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**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation

U.S. DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

Assistant Secretary for Policy and Planning  
Washington, DC 20590

August 27, 2003

The Honorable Gordon D. Adams  
Mayor of Norfolk  
127 North 1<sup>st</sup> Street  
Norfolk, Nebraska 68701

Dear Mayor Adams:

Thank you for the opportunity to meet on August 20 with the representatives of the Norfolk community to discuss the current situation with the community's subsidy eligibility under the Essential Air Service (EAS) program.

Among other things, in a letter dated July 8, Norfolk asked the Department to delay any final order for 90 days before making a final decision on the community's continuing EAS subsidy eligibility.

As you know, on June 24, the Department issued Order 2003-6-25, which provided interested persons a 20-day period to present evidence showing that the Department had erred in concluding that the subsidy cost of providing scheduled air service at Norfolk exceeded the statutory maximum of \$200 per passenger. While the community does not dispute that the current subsidy-per-passenger exceeds the \$200 statutory cap, it points toward recent traffic growth that, it believes, may bring the subsidy-per-passenger below the cap.

In consideration of this request, we will grant an extension until September 30 to produce a viable proposal (that would be implemented no later than 30-45 days hence) from an existing scheduled airline that is fully consistent with the program's governing statutes.

As is our normal practice, I am placing a copy of your letter and my response in Docket OST-1998-3704 as a contact outside the record of this proceeding.

I appreciate your interest in this matter. If I can provide further information or assistance, please feel free to contact me or Dennis DeVany, Chief of the EAS Division (202) 366-1061.

Sincerely yours,

Michael W. Reynolds  
Acting Assistant Secretary  
For Aviation and International Affairs