

PROJECT ABSTRACT
DELTA COUNTY AIRPORT
SCASDP GRANT PROPOSAL Docket OST-2008-0010

The Delta County Airport will launch an extensive two-year marketing campaign for our new EAS carrier, Mesaba/Northwest Airlines. These funds will allow us to primarily focus on two areas: 1) the recapturing of passengers lost to Marquette, MI and Green Bay, WI due to the two month lapse in commercial service from April 5, 2008 through June 5, 2008 when Midwest / Skyway Airlines discontinued service; and 2) to continue to increase awareness the economic impact that the Delta County Airport has to our multi-county area, and aid in promoting our new air carrier service.

The Delta County Airport's major objectives from the funding of the SCASDP Grant are:

- 1) Develop and expand a campaign that will market the newly selected EAS air carrier, Mesaba/Northwest Airlines with its quality air service and customer convenience for the next two-years
- 2) Stop passenger declination through an aggressive marketing campaign to publicize and market Delta County's air service at a better dollar value by "flying from nearby" rather than driving to other airports
- 3) Increase passenger revenue to encourage the air-carrier Mesaba/Northwest to improve and increase services out of the Delta County Airport.

Our media campaign will cover the entire Upper Peninsula, and the Northern region of Wisconsin. This consists of eight radio stations, two television stations, billboards, newspapers and one county-wide newspaper, website design, newsletter circulation, passenger promotions and airport sponsored events for the community to get a real sense of what we offer. The media coverage available will allow Delta County Airport to have direct contact with every age group at every level. The commitment of these companies in the past has proven unlimited. These businesses have worked with marketing campaigns administered by the Delta County Airport and the State of Michigan via advertising grant dollars. With the State of Michigan unable to continue their grant program, Delta County Airport is extremely aware of the importance of advertising.

Based on the economy of Delta County, Tourism is the #2 Industry. Our advertising strategy is designed to reach this group, whether in a car, motel, or participating in one of the many local events that take place throughout the year.



Proposal under the Small Community Air Service Development Program

Docket OST-2008-0100

Delta County Airport
3300 Airport Road
Escanaba, MI 49829

Legal Sponsor: County of Delta
3300 Airport Road
Escanaba, MI 49829

DUNS # 086182953

DELTA COUNTY BOARD OF COMMISSIONERS

ADMINISTRATION OFFICE
310 LUDINGTON STREET
ESCANABA, MICHIGAN 49829
PHONE: 906-789-5100
FAX: 906-789-5197



June 2, 2008

Michael W. Reynolds
Deputy Assistant Secretary for Aviation and International Affairs
US Department of Transportation
400 Seventh Street S.W.
Washington, DC 20590

RE: Small Community Air Service Development Program Grant

Dear Secretary Reynolds:

The Delta County Board of Commissioners and the Delta County Airport Board are pleased to submit this grant application for the Small Community Air Service Development Program (Docket OST-2008-0100).

Delta County is seeking funds to expand and develop a two year marketing plan. Approval of this grant is critical to support the recent change in our EAS air service. An expanded marketing program would enhance community awareness and reduce market leakage. This funding would also ensure success for the newly selected EAS carrier and provide the economic growth essential to the airport that this community depends on.

We believe our proposal meets application criteria established for the grant and respectfully ask for your approval.

Sincerely yours,

Thomas C. Elegeert, Chairman
Delta County Board of Commissioners

Delta County is an equal opportunity provider and employer.

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I. Grant Proposal and Major Objectives

Grant Proposal Amount: \$181,000

Major Objectives:

- (1) Develop and expand a campaign that will market the newly selected EAS air carrier for Delta County Airport with its quality air service and customer convenience for the next 2-years.
- (2) Stop passenger declination through an aggressive marketing campaign to publicize and market Delta County's air service at a better dollar value by flying locally rather than driving to Marquette or Green Bay, WI.
- (3) Increase the passenger market to be able to work with the carrier for improved service to other requested destinations.

II. About Delta County

The cities of Escanaba and Gladstone are the population centers of the county and reside within 10 miles of each other. The airport is located just inside the city limits of Escanaba. The population of Delta County is about 38,000. Escanaba, Michigan is approximately 100 miles north of Green Bay, Wisconsin on Lake Michigan. Since Delta County is part of the Michigan's Upper Peninsula, Escanaba is 375 miles from the state capital in Lansing and 435 miles from Detroit, a major destination for residents of the Upper Peninsula.

Though the area is not considered remote, long stretches of desolate areas lie between population centers. This makes the airport a valuable asset for the community to maintain connectivity.

III. Delta County's Existing Air Service

Delta County is an Essential Air Service community and has been served by Midwest Connect. Midwest Connects EAS contract expired May 31, 2007. They decided against submitting a bid for another two-years, but continued to serve until a replacement airline was named to service Escanaba. Great Lakes Airlines was awarded the EAS bid in late 2007. After much delay, they lost their award and our EAS contract was again reopened. Northwest Airlines/Mesaba was then awarded the EAS bid in early 2008. They

announced a start date of June 5, 2008. With the understanding that Midwest Connect would continue commercial air service until our new carrier could start, we were continuing to inform the community of changes as they happened. Midwest Connect then suspended service as of April 5, 2008, only giving the community a one-week notice before termination. The two-month lapse in commercial air service is at end, Mesaba/Northwest Airlines begins service June 5, 2008.

The Delta County Airport will begin service to two major hubs, Detroit and Minneapolis. Using the SAAB 340, an increase in enplanements is expected. With this schedule for Delta County being shared with Ford Airport in Iron Mountain, MI, we are aware of the importance of continued education for our communities. We will continue to be diligent in communicating the new service to our patronages, aiming to bring

IV. Synopsis of Delta County's Historical Service

Before 9/11 Delta County Airport was served by two airlines and passenger boardings approached 20,000. Mesaba served the community with at least six flights a day to Detroit and Minneapolis using the Saab 340. Skyway Airlines also served the area with three flights using Beech 1900's nonstop to Milwaukee.

After 9/11 Mesaba decided to apply for EAS funding for their service to Escanaba. The funding was denied because Skyway also operated from Escanaba. Mesaba discontinued service and enplanement numbers fell drastically in 2002. Since then, Skyway has slowly increased boardings to almost 10,000.

