



**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation

# Memorandum

Subject: Authorization for Cape Air to be compensated for service  
outside of the EAS contract terms at Owensboro, Kentucky (for three weeks) Date: June 26, 2020

*Kevin D. Schlemmer*

From: Kevin D. Schlemmer, Associate Director  
EAS & Domestic Analysis, X-53

Reply to Michael Martin,  
X-53  
Attn. of: Ext. 66494

To: David Carter, Resource Directorate, S-3.6  
Lorenzo Jones, Resource Directorate, S-3.6

Order 2019-10-14 (issued October 22, 2019) selected Cape Air to provide 14 nonstop round trips to from Owensboro, Kentucky to Nashville International Airport (BNA) and 7 nonstop round trips to St. Louis-Lambert International Airport (STL), for a total of 21 round trips per week, effective January 1, 2020.

On February 7, 2020, Hyannis Air Service, Inc. d/b/a Cape Air (Cape Air) notified the EAS Finance Team (via email) it did not inaugurate its Owensboro-Nashville service until January 22, 2020. Thus, from January 1, 2020, through January 21, 2020, Cape Air only served the STL hub with 21 round trips per week.

On February 25, 2020, Cape Air informed the EAS program office that the Nashville service was delayed in starting due to the introduction of new aircraft and to accommodate advance bookings on the new service, and asked for assistance in rectifying the billing.

By this memo, we are authorizing a slight change in the weekly ceiling for the three affected weeks. The subsidy rate per flight established in Order 2019-10-14 from Owensboro to STL remains the same at \$1,031, however, the weekly ceiling for 21 round trips (42 total departures), will change to \$43,302.

<u>Time Period</u>	<u>Rate per Flight</u>	<u>Weekly Ceiling</u>
January 1, 2020 – January 21, 2020	\$1,031	\$43,302

ADDS has been updated with a route that outlines the rate per flight and weekly ceiling for this time frame.

cc: Andrew Bonney, Cape Air  
Greggory Mendes, Cape Air  
Rob Barnett, Owensboro-Daviess County Regional Airport