



## Office of the City Manager

July 29, 2020

Mr. Michael Gormas  
Transportation Industry Analyst  
U.S. Department of Transportation  
Office of Aviation Analysis  
1200 New Jersey Avenue S.E., Room W86-472  
Washington, D.C. 20590

**RE: Supplement to the City of Page, Arizona's Application for Continued Inclusion in the Alternate Essential Air Service Pilot Program, Docket No. DOT-OST-1997-2694**

Dear Mr. Gormas:

On behalf of the City of Page, Arizona and its City Council (the "City"), I am submitting this letter as a supplement to the City's April 8, 2020, Application for Continued Inclusion in the Alternate Essential Air Service ("EAS") Pilot Program (the "Application").

The Application originally requested a four-year extension of the City's participation in the Alternate EAS Pilot Program, beginning on October 1, 2020, at the present subsidy level of \$4,398,924 per year in order to continue an average of 12 weekly round trips to Phoenix Sky Harbor International Airport ("PHX") and/or McCarran International Airport ("LAS") with Corporate Flight Management, Inc. d/b/a Contour Airlines ("Contour") in Embraer ERJ-135 twin jet pressurized aircraft configured with 30 passenger seats.

Since the City filed its application, the worldwide pandemic has temporarily reduced air service demand throughout the United States, including at Page. In light of this temporary reduction, the City does not believe it will be necessary to maintain the above-described level of service for a period of time following the expiration of its current grant. The City has discussed a reduced level of service with Contour during recovery from the pandemic, and Contour has agreed to an alternative service pattern, and corresponding reduction in required subsidy, as follows:

- **Year 1:** During the period October 1, 2020, through September 30, 2021, Contour will operate an average of ten weekly roundtrips at an annual subsidy of \$3,949,920.
- **Year 2:** During the period October 1, 2021, through September 30, 2022, Contour will increase frequencies to the current (and initially proposed) level, averaging 12 weekly round trips, at the current annual subsidy of \$4,398,924.

In keeping with the current terms of the City's participation in the Alternate EAS Pilot Program, the Department would not prescribe the above service frequencies or schedule, but rather allow the City and Contour to develop a mutually acceptable schedule within the approved subsidy.

As you know, Contour has agreed to provide the “Year 2” service specified above at the current annual subsidy of \$4,398,924 for a period of *four* years. However, we understand that, due to the pandemic and future uncertainty, your office would prefer to limit the extended term of the City’s participation in the Alternate EAS Pilot Program to two additional years. The City is amenable to this modification, but of course reserves the right to request an additional extension of its participation in the Alternate EAS Pilot Program at the appropriate time.

In sum, the City desires to amend its Application to request a two-year extension of its participation in the Alternate EAS Pilot Program, with a maximum annual subsidy of \$3,949,920 in the first year and a maximum annual subsidy of \$4,398,924 in the second year, based on the reasons more fully set forth in the City’s Application.

If you have any questions or require further information, please do not hesitate to contact me at (928) 645-4210 or [dcoldwell@pageaz.gov](mailto:dcoldwell@pageaz.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Darren Coldwell". The signature is fluid and cursive, with the first name "Darren" and last name "Coldwell" clearly distinguishable.

Darren Coldwell  
City Manager

cc: Steven L. Osit, Esq., Kaplan Kirsch & Rockwell LLP (Counsel to Page, Arizona)  
Docket No. DOT-OST-1997-2694