Also, during this time period, terminal renovation was started and completed in 2005. The community can take pride in its contribution to this FAA assisted project. The terminal provides a great front door to the community and is very functional. With the help from FAA funding the community has also been able to invest in maintaining an excellent airside facility.

V. An Analysis of Air Service Needs or Deficiencies

This year we have had meetings with community leaders and allowed opportunity for input from the general public regarding Delta County's air carrier service. The general consensus was that Midwest Connect, a.k.a. Skyway, was doing a great job for the customers using their services. Customer service was superb, friendly, planes were great, and many people enjoyed the more relaxed atmosphere flying direct into Milwaukee Airport. The underlying concerns were that service from Milwaukee was limited and

business travelers attempting to come into our community had difficulty making arrangements. Also, there was no access to Lansing for state business related travel.

Two-years have pasted since Midwest Connect Airlines made their intention known they would not be bidding on another EAS contract. The two-month lapse in commercial air service and the confusion of which airline would be servicing Delta County Airport has reemphasized the importance of a very strong marketing campaign for Mesaba/Midwest. The Delta County Airport's main focus will be to reacquaint people with ticketing services, i.e. internet, and local, friendly agents, schedules, and the direct and indirect benefits of "Flying Local", such as; free parking, travel time, economical, and adding to the dollar impact of the Airport to the entire County of Delta.

VI. Delta County's Strategic Plan for Meeting those Needs

The overall goal of this proposal's funding is to increase enplanements at the Delta County Airport. The airport plans to establish an aggressive campaign to help maintain and improve existing air service and educate the public on Delta County's available air service and the benefits of flying from Delta County versus driving elsewhere to catch a flight.

Delta County Airport will develop its marketing campaign to promote the patronage of air service at Delta County's newly renovated terminal and airport. Ads will be created for radio, placed in newspapers, run on television and placed on billboards. Other marketing tactics that will be used are hosting events, newsletters, and website updates, passenger surveys and promotions.

The Airport staff, specifically airport assistant manager, has an extensive background in marketing. From this position she has been able to develop and implement a marketing plan that was in past years funded by the state. State budget constraints have eliminated that program. The airport was able to use the assistant manager's skills, bypassing the need for a local marketing firm, and achieved excellent value on direct dollars spent. The assistant manager will now be responsible for the implementation and development of this marketing proposal. She will monitor the plans impact and results and be responsible for reports. Analysis and adjustments to the plan will be made in cooperation with the Delta County Board of Commissioners and the Airport Advisory Board. The salary and benefit package of this administrative marketing position will be the in-kind contribution from the Airport.

VII. An Analysis of the Necessary Funding for Implementation of Delta County's Project

Delta County Airport will launch an extensive two-year marketing campaign for our new EAS carrier, starting this summer. These funds will allow us to primarily focus on two areas: 1) the recapturing of passengers lost to Marquette, MI and Green Bay, WI; and 2) to continue to increase awareness of Delta County Airport's economic impact to our multi county area and aid in introducing our new air carrier to the same.

Below is a synopsis of our plan. Attachment 3 has been added to show the breakdown of each package, showing programming, coverage area of each media and circulation numbers. Our media advertising consists of eight radio stations, two television companies, billboards, newsletters, and one countywide newspaper. The commitment of these companies in the past has proven unlimited; the current proposals are the same high quality. Other packages include web-site design and passenger promotions, along with sponsored events at the Airport for the community to get a real sense of what we offer to the local area.

Based on the economy of Delta County, Tourism is the #2 Industry. The media package is designed to have direct contact with this group at every level of their visit; to reach them whether in the car, in the motel, or participating in one of the many local events that take place throughout the year.

VIII. A Description of How Delta County Will Monitor the Success of the Program

The success of the program will be validated by a steady increase in enplanements and the completion of the program milestones. With a two-year program, we believe that the impact of the campaign will be more reaching and longer lasting. Delta County will continually monitor and make modifications as necessary to insure success.

Milestones:

- (1) Grant notification day, initiate the marketing process contacting vendors and finalizing development of material and campaign schedule.
- (2) Monitor enplanements monthly for increase, indicating program success.
- (3) Monitor destinations to determine if new hubs are being added or considered.
- (4) Evaluate and make adjustments to continue aggressive marketing plan.
- (5) Survey passengers and continue monitoring enplanements monthly for an increase.

By continually evaluating the marketing campaign, weaknesses can be omitted. As Mesaba/Northwest Airlines gets settled in, they will have created a customer base. As

enplanements are monitored, the success of the program will be determined with increased numbers, being the Delta County's first priority.

IX. A Description of Continuing the Project if not Self-sustaining

With an aggressive marketing plan, we can achieve the goal of reaching our enplanement potential. As enplanements increase, we will work closely with our EAS air service to gain better connectivity to our national transportation system, particularly access to state and business endeavors in Lower Michigan. We expect the economic health and community awareness of the airport benefits to improve with increased usage. As the economic benefits are realized, Delta County will be in a more attractive position to encourage business growth. Enplanements will continue to be closely monitored and an advertising budget maintained accordingly.

X. A Description of the Community's Air Service Development Efforts Over the Past Five Years

In the past, the State of Michigan supported the airports by making available a \$25,000.00 Marketing grant with a 10% local match. Delta County Airport always participated in this program. A local marketing firm was a part of this plan for a number of years. Recently, our Assistant Airport Manager was hired specifically for her marketing experience and was soon able to implement the airport marketing plan directly. Achieving greater value per advertising dollar. The Assistant Manager maintained an excellent relationship with the State administrator with follow-up reports and advertising achievements. During this period, enplanements showed steady increases. Due to budget constraints the State is no longer able to offer this program.

Delta County area is a small rural community, and we take pride in what we have been able to do with our facility. Maintaining an excellent airside facility and renovating the terminal building was a huge community commitment. Working with our EAS carrier by keeping their operating costs at a minimum has helped to keep our community very competitive.

XI. Designation of a Legal Sponsor Responsible for Administering the Program

**Delta County Airport
Small Community Air Service Development Program**

June, 2008

The County of Delta, as the sponsor of the grant application, will be responsible for the overall administration of the program. The County of Delta will, if granted federal funds, live up to all elements outlined in the assigned agreement and will provide all required reports to US DOT regarding the progress or achievement of the goals of our Strategic Plan, as well as an accounting of funds used in the pursuit of our objectives.

