



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

Served: March 7, 1997

Issued by the Department of Transportation
 on the 3rd day of March, 1997

Essential Air Service at

BLOOMINGTON, INDIANA

under 49 U.S.C. 41731 *et seq.*

Docket OST-97-2059

**ORDER ALLOWING SUSPENSION OF SERVICE AND
 REQUESTING PROPOSALS FOR REPLACEMENT SERVICE**

Summary

By this order, the Department is allowing Great Lakes Aviation, Ltd., d/b/a United Express, to suspend essential air service (EAS) at the end of its 90-day notice period, April 10, 1997, at Bloomington, Indiana, and requesting proposals from carriers interested in providing replacement service at Bloomington, without subsidy.

Background

On August 23, 1994, Congress enacted the Federal Aviation Administration Authorization Act of 1994 (P.L. 103-305), which, among other things, gave the Department exemption authority from the "High Density Rule" to make take-off and landing slots at high-density airports available to air carriers for the provision of basic essential air service at eligible communities.¹ The primary focus of the legislation was to reinstate air service to Chicago O'Hare Airport for several essential air service communities that had recently lost it. Under that legislation, Great Lakes applied for slot authority at O'Hare to provide essential air service at six communities--Danville, Galesburg, and Mattoon, Illinois, and Bloomington, Muncie, and Terre Haute, Indiana. The Department, by Order 94-10-47, granted Great Lakes 24 O'Hare slot exemptions for the provision of essential air service at the six communities--four slot exemptions a day per community, or sufficient for two round trips a day. As we stated in that order, the slot exemptions were EAS-tagged for the provision of service at the six points, and if Great Lakes were to terminate that service the slots would be withdrawn from Great Lakes and made available for potential replacement carriers.

On January 10, 1997, Great Lakes Aviation filed a 90-day notice of its intention to suspend its subsidy-free service at Bloomington, Indiana, effective April 10, 1997.

¹ Subparts K and S of part 93 of title 14, Code of Federal Regulations, designate New York's John F. Kennedy and LaGuardia, Chicago's O'Hare and Washington's National Airports as high density traffic airports and prescribe air traffic rules for operating aircraft, other than helicopters, to and from those airports. These regulations limit the hourly number of allocated Instrument Flight Rule (IFR) take-offs and landings that may be reserved for specified classes of users.

Great Lakes noted its continuing financial losses as its primary reason for filing notice to suspend service. Great Lakes is the only carrier providing scheduled air service at Bloomington. (See Appendix A for a map.)

Decision

On December 1, 1993, Bloomington became ineligible to receive subsidized essential air service pursuant to the Department's fiscal year 1994 EAS appropriation that eliminated subsidy eligibility for points requiring more than \$200 subsidy per passenger, or located less than 70 highway miles from the nearest FAA-designated medium- or large-hub airport.² Bloomington lost its subsidy eligibility because it is within 70 miles of Indianapolis, a medium hub. The Department's subsequent appropriations, including fiscal year 1997, continue the prohibition against paying subsidy for communities within 70 miles of a medium- or large-hub airport. Since we may not subsidize Great Lakes to serve that community, we may not require it to continue to serve beyond its notice period. Thus, we will allow Great Lakes to suspend Bloomington's service at the end of its 90-day notice period, April 10, 1997. Notwithstanding that Bloomington is ineligible for subsidized service, we would make available the four O'Hare take-off and landing slot exemptions currently used by Great Lakes for a potential replacement carrier, and we encourage potentially interested carriers to submit such proposals.³

Service History and Traffic Data

Prior to December 1993, Bloomington received subsidized, one-stop service to Chicago's Midway Airport via Danville, Illinois, by Direct Air. However, as we noted above, because of its proximity to the Indianapolis Airport, it lost all subsidized service in December 1993. In March 1995, after it was granted four slot exemptions at O'Hare for Bloomington, Great Lakes began providing subsidy-free service between Bloomington and Chicago O'Hare Airport. Currently, Great Lakes provides Bloomington with two round trips, six days a week, to O'Hare. All service is provided with 19-seat Beech 1900 aircraft.

