket) that the subsidized carrier would realize. Also, the fare shown is net of certain charges such as Federal transportation security fees, excise or ticket taxes, and Passenger Facility Charges. Of course, carriers have the discretion to charge fares they deem appropriate, and the passenger fare presented in the proposal has been developed for subsidy rate computation purposes only. Based on the cost elements incorporated in the carrier computation summary, the carrier would have to realize passenger fares

The Honorable Donald Kaspizak

Page 2

comparable to the averages shown in their proposals in order to achieve break-even or profitable operations without subsidy.

You should also note that the carrier's schedule may change to reflect changing conditions (e.g., to better meet shifting connecting bank times at the hub). The Department does expect subsidized air carriers to maintain well-timed and well-spaced flights in order to ensure full compensation.

We request that you review Big Sky's proposal and submit any comments you may have before we submit a recommendation to the Assistant Secretary. We ask that you submit any comments you may have as soon as possible, but in any case no later than August 6, 2007. We will carefully consider your comments before we submit a recommendation to the Assistant Secretary for a decision. Should you have any questions or need additional time to draft your comments, please let us know.

Please send an original and one copy of your comments to me at the following address: EAS & Domestic Analysis Division, X-53, Office of Aviation Analysis, West Building, 8th Floor, 1200 New Jersey Avenue, S.E., Washington, DC 20590. You should also send a copy to Big Sky. In order to expedite the process, we would appreciate your sending an advance copy by fax to 202-366-7638 or by email to dennis.devany@dot.gov and brian.swanson@dot.gov. If you have any questions, please feel free to contact Brian Swanson of my staff at 202-366-5392.

Sincerely,



Dennis J. DeVany
Chief, Essential Air Service Division, X-53
Office of Aviation Analysis

cc: Mr. Christopher Kreig, Adirondack Regional Airport
Mr. Gerardo Mendoza, New York State Department of Transportation
The Honorable Thomas Michael, Village of Saranac Lake
Mr. Larry Miller, Town of Harrietstown
The Honorable Jamie Rogers, Village of Lake Placid
Mr. Roger B. Sorrell, Plattsburgh International Airport
Mr. Michael Zurlo, Clinton County