XII. Summary

The Delta County Community is very proud of their new terminal building and airport facility. Delta County requires funding to market the airport and work to establish increased enplanements with our newly selected Mesaba/Northwest Airlines. With increased enplanements cooperative efforts can be made to work with our EAS carrier for additional service to requested destinations. This grant will be crucial to make this happen. Any partial funding for this proposal in this grant cycle would be greatly appreciated.

Thank you for your consideration.

**SMALL COMMUNITY AIR SERVICE DEVELOPMENT PROGRAM
DOCKET DOT-OST-2008-0100**

SUMMARY INFORMATION

All applicants must submit this information with their proposal, along with a completed form SF424 on <http://www.grants.gov>. (See Appendix C for the SF424 filing process)

A. APPLICANT INFORMATION: (CHECK ALL THAT APPLY)

- Not a Consortium Interstate Consortium Intrastate Consortium
 Community now receives EAS subsidy
 Community (or Consortium member) previously received a Small Community Grant
If previous recipient, expiration date of grant: _____

B. PUBLIC/PRIVATE PARTNERSHIPS: (LIST ORGANIZATION NAMES)

<u>Public</u>	<u>Private</u>
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.

C. PROJECT PROPOSAL: (CHECK ALL THAT APPLY)

- Marketing Upgrade Aircraft New Route
 Personnel Increase Frequency Low Fare Service
 Travel Bank Service Restoration Subsidy

- | | | |
|---|--|--|
| <input type="checkbox"/> Surface Transportation | <input type="checkbox"/> Regional Service | <input type="checkbox"/> Other (specify) |
| <input type="checkbox"/> Revenue Guarantee | <input type="checkbox"/> Launch New Carrier | _____ |
| <input type="checkbox"/> Start Up Cost Offset | <input type="checkbox"/> First Service | _____ |
| <input type="checkbox"/> Study | <input type="checkbox"/> Secure Additional Carrier | _____ |

D. EXISTING LANDING AIDS AT LOCAL AIRPORT:

- | | | |
|---|---|---|
| <input checked="" type="checkbox"/> Full ILS | <input checked="" type="checkbox"/> Outer/Middle Marker | <input checked="" type="checkbox"/> Published Instrument Approach |
| <input checked="" type="checkbox"/> Localizer | <input type="checkbox"/> Other (specify) | |

E. PROJECT COST:

Federal amount requested: \$181,000.00 (Two Year Proposal)

Total local cash financial contribution: _____

Airport funds: _____

Non-Airport funds: _____

State cash financial contribution: _____

Existing funds: _____

New funds: _____

Airport In-kind contribution: 13,500 - personnel wages & benefits
(amount & description)

Other In-Kind contribution: 103,400 - advertisers free contribution
(amount & description)

Total cost of project: \$297,900 - Two-Year Total Proposal

F. ENPLANEMENTS:

2000	<u>19,342</u>	2004	<u>10,412</u>
2001	<u>13,580</u>	2005	<u>11,361</u>
2002	<u>8,070</u>	2006	<u>10,019</u>
2003	<u>8,359</u>	2007	<u>8,504</u>

G. IS THIS APPLICATION SUBJECT TO REVIEW BY STATE UNDER EXECUTIVE ORDER 12372 PROCESS?

- a. This application was made available to the State under the Executive Order 12372 Process for review on (date) _____.
- b. Program is subject to E.O. 12372, but has not been selected by the State for review.
- c. Program is not covered by E.O. 12372.

H. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT? (IF "YES", PROVIDE EXPLANATION)

- No
- Yes (explain) _____

ATTACHMENT A

Small Community Air Service
Development Program
Grant Proposal
Docket OST – 2008-0010

LETTERS OF SUPPORT

- 1) Delta County Commerce Center
 - a) Delta County Chamber of Commerce
 - b) Delta County Economic Development Alliance
 - c) Bays de Noc Convention & Visitors Bureau
- 2) Engineered Machine Products
 - a) Industrial Manufacturing Company
- 3) New Page Corporation
- 4) State of Michigan – Bureau of Aeronautics and Freight Services
- 5) Congressman Bart Stupak
 - a) U.S. House of Representatives
- 6) Senator Carl Levin
 - a) U.S. Senate



DELTA COUNTY Commerce Center

230 Ludington Street
Escanaba, Michigan 49829
(906) 786-2192 | Fax (906) 786-8830
www.deltami.org

May 27, 2008

Michael W. Reynolds
Deputy Assistant Secretary for Aviation and International Affairs
U.S. Department of Transportation
400 Seventh Street S.W.
Washington DC 20590

Dear Secretary Reynolds:

The Commerce Center of Delta County Michigan representing the Travel Industry, Economic Development and Local Business, respectfully request the support for grant funding for the Delta County Airport.

The Small Community Air Service Development Program (Docket OST-2008-0100) dollars that are being requested would assist our small rural community airport to create awareness and visibility to a broader area. This is vitally important at this time as a new commercial carrier is scheduled to begin service on June 5, 2008.

The Delta County Airport is a valuable asset that serves a multi county area. Our community is extremely supportive of this facility and has made a concerted effort to maintain and expand for future development.

What the facility lacks is the marketing leverage to strengthen its visibility. We support the efforts of the County Board of Commissioners and Airport Board in their efforts to secure this grant funding to expand their market area.

We respectfully request your consideration and approval.

Sincerely,



Vickie Micheau
Delta Chamber



Ann Jousma Miller
Economic Development



Steve Masters
Bays de Noc CVB

Together, We're Better!

Chamber of Commerce | Builders Exchange | Economic Development Alliance | Convention and Visitors Bureau



ENGINEERED MACHINED PRODUCTS INC

May 30, 2008

Connie Ness, Airport Manager
Delta County Airport
3300 Airport Road
Escanaba, MI 49829

Dear Connie:

I understand that Delta County is seeking grant monies to advertise that the airport is reopening and will be providing commercial flights to two key Northwest hubs. I believe it is necessary, given the two-month lapse in service that Escanaba has experienced, to persuade passengers from driving to Marquette or Green Bay for commercial flights.

The two-month lapse in service represented a serious inconvenience for my employees, customers, and suppliers. We will assist you in your efforts by notifying everyone connected to EMP that air service to Escanaba has resumed, but I believe the message needs to be delivered to a far more broader audience. I fully support your efforts to obtain this grant, as I believe it is essential to our success in Escanaba.

