

Posted: February 9, 1998

Order 98-2-8

1:45 p.m.

Served: February 13,



1998

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

Issued by the Department of Transportation  
on the 9<sup>th</sup> day of February, 1998

Essential air service at

**NORTH PLATTE, NEBRASKA, AND  
SCOTTSBLUFF, NEBRASKA,**

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

**Docket OST-97-2954  
Docket OST-97-2955**

**ORDER ON CARRIER SELECTION**

**Summary**

By this order the Department of Transportation is relying on the subsidy-free proposal of Great Lakes Aviation, Ltd., d/b/a United Express, to satisfy the essential air service requirements of North Platte and Scottsbluff, Nebraska.<sup>1</sup>

**Background**

By notices filed October 1, 1997, Mesa Airlines, Inc., d/b/a United Express announced its intent to suspend all of the air service it is providing at Alamosa and Pueblo, Colorado; North Platte and Scottsbluff, Nebraska; and Lovell/Powell/Cody, Laramie, Riverton/Lander, and Rock Springs, Wyoming, effective December 30, 1997. By subsequent notice filed October 7, 1997, Mesa indicated its intent to suspend all of its air service at Worland, Wyoming, effective January 5, 1998.<sup>2</sup>

By Order 97-12-8, December 5, 1997, the Department solicited proposals from air carriers interested in providing essential air service at Alamosa, North Platte, Scottsbluff, Laramie, Riverton/Lander, Rock Springs, and Worland. Two carriers, Mesa and Great Lakes Aviation, submitted timely proposals for all seven of the points at issue. Big Sky Airlines submitted a timely proposal to serve Riverton/Lander.

<sup>1</sup> See Appendix A for a map of the service area.

<sup>2</sup> As fully explained in Order 97-12-8, the Department allowed Mesa to suspend service at Cody and Pueblo, and has required Mesa to continue to serve the other seven communities by a series of 30-day hold-in orders, most recently by Order 98-1-13 requiring continued service through March 2, 1998.

All three applicants seek subsidy for the service they propose at Alamosa, Laramie, Riverton/Lander, Rock Springs, and Worland, and Mesa also seeks subsidy for North Platte and Scottsbluff. On the other hand Great Lakes proposes to provide service at North Platte and Scottsbluff without subsidy. Under the terms of its proposal, Great Lakes would provide service with 19-passenger Beech 1900 aircraft consisting of a minimum of three nonstop round trips each weekday and each weekend between North Platte and Denver, and a minimum of four nonstop round trips each weekday and each weekend between Scottsbluff and Denver.

We have received a number of comments from individuals, businesses and civic officials. The comments are not directed toward one carrier or the other. Rather they state the critical need for air service to their respective communities, particularly service to Denver by a United code-sharing carrier. We have also received informal comments from the airport manager at North Platte expressing a preference not to be served over a linear routing and thus subject to sharing the capacity with another community.

### **Decision**

Consistent with the Department's long-standing practice, the statutes governing the essential air service program and the communities' comments, we will rely on the subsidy-free service proposed by Great Lakes Aviation to satisfy the essential air service requirements of North Platte and Scottsbluff.<sup>3</sup> By law, the Department may only authorize subsidy to an airline if the community would otherwise not receive its essential air service. (See 49 U.S.C. 41733(c).) In this case we have a fully credible carrier that is prepared to provide the service on a subsidy-free basis. In addition, the service would be operated to the communities' hub of choice (Denver) and under the banner of United Express as requested by the communities.

We anticipate that Great Lakes will institute its proposed service on or about May 1, at which time we intend to end our reliance on Mesa to provide essential air service at North Platte and Scottsbluff. We also encourage Great Lakes and the communities to work together on resolving any scheduling issues. We expect Great Lakes and Mesa to coordinate the transition in essential air service responsibilities; and our staff is prepared to assist in that effort. In particular, we expect Mesa to contact all travelers holding reservations for flights that they intend to suspend, to inform them of the suspension and the availability of Great Lakes' replacement service, and to assist them in arranging alternate transportation.<sup>4</sup>

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<sup>3</sup> We will continue to process the carrier replacement case at the other five communities in a separate proceeding.

<sup>4</sup> Pursuant to section 323.17 of the Department's Aviation Economic Regulations (14 CFR 323.17), if Mesa elects not to suspend service within 90 days after Great Lakes' ability to inaugurate service, Mesa would be required to file a new 90-day notice before suspending service in the future.

### **Carrier Fitness**

49 U.S.C. 41738 requires that we find a carrier to be fit, willing, and able to provide service before we rely on it to provide essential air service. We last found Great Lakes Aviation fit by Order 97-10-10, October 14, 1997, in connection with its subsidized service at six communities in Colorado, Kansas, and Nebraska. Since then the Department has routinely monitored the carrier's continuing fitness, and no information has come to our attention that would lead us to question its ability to operate in a reliable manner. Based on our review of its most recent submissions, we find that Great Lakes continues to have available adequate financial and managerial resources to operate quality service at North Platte and Scottsbluff, and that it continues to possess a favorable compliance disposition. The Federal Aviation Administration has advised us that the carrier is conducting its operations in accordance with 14 CFR Part 121, and knows of no reason why we should not find that Great Lakes remains fit.

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

### **ACCORDINGLY**

1. We will rely on Great Lakes Aviation, Ltd., d/b/a United Express, to provide subsidy-free essential air service at North Platte and Scottsbluff, Nebraska;
- 2 We will take no action to prohibit Mesa Airlines, Inc., d/b/a United Express, from suspending its service at North Platte or Scottsbluff, Nebraska, effective upon inauguration of replacement service by Great Lakes Aviation, Ltd., d/b/a United Express;
3. Dockets OST-97-2954 and OST-97-2955 shall remain open until further order of the Department; and
4. We will serve a copy of this order on the Mayors and Airport Managers of North Platte and Scottsbluff, Nebraska; the Governor of Nebraska; the Director of the Nebraska Department of Aeronautics; Mesa Air Group and Great Lakes Aviation, Ltd.

By:

**CHARLES A. HUNNICUTT**  
Assistant Secretary for Aviation  
and International Affairs

(SEAL)

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<http://dms.dot.gov/>  
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