



UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.

Issued by the Department of Transportation
on the 7th day of March, 2005

Essential Air Service at

MAYAGUEZ, PUERTO RICO

DOCKET OST-2004-19622

under 49 U.S.C. 41731 *et seq.*

ORDER EXTENDING SERVICE OBLIGATION

Summary

By this order, the Department of Transportation extends the service obligation of Executive Airlines, Inc., d/b/a American Eagle (Executive), at Mayaguez, Puerto Rico, for an additional 30 days, through April 6, 2005.

Background

On November 5, 2004, Executive filed a 90-day notice of its intent to suspend its unsubsidized service at Mayaguez, effective February 3, 2005. By Order 2004-12-19, December 29, 2004, the Department prohibited Executive from suspending service beyond the end of its 90-day notice period, through March 7, 2005, and requested proposals, with subsidy if necessary, from carriers interested in providing replacement service.

By Order 2005-3-2, March 2, 2005, the Department selected Hyannis Air Service, Inc., d/b/a Cape Air (Cape Air), to provide essential air service for the two-year period through April 30, 2007, at an annual subsidy rate of \$688,551 at Mayaguez and \$622,056 at Ponce.

The carrier transition process will not be completed by the end of the current hold-in period. Therefore, in accordance with 49 U.S.C. 41734(c), we must extend Executive's service obligation at Mayaguez for an additional 30 days, or until Cape Air actually begins service, whichever occurs first.

This order is issued under authority assigned in 14 CFR 385.12(k)(5).

ACCORDINGLY,

1. We require Executive Airlines, Inc., to maintain essential air service at Mayaguez, Puerto Rico, consisting of 14 nonstop round trips a week between Mayaguez and San Juan, for an

additional 30 days through April 6, 2005, or until the carrier transition process is complete, whichever occurs first;¹

2. We direct Executive to retain all books, records, and other source and summary documentation to support subsidy claims for payment, and to preserve and maintain such documentation in a manner that readily permits its audit and examination by representatives of the Department. Such documentation shall be retained for seven years or until the Department indicates that the records may be destroyed, whichever comes first. Copies of flight logs for aircraft sold or disposed of must be retained. The carrier may forfeit its compensation for any claim that is not supported under the terms of this order;

3. Docket OST-2004-19622, will remain open until further order of the Department; and

4. We will serve a copy of this order on the Puerto Rico Port Authority, the Mayor and Airport Manager of Mayaguez, and Executive Airlines, Inc., d/b/a American Eagle.

Persons entitled to petition the Department for review of this order under the Department's Regulations, 14 CFR 385.50, must file such petitions within ten (10) days after the date of service of this order.

This order will be effective immediately, and the filing of a petition for review shall not preclude its effectiveness.

By:

RANDALL D. BENNETT
Director
Office of Aviation Analysis

(SEAL)

*An electronic version of this document is available on the World Wide Web at
<http://dms.dot.gov>*

¹ In accordance with 49 U.S.C. 41734(c), we will extend Executive's service obligation for successive 30-day periods, as necessary, or until the carrier transition process is complete, whichever occurs first.