If I can be of further assistance, please do not hesitate to contact me.

Best regards,

Brian K. Larche
President/CEO

BKL/cw

www.emp-corp.com

Corporate Headquarters
P.O. Box 1246 / 3111 N. 28th St.
Escanaba, MI 49829
906.786.8404 Fax 906.786.6635

Research & Development Center
2701 North 30th Street
Escanaba, MI 49829
906.789.7497 Fax 906.789.7825

Indiana Operations
5750 Kopetsky Drive, Suite A
Indianapolis, IN 46217
317.786.3476 Fax 317.786.4981



June 5, 2008

Ms. Connie Ness, Manager
Delta County Airport
3300 Airport Road
Escanaba, MI 49829

RE: Small Communities Air Service Development Grant

Dear Ms. Ness:

The purpose of this correspondence is to confirm NewPage's support of the County's effort to better market airport offerings with the arrival of new air carrier. It will be mighty important to reestablish the service across the community in order to maximize the chances of this carrier's success.

Our employees are frequent air flyers, for both business and pleasure use. More and more of them have been choosing more distant airports since we lost our previous air service. Good luck with this effort, and please let me know if there is any more we can do to assist.

Sincerely,

Kelvin P. Smyth, Manager
Government & Community Affairs

NewPage Corporation
7100 County 426 M.5 Road, Escanaba, MI 49829 t: 906 786 1660 f: 906 789 3221



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

KIRK T. STEUDLE
DIRECTOR

June 3, 2008

Ms. Brooke Chapman, Transportation Industry Analyst
U.S. Department of Transportation
Office of Aviation Analysis
400 7th Street, S.W., Room-6401
Washington, D.C. 20590

Dear Ms. Chapman:

As Director of the agency responsible for promoting the development of air service in the state of Michigan, I would like to express my support for the proposal of Delta County, Michigan under the U.S. Department of Transportation's Small Community Air Service Development Program (SCASD).

As you may know, the air service at Delta County Airport will soon be undergoing a substantial change. Mesaba Airlines (dba Northwest Airlink) will become the sole airline serving the greater Escanaba area when they replace Skyway Airlines. In addition, the airport will now receive service to hubs in Minneapolis and Detroit, compared to the previous hub service to Milwaukee.

Given these substantial changes, it is important to maintain communication with travelers served by the Delta County Airport to keep them aware of the schedules, routes, and requirements of the new air service. With assistance provided by a SCASD grant, the airport will be able to conduct an aggressive marketing and communication program to help keep travelers informed and insure a smooth transition of service.

Thank you for your consideration of this proposal and please contact me if you have any questions. I can be reached at 517-335-9568.

Sincerely,

Rob Abent, Director
Bureau of Aeronautics and Freight Services

1ST DISTRICT, MICHIGAN
2352 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-2201
PHONE: (202) 225-4735
FAX: (202) 225-4744
<http://www.house.gov/stupak>
(Email through Website)

SCOTT SCHLOEGEL—CHIEF OF STAFF
TOM BALDINI—DISTRICT DIRECTOR



Congress of the United States
House of Representatives
Washington, DC 20515-2201

ENERGY AND COMMERCE
SUBCOMMITTEES:
OVERSIGHT AND INVESTIGATIONS
RANKING MEMBER
TELECOMMUNICATIONS AND THE INTERNET
ENVIRONMENT AND HAZARDOUS MATERIALS
CAUCUS LEADERSHIPS:
LAW ENFORCEMENT CAUCUS, Co-CHAIR
NORTHERN BORDER CAUCUS, Co-CHAIR
RURAL CAUCUS
ASSISTANT WHIP

May 27, 2008

Honorable Mary E. Peters, Secretary
U.S. Department of Transportation, S-1
400 Seventh St., SW.
Washington, D.C. 20590

Subject: Delta County Airport for
Small Community Air Service
Development Program
Docket #DOT-OST-2008-0100

Dear Secretary Peters:

The Delta County Airport, located in the Central Upper Peninsula has applied to the Small Community Air Service Development Program for a \$200,000 Grant

The local airport has experienced a difficult couple of months because of the abrupt cancellation of service by an Essential Air Carrier prior to the new airline being in place to provide service. The new carrier is scheduled to begin service in early June with improved routes. The Delta County Airport Administration is hoping to use the grant dollars to promote the new carrier and the new improved service to two major hubs.

Air service is critical to the economic growth of an area and the lack of service has had a negative effect. A positive promotional campaign will help bring back some disgruntled passengers and focus on the positive aspects of local airport and economy.

I support this grant request and I believe this airport is an ideal candidate for this program. It will provide them with the finances to promote the new service and rebuild the passenger utilization of this airport.

If you have any questions, please feel free to contact me or my District Director, Tom Baldini.

Sincerely,

BART STUPAK
Member of Congress

PLEASE REPLY TO
RTS/tlb

616 SHELDON
HOUGHTON, MI 49931
(906) 482-1371

2 SOUTH 6TH STREET
SUITE 3
CRYSTAL FALLS, MI 49920
(906) 875-3751

1229 WEST WASHINGTON
MARQUETTE, MI 49855
(906) 228-3700

902 LUDINGTON STREET
ESCANABA, MI 49829
(906) 786-4504

200 DIVISION STREET
PETOSKEY, MI 49770
(231) 348-0657

111 EAST CHISHOLM
ALPENA, MI 49707
(989) 356-0690

512 EAST HOUGHTON AVENUE
WEST BRANCH, MI 48861
(989) 345-2258

DISTRICT TOLL FREE: 800-950-REPI (7371)

PRINTED ON RECYCLED PAPER

United States Senate

WASHINGTON, DC 20510-2202

May 28, 2008

Mr. Michael W. Reynolds, Deputy Assistant Secretary
for Aviation and International Affairs
U.S. Department of Transportation
400 Seventh Street, SW
Washington, DC 20590

Dear Mr. Reynolds:

I am writing in support of the Delta County Airport application, Docket OST-2008-0100, for a \$200,000 Small Community Air Service Development grant from the U.S. Department of Transportation.

The Delta County Airport, located in Michigan's rural Upper Peninsula, is an Essential Air Service (EAS) community airport, which has undergone a change in air service carrier; Mesaba Airlines is beginning to service the airport in June. Prior to Mesaba starting service to Delta County, the airport has been without airline service for two months, after Skway Airlines discontinued its service contract on very short notice. The requested funds are crucial to successfully market the new carrier, Mesaba, in an effort to inform the community and surrounding areas of the change, and to encourage residents to fly from their local airport.

