



**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

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Memorandum

Subject Meeting regarding EAS subsidy at Gallup, New Mexico (Docket OST-1998-4706)

Date: July 25, 2002

From: Read C. Van de Water
Assistant Secretary for Aviation
and International Affairs, X-1

Reply to Mike Waters, X-53
Attn. of: Ext. 66494

To: Docket OST-1998-4706

DOT representatives met on July 17, 2002, at the request of United States Senator Jeff Bingaman of New Mexico in his office in the Hart Senate Office Building to discuss Show Cause Order 2002-7-7, July 8, 2002, in Docket OST-1998-4706. The order proposes to terminate Gallup's eligibility for subsidized EAS because the subsidy per passenger far exceeds the statutory cap of \$200 and the City is less than 210 highway miles from the nearest large or medium hub airport (Albuquerque). Under Section 332 of Public Law 106-69, these factors disqualify Gallup from EAS subsidy. DOT explained that EAS eligibility has never been based on carriers' passenger forecasts, but rather on actual passengers that have used the service. DOT also explained that the historical passenger data it had relied on to prepare the Show Cause order was the only reliable data available for the period from 1999 through 2000, and that data reported for years before 1999 was unreliable because it had been misreported by the carrier, Mesa Airlines.

Senator Bingaman provided DOT with a package of historical passenger data from Gallup submitted to his office by Mayor Pena of Gallup. DOT assured Senator Bingaman that the data would be carefully reviewed before any final decision was made to terminate Gallup's eligibility for subsidized EAS.

Senator Bingaman was joined in the meeting by his Legislative Assistant Dan Alpert and two interns.

Representing the Department of Transportation were:

Read C. Van de Water Assistant Secretary for Aviation and International Affairs, X-1

Karin Glasgow, Office of Governmental Affairs

Robert I. Ross, Attorney, Office of the General Counsel, C-10

Michael A. Waters, EAS and Domestic Analysis Division, X-53

Prepared by:

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