

OST-1998-4706



THE SECRETARY OF TRANSPORTATION  
WASHINGTON, D.C. 20590

August 27, 2002

DEPT. OF TRANSPORTATION  
DOCKET  
02 OCT 21 AM 10:49

The Honorable Pete V. Domenici  
United States Senate  
Washington, DC 20510-3101

Dear Senator PETE Domenici:

Thank you for your letter of July 18 regarding the U.S. Department of Transportation's recent Order to Show Cause that proposed to discontinue Gallup's subsidy eligibility under the Essential Air Service (EAS) program.

As you are probably aware, Section 332 of Public Law 106-69 prohibits the Department from subsidizing service if the subsidy per passenger exceeds \$200 and the community is within 210 highway miles of a large or medium hub airport, which, in this case, is Albuquerque. The principal reason a show cause order was issued, as opposed to a final order, was to provide Gallup with the opportunity to correct any of the data that the Department had relied on in reaching its tentative decision to discontinue the community's EAS eligibility. Given the question of the accuracy of the historical passenger data, I can assure you that the Department will very carefully consider all available information before any final decision is made to discontinue EAS.

I am well aware of the importance of access to the national air transportation system for the economic health and vitality of Gallup, as well as the significant impact this proposed action could have on the air transportation needs of the Navajo Nation. Moreover, any decision to discontinue EAS to any community is one that is not taken lightly. The passenger data the community supplied will help complete the record in this case.

Thank you for your interest in this important aviation matter for the Gallup community. As is our normal practice, I am placing a copy of your letter and my response in Docket OST-1998-4706 as a contact outside the record of this proceeding.

If I can provide further information or assistance, please feel free to call me.

Sincerely yours,

Norman Y. Mineta

PETE V. DOMENICI  
NEW MEXICO

**United States Senate**  
WASHINGTON, DC 20510-3101

**COMMITTEES:**  
BUDGET  
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July 18, 2002

The Honorable Norman Y. Mineta  
Secretary  
U.S. Department of Transportation  
Room 10200  
400 Seventh Street, SW  
Washington, D.C. 20590

Dear Mr. Secretary:

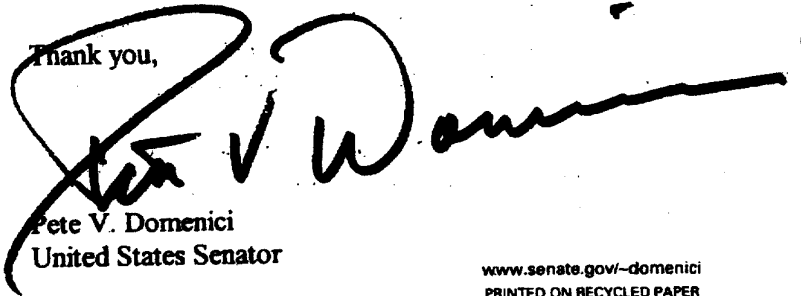
On July 8, your department served an "Order to Show Cause" on the City of Gallup, New Mexico. This Order stated that Gallup has 20 days to formally object to the termination of the Essential Air Service (EAS) subsidy for scheduled passenger air service to Gallup. I understand that the Mayor of Gallup has filed a formal objection to this Order and I would urge you to give this your full attention and consideration.

Several concerns have been brought to my attention with respect to this situation. In 1999, the decision was made to drop the Gallup-Phoenix route, instead relying on the Gallup-Albuquerque route. This decision accounts, at least in part, for the decrease in enplanements since 1999. I am told that the majority of the citizens of Gallup support the service to Phoenix and would use that service more than the Albuquerque service. Furthermore, this decision could effect the Navajo Nation in a very negative way. I understand that the Navajo Nation will weigh in shortly in support of continued EAS subsidies for Gallup.

I understand that the breakeven number for passengers using the service is approximately 5,500. As your data shows, in 1998 there were 7,629 passengers. In 1999, the same year that service to Phoenix was dropped, the number of passengers fell to 4,050. I realize that the Department also believes that the reporting methods used by Mesa Air Group are suspect. However, the citizens of this area deserve the opportunity to show that the lack of service to Phoenix played the greater role in the decline in ridership. These questions could be answered definitively if the EAS subsidy were extended and service was provided to Phoenix.

I believe that these extenuating circumstances justify my request that the Department take a closer look at the decision to terminate this EAS subsidy. Please let me know when you have reviewed this matter.

Thank you,



Pete V. Domenici  
United States Senator