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**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

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DEPARTMENT OF TRANSPORTATION
400 Seventh St., S.W.
Washington, D.C. 20590

2006 MAY -3 A 11:00

MAY 3 2006

Thomas E. Heanue, Executive Director
Hattiesburg-Laurel Regional Airport Authority
1002 Terminal Drive
Moselle, Mississippi 39459

Dear Mr. Heanue:

I would like to update you on the essential air service situation at Laurel/Hattiesburg and give you an opportunity to submit any comments if you wish before we issue a final decision in this case for a new two-year contract beginning July 1, 2006. We also sent similar letters to Mayor Mack of Laurel and to Mayor DuPree of Hattiesburg.

As you know, by Order 2004-8-11, August 12, 2004, we selected Mesaba Aviation, d/b/a Mesaba Airlines (Mesaba), to provide Laurel/Hattiesburg 13 nonstop round trips each week to Memphis for the two-year period ending June 30, 2006. As is our normal practice when nearing the end of a two-year contract, we solicited proposals from carriers interested in serving Laurel/Hattiesburg, either with or without subsidy, for a new two-year period (Order 2006-3-23). In response to our request, we received a single proposal from Mesaba. Since you should have received a copy of the proposal from the carrier, we will only briefly summarize it below. (A copy is also available online through the Department's Docket Management System at: <http://dms.dot.gov/> by entering the number 10685 in the search block and pressing enter.)

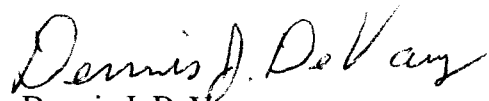
Mesaba's proposal would be a slight increase from its current service (from 13 round trips a week to 14) and would provide two nonstop round trips each day to Memphis with 33-seat Saab 340 turboprop aircraft for an annual subsidy of \$917,129. Mesaba would continue to operate as Northwest AirlinK, having a code-share agreement with Northwest Airlines at Memphis.

Please note that the average passenger fare shown in Mesaba's proposal does not necessarily reflect the average local fare that Laurel and Hattiesburg passengers would actually pay, but, rather, reflects a prorated portion of the total ticket price, e.g., the Laurel/Hattiesburg - Memphis portion of a Laurel/Hattiesburg - Memphis - New York ticket, that Mesaba would realize. In addition to the local fare, the total ticket price typically includes charges and fees such as segment taxes, transportation security fees, fuel surcharges, Passenger Facility Charges, and Federal excise taxes. Of course, Mesaba has the discretion to charge fares it deems appropriate, and the fare presented is for subsidy rate computation purposes only.

While there are no options from which to choose, we nonetheless wanted to give you an opportunity to submit any comments on the record, if you wish, before we present our recommendation to the Assistant Secretary who will make the final decision in this case. We ask that you submit any comments you have as soon as possible, but in any case no later than May 19. I have suggested in the letters to both Mayors that because of their shared interests in this matter, and, if they choose to submit comments on the record, that they may want to coordinate a single response for both communities.

Please send an original and one copy of your comments to me at the following address: Essential Air Service Division, X-53; Room 6401; Office of Aviation Analysis; Department of Transportation; 400 Seventh Street, S.W.; Washington, D.C. 20590. You should also send a copy to Mesaba. In order to expedite the process, we would appreciate your sending an advance copy by fax to 202-366-7638 or by email to: dennis.devany@dot.gov or mike.waters@dot.gov. If you have any questions, please feel free to contact Mike Waters of my staff at 202-366-6494.

Sincerely,

A handwritten signature in black ink that reads "Dennis J. DeVany". The signature is written in a cursive style with a large, prominent "D" at the beginning.

Dennis J. DeVany
Chief, Essential Air Service Division
Office of Aviation Analysis