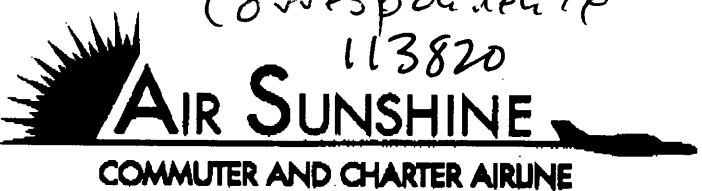


Correspondence  
113820

OST-6592



October 16, 2000

OST-99-6592-14

U.S. Department of Transportation  
Office of Aviation Analysis, X-50

Fax: 202-366-7638

Dear Mr. Adams,

As a follow up to our recent telephone conversation in regards to Air Sunshine providing essential air service to/from Ponce, Puerto Rico. Please be advised Air Sunshine is now ready to provide the service under the following terms;

1. We are prepared to provide three (3) round trip flights in a nine (9) passenger C402 for a minimum guarantee of \$1500.00 a day. We'll have full time staff at the airport and crew and equipment ready to fly for even one passenger. We feel that this is the only fair way for compensation of a non-local operator and the flight completion method used by DOT in some other markets is more suited to an already existing FBO and charter operator and not a scheduled carrier that has to meet a certain overhead even if a single passenger does not book the proposed flights.
2. We are requiring a two (2) year contract with option to renew at the present rate plus cost of living or terminate with a ninety (90) day advance notice. We are concerned about the DOT rules requiring the last carrier to stay even if the market is not profitable. We simply could not afford to do what American Eagle is doing now and do require a relief if the operation is not economically feasible.

Please do not hesitate to contact me if you have any further questions. I can be reached at 787-791-8900.

Sincerely,

M. Adili  
General Manager

DEPT. OF TRANSPORTATION  
PROJECTS  
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