Prior to 9/11 the Delta County Airport reached nearly 20,000 passenger boardings annually. Since then, enplanements have declined to the 10,000 passenger mark and seem to have leveled off at this number. The change in service providers has caused concern that enplanements may drop even further. The need to reach air service customers is of utmost importance and an aggressive marketing campaign is expected to remedy this situation. As previous sources of marketing funds have been subject to State of Michigan cutbacks and are no longer available to the airport, this effort may not be attainable without this grant.

I urge you to give full and fair consideration of Delta County Airport's request when awarding program grants. I would appreciate notification of the outcome of your determination, via my Escanaba office listed below.

Sincerely,



Carl Levin

CL/er

cc: Ms. Connie Ness, Manager, Delta County Airport ✓

STATE OFFICES

DETROIT
477 MICHIGAN AVENUE
SUITE 1860
DETROIT, MI 48226
(313) 226-6020

ESCANABA
524 LUDINGTON STREET
SUITE LL103
ESCANABA, MI 49829
(906) 789-0052

GRAND RAPIDS
FEDERAL BUILDING
SUITE 720
110 MICHIGAN AVENUE, N.W.
GRAND RAPIDS, MI 49503
(616) 456-2531

LANSING
124 WEST ALLEGAN
SUITE 1810
LANSING, MI 48933
(517) 377-1508

SAGINAW
515 NORTH WASHINGTON
SUITE 402
SAGINAW, MI 48607
(989) 754-2494

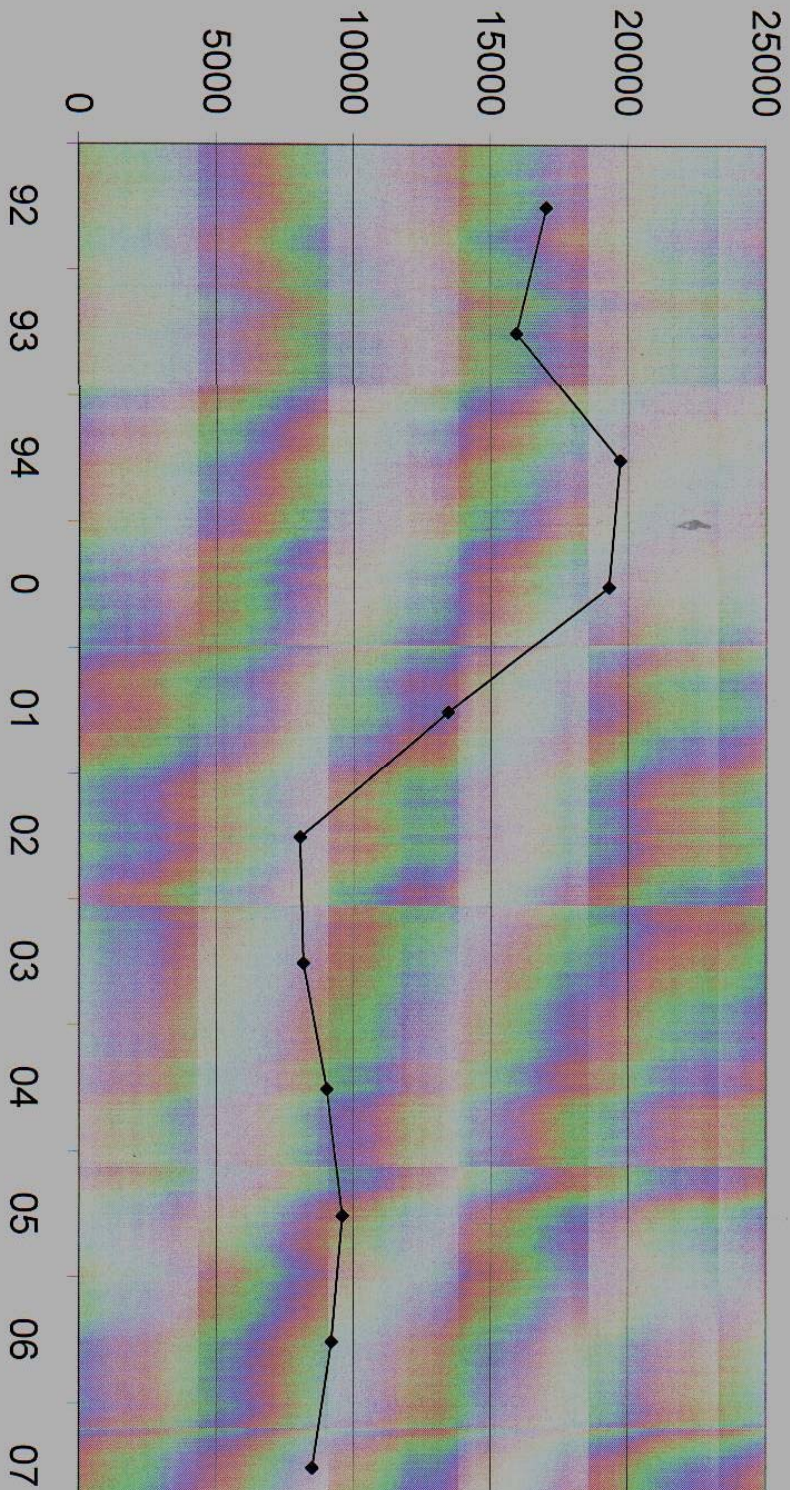
TRAVERSE CITY
107 CASS STREET
SUITE E
TRAVERSE CITY, MI 49684
(231) 947-9569

WARREN
3050 VAN DYKE
SUITE 206
WARREN, MI 48093
(586) 573-9145

ATTACHMENT B

DELTA COUNTY ENPLANEMENT FIGURES

Delta County Enplanements



Note: Yearly enplanement numbers reflect airline reports and may not match exact enplanements

ATTACHMENT C

Two Year Marketing Proposal Breakdown

RADIO STATIONS

Radio Results Network

- a) WGLQ FM 97.1
- b) WCHT AM 600
- c) WCMM FM 102.5
- d) WTIQ AM 1490
- e) WGKL FM 105.5

KMB Broadcasting, Inc

- a) WDBC AM 680
- b) WYKX FM 104.7

WMXG FM 106.3

TELEVISION STUDIOS

WLUC TV 6 – Upper Peninsula
Charter Media – Sports

NEWSPAPER

The Daily Press

OTHER PRINT MEDIA

Billboard
Newsletters
Brochures

OTHER

Airport Passenger Surveys
Airport Web-Site Promotion
Airport Sponsored Events

HOW ADVERTISING CAMPAIGNS ARE SUCCESSFUL

National Research has shown that targeting customers through demographics is a great place to start...but a poor place to stop. Whether you are an advertiser in a major metropolitan city or in the Upper Peninsula of Michigan, where we are, there is a lot more to the marketing landscape that just age and sex data.

