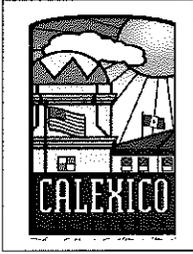


**AGENDA
ITEM**

7



AGENDA STAFF REPORT

DATE: September 21, 2016

TO: Mayor and City Council

APPROVED BY: Armando G. Villa, City Manager 

PREPARED BY: Armando G. Villa, City Manager

SUBJECT: Approval of Letter of Support of Imperial County's Petition for a Waiver of the U.S. Department of Transportation's Final Order to Terminate the Essential Air Service (EAS) Program in El Centro, California.

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Recommendation:

Recommend approval of Letter of Support to be signed by Mayor Castro.

Background:

The County of Imperial is seeking support from Calexico on their petition for a waiver on the termination of the Essential Air Services (EAS) program. The EAS Program subsidizes the local airports and allows local airline companies to provide flights to residents of in the Imperial Valley at an affordable rate.

Discussion & Analysis:

The EAS program allows for residents to have access to major international airports to travel abroad. Elimination of this program would make it travel out of the Imperial Valley very costly and would adversely affect local residents traveling out of Imperial Airport.

Fiscal Impact:

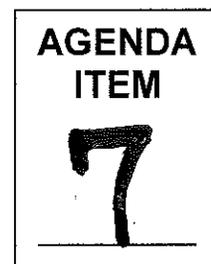
None.

Coordinated With:

None.

Attachment:

None.





CITY OF CALEXICO

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September 21, 2016

Secretary Anthony Foxx
U.S. Department of Transportation
1200 New Jersey Ave, SE
Washington, DC 20590

RE: ESSENTIAL AIR SERVICE (AES) @ EL CENTRO – IMPERIAL COUNTY AIRPORT (IPL)

Dear Secretary Foxx:

I write to express my support of Imperial County's petition for a waiver of the U.S. Department of Transportation's Final Order to terminate the Essential Air Service (EAS) program in El Centro, California. As you review Imperial County's petition for a waiver, I urge you to highly consider the circumstances that contributed to Imperial County Airport's (IPL) unique year in which they were unable to meet the 10 enplanement average by 1.6 passengers and exceeded the EAS Subsidy Cap. Furthermore, I ask that you consider the detrimental economic impacts that may occur as a result of terminating the program.

On January 15, 2016, IPL's previous air service carrier, Seaport Airlines, who serviced the area during the time frame used by the Department to base the termination decision, abruptly ceased operations without any warning. Previous to Seaport's hasty departure, they were not promoting or marketing the airline services at IPL and service was unreliable as flights were constantly cancelled. IPL now has a new air carrier, Mokulele Airlines, which was selected by the Department. Mokulele has done a tremendous job at increasing the number of enplanements to 20 per day and decreasing the EAS subsidy to lower than the \$200 cap since they began operations in May, 2016. Based on the recent data provided by Mokulele, I trust that the decline in daily enplanements and increase in the per-passenger subsidy was temporary as it was based on the work of an airline carrier that no longer services the area.

Mokulele attributes the increase in enplanements and decrease in the subsidy to their user-friendly schedule and their flights to Los Angeles International Airport (LAX), which greatly benefitted passengers because LAX is one of the largest airports in the United States. By flying to LAX, passengers can connect to a large number of domestic and international cities. We are all hopeful that all these changes will continue to contribute to the rise in daily enplanements so that Imperial County can continue to participate in the EAS program.

The Essential Air Service was created to guarantee that small communities, including those within the Imperial County, continue to be served by certificated air carriers. It is essential to consider all factors before terminating a much-needed program in a region with such need. Over the last several years, Imperial County has experienced the highest unemployment rate in the nation. I believe that we should work together to encourage economic growth. Thank you for your time and kind consideration of my request. Should you have any questions, please feel free to contact the office of the City Manager, Mr. Armando G. Villa at (760) 768-2110 or via e-mail at agvilla@calexico.ca.gov.

Sincerely,

Luis Castro
Mayor
City of Calexico

Viva Calexico!