



**U.S. Department of
Transportation**
Office of the Secretary
Of Transportation

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DOCKETS

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1200 New Jersey Ave., S.E.
Washington, DC 20590

May 9, 2007

Joseph McKelvey
Manager – John Murtha Johnstown-Cambria County Airport
479 Airport Road
Johnstown, Pennsylvania 15904

Dear Mr. McKelvey:

I would like to update you on the essential air service situation at Altoona and Johnstown and give you an opportunity to submit any comments if you wish. As you know, in response to Colgan Air's 90-day notice to terminate service, by Order 2008-4-13, April 7, 2008, the Department solicited proposals from all interested air carriers to provide service at Altoona, as well as at Johnstown. In response to that order, we received proposals from two carriers: Colgan Air (Colgan) and Gulfstream International Airlines (Gulfstream).

We have directed each carrier to serve its proposal(s) on you; in addition, copies of the proposals may be accessed online through the Department's Dockets Management System at: <http://www.regulations.gov/> by doing a "search" on Docket Number 11451, so we will only briefly summarize them here.

Colgan's proposal would offer service to Altoona and Johnstown from Washington Dulles International Airport utilizing Saab 340 aircraft, operating as United Express. Altoona and Johnstown would each receive three weekday and three weekend round trips operated as a combination of one-stop and nonstop service to Washington Dulles, similar to the current service pattern, for a combined annual subsidy of \$2,788,845.

Gulfstream has proposed two options, both of which would be provided to Cleveland utilizing Beech 1900 aircraft. Option 1 would offer four weekday round trips and reduced weekend service operating on a Cleveland – Altoona – Johnstown – Cleveland or Cleveland – Johnstown – Altoona – Cleveland routing, for a combined annual subsidy of \$3,172,860. Option 2 would offer three weekday round trips and reduced weekend service operating on a Cleveland – Altoona – Johnstown – Cleveland or Cleveland – Johnstown – Altoona – Cleveland routing, for a combined annual subsidy of \$2,636,707. Gulfstream's service would be operated in conjunction with its existing codeshare agreement with Continental Airlines.

My purpose in writing to you at this time is to request any final comments you might have on the carriers' service and subsidy proposals before we submit a recommendation on the carrier-selection issue to the Assistant Secretary for Aviation and International Affairs.

Please note that the average passenger fares shown in each proposal do not necessarily reflect the average local fare Altoona would actually pay, but, rather, reflect a prorated portion of the total ticket price, e.g., the Altoona – Washington, D.C. portion of an Altoona – Washington, D.C. – San Francisco ticket that the subsidized carrier would realize. Also, the fare shown is net of certain charges such as Federal transportation security fees, excise or ticket taxes, and Passenger Facility Charges. Of course, carriers have the discretion to charge fares they deem appropriate, and the passenger fares presented in their proposals have been developed for subsidy rate computation purposes only.

You should also note that the schedules that the carriers have submitted are illustrative only, and that they may make schedule changes to reflect changing conditions, e.g., to better meet shifting connecting bank times at the hub. The Department expects subsidized air carriers to maintain well-timed and well-spaced flights in order to ensure full compensation.

We request that you review each proposal and service option and submit any comments you may have before we submit a recommendation to the Assistant Secretary. We ask that you submit any comments you may have as soon as possible, but in any case no later than June 3, 2008. We will carefully consider your comments before we submit a recommendation to the Assistant Secretary for a decision. We appreciate that there are significant issues for you to consider, so if you have any questions or if you find that you need additional time to draft your comments, please let us know.

Please send your comments to me at the following address: Essential Air Service Division, X-53; Office of Aviation Analysis; U.S. Department of Transportation; 1200 New Jersey Ave, S.E.; Washington, D.C. 20590. You should also send a copy to each carrier. 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 and kevin.schlemmer@dot.gov. If you have any questions, please feel free to contact Kevin Schlemmer of my staff at 202-366-3176.

Sincerely,



Dennis J. DeVany
Chief, Essential Air Service Division, X-53
Office of Aviation Analysis