For the year ended December 1996, the most recent 12-month period for which data are available, Bloomington generated 5,823 passengers, an average of 9 enplanements per day. See Appendix C for quarterly traffic data.

Carrier Procedures for Filing Replacement Proposals

Our normal carrier replacement cases involve carriers requesting subsidy and the information we request is geared to documentation supporting the subsidy requests. In this case, subsidized service is not at issue and any carrier is free to inaugurate service at Bloomington at any time. If, however, applicant carriers need O'Hare slot exemptions in

² See Order 93-11-44, November 30, 1993.

³ See Appendix B for a list of slot times. We will withdraw the four slot exemptions from Great Lakes when it terminates service at Bloomington whether there is an immediate replacement carrier or not.

order to inaugurate Bloomington-O'Hare service, they should submit proposals with sufficient information to enable the Department to make a comparative selection award in the event there are competing proposals. Proposals should include the following information:

1. a proposed operating schedule including all points to be served on the itinerary, aircraft type, frequency, and proposed arrival/departure times;
2. traffic, revenue, and expense forecasts for the first 12 months of service;
3. a proposed start-up date;
4. for the carrier applicant's system, its most recent 12-month financial statement; and
5. a service list of civic officials receiving the application.⁴

Applications in response to this order should be filed no later than 20 days after the issue date of this order and served on the community and the City of Chicago-Department of Aviation.⁵

Community and State Comments

If we receive carrier proposals, the community and state are welcome to submit comments on them at any time. Early in the proceeding, comments on the proposals' strengths and weaknesses would be particularly helpful, and the civic parties may also express a preference for a particular carrier, if they choose.

This order is issued under authority delegated in 49 CFR 1.56(i).

ACCORDINGLY,

1. We take no action to prohibit Great Lakes Aviation, Ltd., d/b/a United Express, from suspending scheduled air service at Bloomington, Indiana, effective April 10, 1997;
2. We request that carriers interested in providing essential air service at Bloomington, Indiana, submit their proposals, without subsidy, within 20 days after the date of service of this order. An original and five copies of the proposal should be sent to the EAS and Domestic Analysis Division, X-53, Office of Aviation Analysis, Room 6401, Department of Transportation, 400 Seventh Street, S.W., Washington, D.C. 20590, with the title, "Proposal to Provide Essential Air Service at Bloomington, Indiana, Docket OST-97-2059;"⁶
3. We direct the Department's Federal Aviation Administration's Slots Administration Office to withdraw the slot exemptions assigned to Great Lakes for Bloomington's essential air service as listed in Appendix B, effective April 10, 1997, and hold them for a replacement carrier; and

⁴ We will contact all applicants after the 20-day period and direct them to serve their exemption requests on all other applicants.

⁵ Carriers are not precluded from filing applications after the 20-day due date. However, to the extent that the Department may have to choose among applicants, we will give first priority to those that are within that timeframe.

⁶ All applicants must then file a certificate of service with the Department's Documentary Services Division.

4. We will serve a copy of this order on the Mayor and airport manager of Bloomington, Indiana, the Governor of Indiana, the Indiana Department of Transportation, City of Chicago-Department of Aviation, Great Lakes Aviation, Ltd., d/b/a United Express, and the parties listed in Appendix D.

By:

CHARLES A. HUNNICUTT
Assistant Secretary for Aviation
and International Affairs

(SEAL)

*An electronic version of this document is available on the World Wide Web at
<http://www.dot.gov/general/orders/aviation.html>*



**Slot Exemptions at O'Hare Airport
for the Provision of Essential Air Service
at Bloomington, Indiana**

<u>Community</u>	<u>Slot Exemption Time Periods</u>
Bloomington	9:00-9:04a, 10:05-10:09a, 2:05p-2:09p, 2:30-2:34p

The above times periods are available for Bloomington as listed. These slot exemptions may only be used within the specific five-minute time periods, i.e., a 9:00a-9:04a slot exemption could not be used before 9:00a or after 9:05a.

