



# City of Grand Island

Tuesday, March 16, 2004

Special Meeting

## Item G2

**#2004-57 - Approving Letter of Support for Essential Air Service to the Department of Transportation (DOT)**

Staff Contact: Gary Greer

## **Council Agenda Memo**

**From:** Gary D. Greer, City Administrator

**Meeting:** March 16th, 2004

**Subject:** Endorsement of Tri-County Initiative for Air Service

**Item #:** G-2

**Presenter(s):** Mayor Jay Vavricek

### **Background**

For the last few weeks, communities that are eligible for Essential Air Service (EAS) funding have been reviewing bids from airlines for the federal program. In the process of review, regional discussions have come about with the emphasis to band area Cities together to build a program that takes advantage of the influence of the entire region. It has been concluded that by working together, Central Nebraska can create better air service for the region as a whole.

In order to facilitate discussions along this line, an open meeting was held on Wednesday, March 10<sup>th</sup>, 2004. About 100 interested people, including many Council Members, attended and a "Tri-City Initiative" was brought out that accomplishes regional participation concerning Essential Air Service. Basically, Kearney will ask for their flights to go to Kansas City, with a stop in Grand Island. In turn, Grand Island will ask for their flights to go to Denver, with a stop in Kearney. This will allow regional fliers to travel to 2 hubs, which is of great advantage.

### **Discussion**

Mayor Vavricek has been a strong leader concerning the issue and has called for the open process and has demanded a regional approach to the issue. His efforts, along with the hard work of the Hall County Airport Authority and the Kearney Air Task Force have brought about the ground breaking solution that has been jointly developed. The Tri-City Initiative is a great step in regional cooperation and should lead to even more advancement in the future.

The Department of Transportation has asked the Mayor's of EAS communities to make their recommendation concerning the routes before March 18<sup>th</sup> in order for them to finalize the process of determining the final plan. A letter from the Department of Transportation is attached for review. The Mayor strongly wanted to include the City Council in the process; therefore, the item is on the agenda to allow for discussion and

possible support of his endorsement to the Department of Transportation. Attached are Resolutions 18-04 and 19-04 from the Hall County Airport Authority which ask for regional support and indicate their recommendation for EAS air service, along with the Mayor's letter of support. Their recommendation follows the Tri-City Initiative and opens the door for a recommendation to the Department of Transportation from all regional partners.

### **Alternatives**

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Approve the resolution of support
2. Deny the resolution of support
3. Modify the resolution to meet the wishes of the Council
4. Table the issue

### **Recommendation**

City Administration recommends that the Council approve Resolution # 2004-57 which approves the Mayor's endorsement letter for Essential Air Service and the Tri-City Initiative for air service in Central Nebraska.

### **Sample Motion**

Move to approve Resolution # 2004-57 concerning communities endorsement of Essential Air Service program.



U.S. Department of  
Transportation

Office of the Secretary  
of Transportation



400 Seventh St. S.W.  
Washington, D.C. 20590

FEB 18 2004

The Honorable Ernest L. Dobesh  
Mayor of Grand Island  
Post Office Box 1968  
Grand Island, Nebraska 68802

Dear Mayor Dobesh:

I would like to update you on the essential air service situation at Grand Island and to give you an opportunity to submit any comments if you wish. As you know, by Order 2003-12-2, December 2, 2003, the Department solicited proposals from all interested air carriers to provide service at Grand Island, Kearney, McCook, Norfolk, North Platte, and Scottsbluff. In response to that order, we received an unprecedented 59 proposal options from six carriers—Corporate Airlines, Great Lakes Aviation, Mesa Air Group, Mesaba Aviation, Multi-Aero, and Westward Airways. While we would normally write up a brief summary of all of the proposals, that is not practical in this case given the number of options. Moreover, each carrier applicant was directed 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://dms.dot.gov/> by doing a simple search on Docket Number 13983.

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 estimated average passenger fare shown in a carrier's proposal does not necessarily reflect the average local fare that passengers would actually pay, but rather reflects that portion of the total ticket price, *e.g.*, the Grand Island-Denver portion of a Grand Island-(Denver)-Washington fare, that would go to the essential air service carrier. Also, the fare shown is net of certain charges such as Federal 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. Based on the cost elements incorporated in the carriers' computation summaries, the carriers would have to realize passenger fares comparable to the averages shown in their proposals in order to achieve break-even or profitable operations without subsidy.

Please note also that the schedules that the carriers have submitted are illustrative, and that carriers 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. I would point out that some proposal options offer extra service, especially on weekends, beyond the level of two or three round trips on weekdays and weekends solicited by the Department. The Department may not require that this extra service be provided, and it may not pay for this extra service.

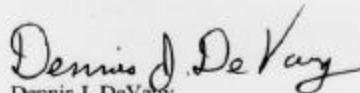
As a final point, please note that Multi-Aero and Westward Airways currently do not hold effective operating authority from the Department.