Here are key findings where advertising takes place on radio, in print or on television:

1) Successful Advertisers run a high number of commercials per week. Radio listeners will listen to many radio stations weekly, but will spend 75% of their time with their favorite radio station. Newspaper print needs minimum of 3 ads per week, creating repetition for the reader and also familiarity with the same type of ad or using the same logo. Billboards are proven to only have a 7 second window of viewing, so the design is critical with vibrant colors, large print and short messages. Using optimum effective scheduling, advertisers will get more value for the dollar, increasing the number of readers and listeners, which will ultimately increase the number of enplanements, the Delta County Airport's top priority. Enplanement number increases reflect SUCCESS of our aggressive marketing campaign.

Below is the entire marketing campaign we believe will allow for complete success:

RADIO STATIONS BREAKDOWN

A) Radio Results Network (RRN):

Consists of 5 radio stations, AM and FM, Talk, Sports (National and local), News, Rock, National programming, Oldies (50's and 60's), Today's Hits, Top 40, Country, Paul Harvey, and more.

Marketing proposal:

- 1) Professional Football sponsorship (Green Bay Packers)
- 2) Local Sports Sponsorship (throughout the Upper Peninsula)
(Yearly – High School Football, Baseball and Basketball, High School Softball and Girls Basketball, Youth Football, Baseball, Basketball, Hockey, etc)
- 3) Bill Moore Sponsorship-Saturday – Unspoken Sportsman Program
Nationally Syndicated

Commercials on all of the above programs in packages, as well as weekly commercials announcing we are sponsors of the above programming.

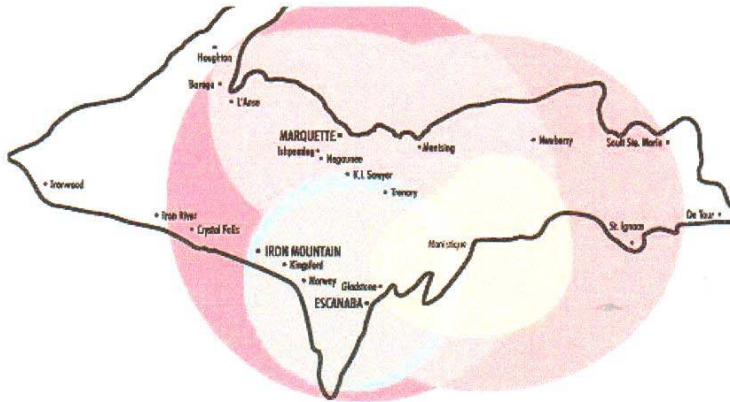
Free Ad-ons:


Rush Limbaugh, Bill O'Reilly and Dave Ramsey Radio shows
 Commercials on these Nationally Syndicated Programs – as daily sponsors, Monday – Friday.


Total Dollar Cost	\$ 10,000.00 per year
Free - Extras Dollar Value :	\$ 10,000.00 per year


R | R | N
 RADIO RESULTS NETWORK


Upper Michigan's Advertising Powerhouse




- 

Upper Michigan's first and only full-time news-talk radio station! Featuring America's favorite talk host like Rush Limbaugh, Bill O'Reilly, and CBS News. Local host Bill Moore "The Outspoken Sportsman"! Get the sports information you want with Sporting News Radio, and Red Wings Hockey. Plus local high school football, basketball and hockey with Jack Hall and Ron Plumb.
- 

The first choice of adults and young adults featuring a magic wave of today's hit music. Weekends come alive with Open House Party weekend nights! Upper Michigan's 100,000 watt powerhouse also carries local personalities like T.J. Ryan, Mike Daniels, Dan Stevens, Jay Fisher and Mindy Wills, regional news and all-important weather updates. Plus the Green Bay Packers make us the #1 choice for Packer Football!
- 

The 100,000 watt Country Music Moose is big and powerful!! Live morning show with "Joe Cretens Mornings", local personalities including , Ron Plumb, Mindy Wills, TJ Ryan, and Jay Fisher/ Plus today's hottest country artists, regional news and frequent Weather Channel updates and we carry NASCAR on the Motor Racing Network and Performance Racing Network.
- 

South-Central Upper Michigan's only FM oldies station! A fun, lively, informative 10,000 watt station that's perfect for the "Baby-Boomer" generation. Featuring a live, local morning show and local personalities throughout the day.
- 

Manistique's own Cruisin' 1490 WTIQ AM is Schoolcraft County's Oldies Station. L. David Vaughan and broadcasts a live, local morning show with local issues and information to start your day. Plus local personalities all day and all night long. Keep up with local sports through live play-by-play coverage of the Manistique Emeralds.

B) KMB Broadcasting, Inc

Consists of two radio stations, WDBC – Talk Radio, Sports and Music and WYKX Country.

