

Mercer County Airport
RT. 5, BOX 202
BLUEFIELD, WEST VIRGINIA 24701
304-327-5308

OST-1997-2761-24
CORRESPONDENCE

Mr. Dennis J. DeVany, Chief
EAS & Domestic Analysis Division
Office of Aviation Analysis
U.S. Department of Transportation
Room 6401
400 7th Street, S.W.
Washington, D.C. 20590

RE: EAS Subsidy for Bluefield, Mercer County Airport

Dear Mr. DeVany:

Upon review of the proposals offered to the Mercer County Airport Authority, we respond with unanimous support for Colgan Air, Inc., who has served us with professionalism and diligence.

Colgan Air, Inc. has offered several options and the Mercer County Airport Authority has chosen option "C" with service to Charlotte Douglas International Airport in Charlotte, NC, as our first choice. We feel that the local community has a dedication to service via Charlotte, based upon a number of years in which we enjoyed service from CLT. This option requires a subsidy of \$1,916,880.

As a second option, we choose option "E" with service to Washington Dulles and Columbus, Ohio. This option requires a subsidy of \$2,017,064.

Over the past year, boardings are down for Bluefield. A review of the contributing factors in this decline reveal that these factors have been temporary ones and have been remedied. First, a series of power outages affected service and accounted for 56 cancellations. A new power line was placed and no service interruptions have been experienced since this time.

Secondly, a series of dates were designated by the PIT hub for closing, which resulted in a decline of connecting flights of 40%. This was due in no part by our airport, but was generated by a drop in demand for service from PIT and was perceived to be due to the trepidation created by the war in Iraq. No such closings are anticipated at this time; however, US Airways has indicated that they wish to downgrade their status from "hub city" to "focus city" which makes it less desirable as our designated route.

Thirdly, we have, as all airports, some weather cancellations. However, Colgan Air, Inc. has provided BLF with a tapley meter which will accurately measure braking action on our runway and allow Colgan to operate more effectively in marginal conditions.

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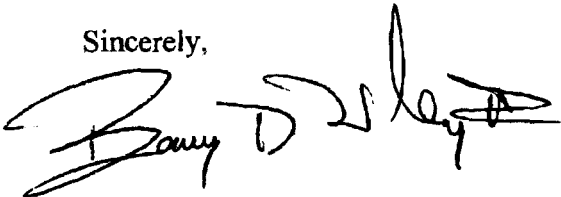
DEPT OF TRANSPORTATION
DOCKETS

Fourth, general decline from PIT as they have reduced their connections has limited the flights from BLF due to the impossibility of connecting. This problem is obviously being addressed as we are choosing an alternate airport for service to maximize connections for customers originating their flights from BLF.

Lastly, Mr. John Gilley who has been our airport manager since 1990, suffered a long illness beginning in January 2003 and resulting in his death in May 2004. This prevented a number of problems including the loss of the VOR and ILS for periods of time from being addressed in a timely fashion. The day to day operations were neglected; however, a new manager has been appointed and he is full time and ready to respond to any factors which may cause interruption.

The Mercer County Airport is very thankful for the support of the Department of Transportation with the Essential Air Service Program. Its extension to Bluefield and the Mercer County Airport is a vital link to our economy and we are grateful that the program exists and that Colgan Air, Inc. has served us in such a determined and beneficial way as they consistently seek feedback on any issues that could effect air service. While BLF had issues to improve upon, as evidenced in our explanation, these are issues that have been addressed in an effort to maximize the opportunities provided us by Essential Air Service.

Sincerely,

A handwritten signature in black ink, appearing to read "Barry D. Wiley II". The signature is stylized and cursive, with a large initial "B" and a long horizontal stroke at the end.

Barry D. Wiley II
Mercer County Authority