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CITY OF MERCED

"Gateway to Yosemite"



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May 24, 2006

OST-1998-3521-28

2006 MAY 31 P 12:02

DEPT. OF TRANSPORTATION
DOCKETS

Dennis Devaney
Division Chief
U.S. Department of Transportation
400 Seventh Street, SW
Washington, D.C. 20590

RE: Essential Air Service (EAS) Program Proposals for Merced, California

Dear Chief Devaney:

We understand that the U.S. Department of Transportation will soon issue a Request for Proposals for EAS service to Merced, California. The Merced route was recently awarded to Scenic Airlines, but Scenic has issued a 90-day notice to terminate service (as of August 14, 2006).

The City of Merced wishes to have a seamless transition of air service from Scenic to a successor airline. To assist in this, we are providing each proposer (that we know of) with identical information on the lease of the Merced Municipal Airport Terminal, which is a cost which should be reflected in their EAS proposals to the Department of Transportation.

The lease cost for the Merced terminal is \$4,500 monthly, or \$54,000 annually. In the event that a proposer includes different lease rate information in their proposal, the Department is advised that information is inaccurate.

We look forward to working successfully in the transition and thank you for your efforts.

Sincerely,

A handwritten signature in black ink, appearing to read "William D. Cahill".

WILLIAM D. CAHILL
Assistant City Manager

WDC:nr