We request that you review this information as expeditiously as possible and submit any comments you may have on the carrier selection as soon as possible, but in any case no later than March 18, 2004. 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 an original and five copies 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. We would appreciate it if you would send an advance copy of your comments by fax to (202) 366-7638, or by email to me, [dennis.devany@ost.dot.gov](mailto:dennis.devany@ost.dot.gov) or to [luther.dietrich@ost.dot.gov](mailto:luther.dietrich@ost.dot.gov). You should also send copies to the air carriers that have submitted proposals to serve your community at the addresses on the attached service list. Again, if you have any questions, please feel free to contact Luther Dietrich of my staff at 202-366-1046.

Identical or similar letters have been sent to each party on the service list.

Sincerely,

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

Enclosure

**Hall County Airport Authority**

March 12, 2004

**Resolution 18-04**

**Essential Air Service (EAS) Agreement**


**AUTHORITY ACTION TAKEN:** Resolved that the Hall County Airport Authority makes the following recommendations to the Department of Transportation (DOT) for air service for the Central Nebraska Regional Airport under the Essential Air Service (EAS) program listed in order of preference:

1. **Great Lakes Aviation, LTD.,**  
EAS proposal Number 10  
Grand Island / Kearney / Denver / Kansas City  
3 round trips daily  
Beech 1900
  
2. **Great Lakes Aviation, LTD.,**  
EAS proposal Number 4  
Grand Island / Denver  
3 non-stop round trips daily  
Brasilia

Chairman:

  
\_\_\_\_\_  
Harold Rosenkotter

Executive Director:

  
\_\_\_\_\_  
William G. Stovall

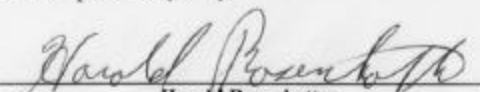
**Hall County Airport Authority**

March 12, 2004

**Resolution 19-04**

**Invitation For Community Support**

**AUTHORITY ACTION TAKEN:** Resolved that the Hall County Airport Authority invites the Hall County Board of Supervisors, City of Grand Island, City of Hastings, City of Kearney, Economic Development Corporations, Grand Island Area Chamber of Commerce, Air Service Task Force, other local towns, villages, communities and counties to join with the Authority in sending a joint letter of recommendation to the Department of Transportation (DOT).

Chairman:   
Harold Rosenkotter

Executive Director:   
William G. Stovall



*Working Together for a  
Better Tomorrow. Today.*

March 16, 2004

**Dennis J. DeVany**  
U.S. Department of Transportation  
400 Seventh St., S.W.  
Washington, C.D. 20590

RE: Essential Air Service

Dear Mr. DeVany:

On behalf of the City of Grand Island, it is our pleasure to submit this Letter of Support for Essential Air Service to provide eastbound air service from Kearney, Nebraska to Kansas City, Missouri, with one stop in Grand Island, and to provide westbound air service from Grand Island, Nebraska to Denver, Colorado, with one stop in Kearney, Nebraska.

The Central Nebraska Regional Airport and the Kearney Municipal Airport have joined forces to develop a Tri-City Initiative to bring affordable and convenient options for air travel to serve more passengers in central Nebraska.

We pledge our full support, endorsement, and cooperation with the Tri-City Initiative to improve the service options available to central Nebraska through the Essential Air Service.

Sincerely yours,

**CITY OF GRAND ISLAND, NEBRASKA**

Jay Vavricek, Mayor



RESOLUTION 2004-57

WHEREAS, the Central Nebraska Regional Airport has been working diligently to improve the air service options available to central Nebraskans and to increase the number of enplanements from the local airport; and

WHEREAS, the Department of Transportation is presently accepting recommendations until March 18, 2004, to award a two-year contract for Essential Air Service; and

WHEREAS, such contract could provide up to \$1 million in improvement funds contingent on the number of enplanements; and

WHEREAS, the Central Nebraska Regional Airport and the Kearney Municipal Airport have joined forces to develop a Tri-City Initiative to bring both eastbound and westbound air service to the central Nebraska region; and

WHEREAS, on March 12, 2004, the Hall County Airport Authority approved a resolution authorizing the Tri-City Initiative to submit a recommendation to the Department of Transportation to provide eastbound air service from Kearney, Nebraska to Kansas City, Missouri, with one stop in Grand Island, and to provide westbound air service from Grand Island, Nebraska to Denver, Colorado, with one stop in Kearney, Nebraska; and

WHEREAS, the recommendation by the Tri-City Initiative would serve more passengers in central Nebraska, and would be the best use of federal Essential Air Service subsidies; and

WHEREAS, the City of Grand Island supports the cooperative efforts of the Tri-City Initiative in efforts to increase affordable, convenient options for air travel for central Nebraska; and

WHEREAS, increased air traffic to serve central Nebraska would be a valuable asset to the community.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Mayor and City Council of the City of Grand Island hereby pledge their full support, endorsement, and cooperation with the Tri-City Initiative in their efforts in submitting a recommendation to the Department of Transportation seeking Essential Air Service improvement funding to provide eastbound air service from Kearney, Nebraska to Kansas City, Missouri, with one stop in Grand Island, and to provide westbound air service from Grand Island, Nebraska to Denver, Colorado, with one stop in Kearney, Nebraska.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized to send a letter to the Department of Transportation expressing support for such project.

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Adopted by the City Council of the City of Grand Island, Nebraska, March 16, 2004.

Approved as to Form	☐ _____
March 12, 2004	☐ City Attorney

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RaNae Edwards, City Clerk