Marketing Proposal:

- 1) Trails & Tales Sports Saturday weekly Program
Applying for National Syndication
- 2) Sports Booster Sponsorship (throughout the Upper Peninsula)
(Yearly – High School Football, Baseball and Basketball, High School Softball and Girls Basketball, Youth Football, Baseball, Basketball, Hockey, etc)
- 3) Weekly regular schedule commercials

Free Ad-ons:

- 1) Banner ad on both radio stations websites for two years
- 2) Live segments on talk radio and
- 3) Weekly scheduled commercials

<u>Total Dollar Cost</u>	<u>\$10,000.00 per year</u>
<u>Free – Extra Dollar Value</u>	<u>\$ 9,000.00 per year</u>



C) WMXG 106.3

One radio station doing Talk, Sports, News, Best Mix of Classic Hits, Today's Hits, Morning Show and more

Marketing Proposal:

- 1) Regular Schedule Programming – all day, all week long

Free Ad-ons:

- 1) Sports Sponsorship Reports: Open and Clos of each report
- 2) The Morning Show Sponsorship for two years
- 3) Banner Ad on Weather Page on Web Site for two years

<u>Total Dollar Cost</u>	<u>\$ 5,000.00 per year</u>
<u>Free – Extra Dollar Value</u>	<u>\$ 7,000.00 per year</u>

TELEVISION STATIONS BREAKDOWN

A) WLUC TV 6 (Upper Peninsula Local coverage map below)

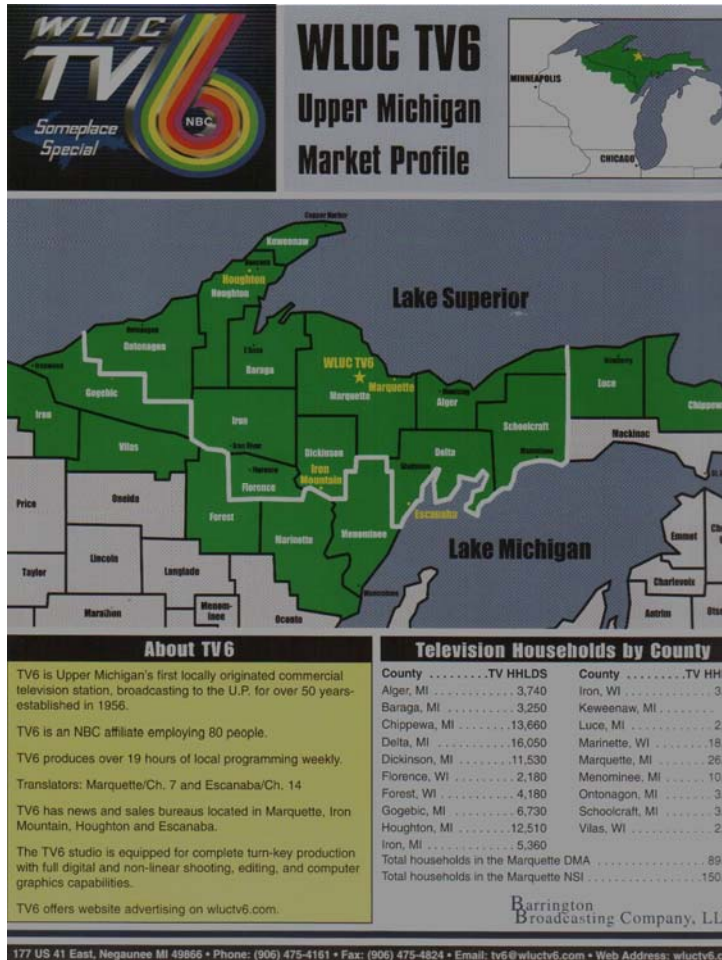
Marketing Proposal

- 1) Professional Football Package – Sunday Night Football
- 2) Regular Day-time Prime-Time
4-top rated national morning programs.
- 3) New production of a 30-second commercial

Free Ad-ons:

- 1) Mini Commercials on Weekly Morning Prime time - Morning News and Today Show

<u>Total Dollar Cost</u>	<u>\$15,000.00 per year</u>
<u>Free – Extra Dollar Value</u>	<u>\$ 4,500.00 per year</u>



B) CharterMEDIA (Cable coverage map below)

Marketing Proposal

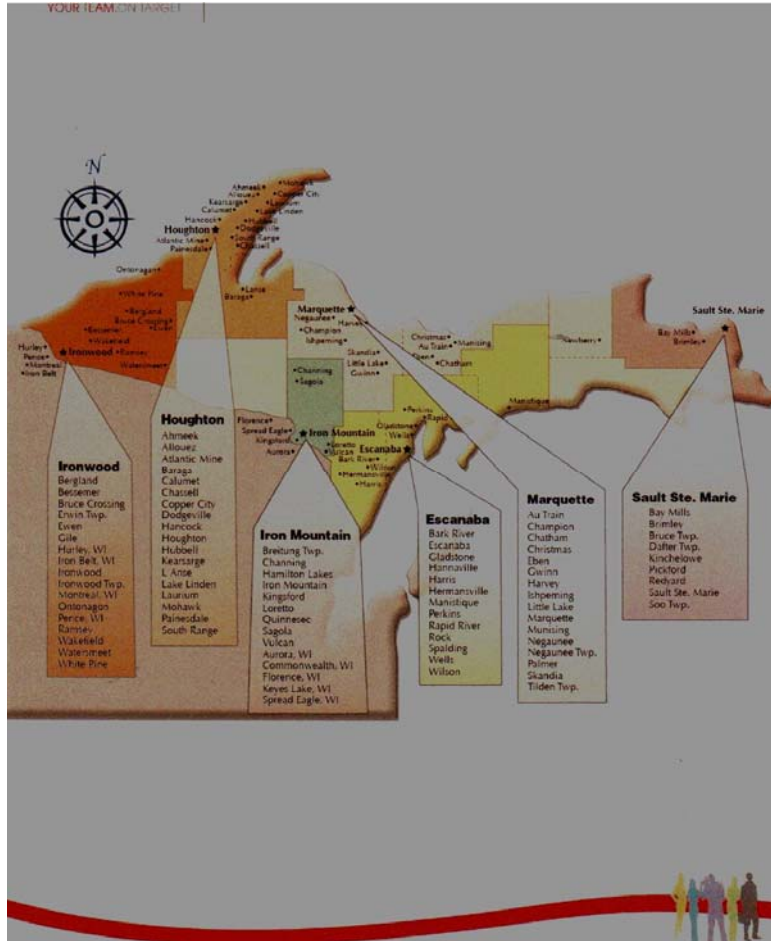
- 1) Complete Sports Package on television covering NASCAR, Monday Night Football, Detroit Tigers Baseball, Detroit Red Wings Hockey and Detroit Pistons Basketball.
- 2) Run of Schedule - Commercial – (2,833 spots) Variety of twenty-four networks
- 3) New production of a 30-second commercial

Free Ad-ons:

- 1) TWC – The Weather Channel - monthly
- 2) Extra commercial spots at no charge on choice of cable networks.

