

Order 96-12-29

Served: December 23, 1996



**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.**

Issued by the Department of Transportation
on the 23rd day of December, 1996

In the matter of

**SEATTLE, WASHINGTON-
VANCOUVER, BRITISH COLUMBIA,
CANADA SERVICE**

Undocketed

FINAL ORDER

SUMMARY

By this order, we make final our decision to select Horizon Air Industries, Inc. d/b/a Horizon Air, and Mountain West Airlines d/b/a United Express to serve the Seattle, Washington-Vancouver, British Columbia, Canada, market.

BACKGROUND

By Order 96-12-1, issued and served December 3, 1996, we indicated that we were in a position to select two carriers for service in the Seattle-Vancouver market, one for operations with no aircraft size limitations under U.S. Route F.7 of the United States-Canada Air Transport Agreement and one for operations with small aircraft under the 1984 U.S.-Canada Agreement on Regional, Local and Commuter Services (Regional Notes). We further stated that we tentatively decided to select Horizon to serve the market on U.S. Route F.7, and Mountain West to serve the market under the Regional Notes. No party filed objections to our tentative decision.¹

DECISION

We have decided to make final our selection of Horizon to serve the market on U.S. Route F.7, and Mountain West to serve the market under the Regional Notes.

¹ See Order 96-12-1 for a complete description of the background concerning this case.

In our show-cause order, we tentatively concluded that the public interest would best be served with the selection of Horizon and Mountain West because these two carriers would increase the service options to travelers in the Seattle-Vancouver market more than any other combination of the applicants. We also tentatively concluded that given the current competitive environment where U.S. carrier rights are limited and Canadian carrier rights are not, the public interest is best served if we use these valuable service opportunities to authorize service by Horizon and Mountain West since these carriers would operate their proposed services with their own aircraft. We also noted that after February 24, 1997, all carriers will be able to serve as market demand warrants. We confirm those findings here and make final our selections of Horizon and Mountain West to serve the Seattle-Vancouver market.

ACCORDINGLY,

1. We select Horizon Air Industries, Inc. d/b/a Horizon Air, to provide scheduled foreign air transportation of persons, property, and mail between Seattle, Washington, and Vancouver, British Columbia, Canada, on U.S. Route F.7;²
2. We select Mountain West Airlines d/b/a United Express to provide scheduled foreign air transportation of persons, property, and mail between Seattle, Washington, and Vancouver, British Columbia, Canada, under the 1984 U.S.-Canada Agreement on Regional, Local and Commuter Services;³
3. We deny without prejudice the application of Wings West Airlines, Inc. d/b/a American Eagle to provide scheduled air transportation of persons, property, and mail between Seattle, Washington and Vancouver, British Columbia, Canada, pursuant to a code-share arrangement with Time Air, Inc. d/b/a Canadian Regional; and
4. We will serve this order on Horizon Air Industries, Inc. d/b/a Horizon Air; Mountain West Airlines d/b/a United Express; Wings West Airlines, Inc. d/b/a American Eagle; the Ambassador of Canada in Washington, D.C.; the Department of State (Office of Aviation Negotiations); and the Federal Aviation Administration.

By:

² Horizon holds underlying authority to serve the Seattle-Vancouver market (U.S. Route F.7). See Notice of Action Taken dated February 3, 1994, and confirmed by Order 94-3-35, granting Horizon an exemption to serve the Seattle-Vancouver market. That authority was renewed for one year by Notice of Action Taken dated December 13, 1996.

³ Mountain West is an operating division and trade name of Mesa Airlines, Inc. Mesa is authorized to provide domestic scheduled air transportation of persons, property, and mail. See Order 90-10-19. Under section 206.5 of our regulations (14 CFR Part 206) Mesa is authorized to operate commuter operations (*i.e.*, operations with aircraft with 60 or fewer seats) without additional economic authority from the Department and, therefore, holds the underlying authority to provide the authorized U.S.-Canada service under the Regional notes.

PATRICK V. MURPHY
Deputy Assistant Secretary for
Aviation and International Affairs
(SEAL)