Historic Traffic at Bloomington, Indiana 1/

	<u>Bloomington</u>	
	<u>O&D</u>	<u>Enpl.</u>
		<u>Per Day</u>
<u>1995</u>		
1st Qtr	576	10.7
2nd Qtr	1,668	10.7
3rd Qtr	1,965	12.6
4th Qtr	<u>1,829</u>	<u>11.6</u>
YE 1995	6,038	11.6
<u>1996</u>		
1st Qtr	1,427	9.1
2nd Qtr	1,510	9.6
3rd Qtr	1,532	9.7
4th Qtr	<u>1,354</u>	<u>8.6</u>
YE 1996	5,823	9.3

1/ Enplanements are based on 313 service days per year.

APPENDIX D
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SERVICE LIST FOR THE STATE OF ILLINOIS

Aero Taxi Rockford, Inc.	Scott Aviation, Inc.
Air Casino, Inc.	Shawano Flying Service, Inc.
Air Wisconsin, Inc.	Simmons Airlines, Inc.
Allied Airlines, Inc.	Thunderbird Aviation, Inc.
American Trans Air, Inc.	Trans North Aviation Ltd.
Amerijet International, Inc.	Trans States Airlines, Inc.
Bemidji Airlines	Welch Aviation, Inc.
Chicago Air Taxi, Inc.	Wise Aviation Company
Chicago Express Airlines, Inc.	
Delta Connection	John Albright
Direct Air, Inc.	Chester Anderson
Dwyer Aircraft Sales, Inc.	Ken Bannon
Executive Airlines, Inc.	Richard Thomas Clarke
Florida Air, Inc.	Sabrina Cranor
Gorda Aero Service, Inc.	E.B. Freeman
GP Express Airlines, Inc.	A. Edward Jenner
Great Lakes Aviation, Ltd.	Dan Katzka
Jet Services, Inc.	John McFarlane
Logansport Flying Service, Inc.	Bill Oakes
Metroflight, Inc.	Tracy Schoenrock
Michigan Airways, Inc.	Kevin Thomas
Midway Airlines, Inc.	Edward Wenz
Midwest Express Airlines, Inc.	Gary L. White
Multi Aero, Inc.	Robert Wigmore
Northwest Airlink	
Ohio Valley Aviation, Inc.	
Pennsylvania Commuter Airlines, Inc.	
Planemaster Services Inc.	
Redwing Airways, Inc.	

APPENDIX D
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SERVICE LIST FOR THE STATE OF
INDIANA

Aero Taxi Rockford, Inc.	Redwing Airways, Inc.
Air Alpha, Inc.	Simmons Airlines, Inc.
Air Wisconsin, Inc.	Southern Air Transport, Inc.
Allied Airlines, Inc.	Trans North Aviation Ltd.
American Trans Air, Inc.	Trans States Airlines, Inc.
Amerijet International, Inc.	Welch Aviation, Inc.
Central States Airlines, Inc.	
Chicago Air Taxi, Inc.	John Albright
Chicago Express Airlines, Inc.	Chester Anderson
Comair, Inc.	Ken Bannon
Delta Connection	Sabrina Cranor
Direct Air, Inc.	E.B. Freeman
Executive Airlines, Inc.	A. Edward Jenner
Florida Air, Inc.	Dan Katzka
Gorda Aero Service, Inc.	John McFarlane
GP Express Airlines, Inc.	Bill Oakes
Great Lakes Aviation, Ltd.	Kevin Thomas
Jet Services, Inc.	Edward Wenz
Logansport Flying Service, Inc.	Robert Wigmore
Metroflight, Inc.	
Michigan Airways, Inc.	
Midway Airlines, Inc.	
Midwest Express Airlines, Inc.	
Multi Aero, Inc.	
Northcoast Executive Airlines, Inc.	
Northwest Airlink	
Ohio Valley Aviation, Inc.	
Planemaster Services Inc.	