Total Dollar Cost
Free – Extra Dollar Value

\$ 15,000.00 per year
\$ 1,500.00 per year



NEWSPAPER PRINT

A) The Daily Press

Upper Peninsula's Largest Circulation Paper

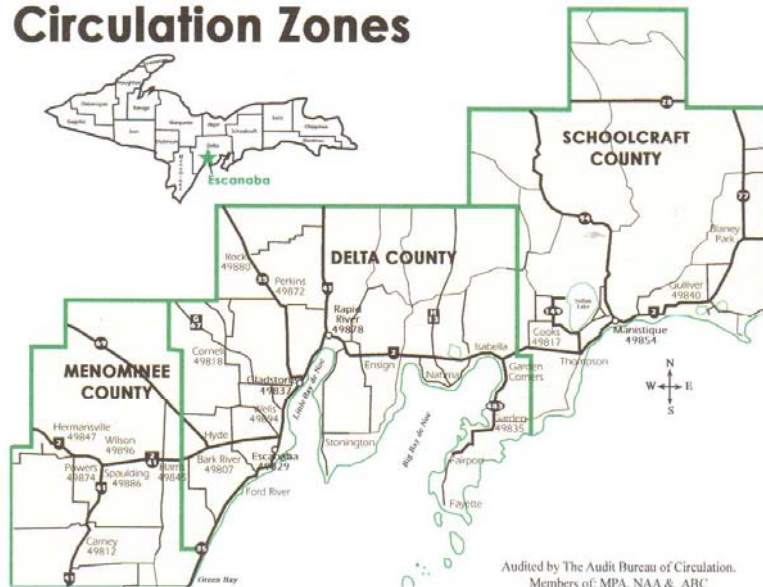
Marketing Proposal

- 1) 144 2 x 2 Ads - 3 per week – in Daily Press
- 2) 48 2 x 2 Ads - 1 per week – Daily Press Plus
- 3) Side Button Ad on Home Page of the Daily Press Website
daily.press.net
- 4) 12 3 x 8 Ads – 1 per month

Total Dollar Cost	\$ 7,500.00 per year
Free – Extra Dollar Value	\$ 5,700.00 per year



Circulation Zones



Audited by The Audit Bureau of Circulation.
Members of: MPA, NAA & ABC

Population (2005 Estimate)

Delta County.....38,347
Female.....19,365 Male.....18,982

Schoolcraft County (8,744)
Manistique.....3,460
Menominee County (24,892)

Largest Municipalities

Delta County (22,889)
Escanaba.....12,679 Gladstone.....5,255
Wells Township....4,955

Median Household Income...\$37,221
Retail Sales.....\$405,204,000

Daily Press - 600 Ludington Street • PO Box 828 • Escanaba, MI 49829
Phone: 906-786-2021 • 1-800-743-0609 • Fax: 906-786-3752
[http:// www.dailypress.net](http://www.dailypress.net)

OTHER PRINT MEDIA

A) Woerpel Images

Media, Design, Advertising, Video Taping, Local Firm

Marketing Proposal

1) Billboards:

1 – 12-month Rotating Billboard (12 different placements on US 2 & US 41 & M-35 covering all major East-West and North-South corridors in Delta County leading into the local Escanaba area.

Total Dollar Cost \$ 6,000.00 per year

2) 6-page Newsletter

17,000 copies inserted into the local newspaper for distribution (6 page full-color newsletter educating our multi-county travelers, business, and leisure of the benefits of “Flying from Nearby”)

Total Dollar Cost \$ 5,000.00 per year

3) 9 X 12 Tri Fold Brochure

15,000 4-color brochures (one-time)
(Distribution to the State of Michigan Welcome Centers, Welcome Bags for the Tourism Industry in Delta County, and given to organizations of events throughout the year, in Delta County. Also placed in motel lobbies, and Delta County Parks and Campgrounds)

Total Dollar Cost \$2,500.00 (one-time)

B) Airport Web-Site Design, Updates and Passenger Promotion

Marketing Proposal

1) Website Changes and Administration costs for updating Website for new EAS carrier at Delta County Airport; updating changes throughout year as necessary

2) Passenger Recruitment by Email through website and airline station counter sign-up:

Web site will have a new section designed for promotion of current airline promotions and extras, providing an email alert to participating passengers (sign up through the web-site or by registering at the airline carrier ticket station in Airport Terminal)

3) Passenger Ticket Travel Package Promotion

3 x's per year, will have drawings for ticket giveaway and hotel package to anywhere our new EAS airline flies (if available). Sign-up will run for 3 months and be required by ticketed passengers only, at the time of departure.

4) Promotional Giveaways

Purchase of giveaway items – (such as luggage, shirts hats, and other items for giveaways to events in and around the Delta County Airport, aiding in the awareness of “Fly from Nearby”.

5) Passenger Surveys

Creating surveys that request information from passengers regarding pricing, customer service, contentment with destinations available, etc. These surveys will be used to implement changes to allow for the best possible air service for our customer base.

Total Dollar Value	\$ 0.00 per year
Free – Extra Dollar Value	\$ 14,000.00 per year

AIRPORT SPONSORED EVENTS

A) Delta County Airport
Marketing Proposal

1) AVIATION DAYS/FLY-IN Barbeque:

Summer event held at the Delta County Airport in conjunction with tourism events throughout the community – promoting our new Commercial Air Carrier, education to the economic impact of Delta County Airport to the local area along with fun and family activities.

<u>Total Dollar Cost</u>	<u>\$ 7,500.00 per year</u>
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SUMMARY of MARKETING PROPOSAL

The Delta County believes that this extensive marketing package will not only increase the awareness of the Delta County Airport to our multi-county area, this proposal will recapture the leakage of passengers lost due to 9/11, loss of our second air carrier in 2004, and travelers driving to other small hubs for other reasons.

The marketing proposal is for two-years. Each of the breakdowns is a year process. We will run the breakdowns as is for the second year of marketing. The layout of this package is to keep continuity in the public's eye and continually remind them of the value and economic impact of "FLYING LOCAL" – or "FLY FROM NEARBY".

<u>Total Two Year Dollar Cost</u>	-	<u>\$181,000.00</u>
<u>Free – Two Year Extra Dollar Value Given to Airport from Community Businesses</u>		<u>\$103,400.00</u>

ATTACHMENT D

DELTA COUNTY AIRPORT

CONTACT INFORMATION

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Chairman, Board of Commissioners
County of Delta County
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Grant Project Director

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Primary Contact/Administrator

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