



Order 99-7-14

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

Served July 26, 1999

Issued by the Department of Transportation
on the 22nd day of July, 1999

Ninety-day notice of

**ATLANTIC SOUTHEAST AIRLINES, INC.,
d/b/a DELTA CONNECTION**

of intent to terminate service at Jacksonville/Camp Lejeune,
North Carolina, pursuant to 14 CFR 323.3(a)(5)

Docket OST-1999-5919

**ORDER ALLOWING SUSPENSION OF SERVICE
AND MODIFYING ESSENTIAL AIR SERVICE DETERMINATION**

Summary

By this order, the Department is (a) allowing Atlantic Southeast Airlines, Inc., d/b/a Delta Connection (ASA), to suspend service between Jacksonville/Camp Lejeune, North Carolina, and Atlanta as of October 1, 1999, and (b) modifying the community's essential air service determination.

Background

On July 1, 1999, ASA filed a 90-day notice of intent to suspend its unsubsidized scheduled air service between Jacksonville/Camp Lejeune and Atlanta as of October 1, 1999. ASA currently operates five nonstop round trips a day between the community and Atlanta with 30-seat Embraer EMB-120 Brasilia aircraft. In addition, the community receives unsubsidized scheduled service from CCAir, Inc., d/b/a USAirways Express, which currently operates five nonstop round trips a day to Charlotte with 37-seat deHavilland Dash 8 aircraft.¹

The essential air service determination for Jacksonville/Camp Lejeune, as last established by Order 83-11-20, November 13, 1983, requires at least two daily round trips providing a total of 67 seats to two hubs: either Atlanta (no more than two intermediate stops) or Charlotte (one stop) to the west, plus either Norfolk (one stop), Raleigh/Durham (nonstop), Richmond

¹ See Appendix A for a map.

(one stop) or Washington (two stops) to the north.² Although the community currently receives service to both designated hubs to the west, it no longer receives any scheduled service to a northern hub.

ASA filed its notice pursuant to the Department's "one-third" rule: 14 CFR 325.3(a)(5) requires carriers to file a 90-day notice if their suspension of service would reduce the total number of passenger seats linking the affected community to a Federal Aviation Administration-designated hub by 33 percent or more.

Decision

After a thorough review of ASA's notice and the community's answer, we will allow ASA to suspend service at the end of its 90-day notice period, on October 1, 1999. Jacksonville/Camp Lejeune's essential air service determination guarantees service to just one of the western hubs, either Atlanta or Charlotte, but not both. Because CCAir's service to Charlotte amply meets that requirement, we cannot legally require ASA to maintain its service to Atlanta, and we must therefore allow it to suspend service as proposed. Before ASA suspends service, however, we expect it to contact all passengers who hold reservations for flights that will be suspended, to inform them of the suspension and the availability of CCAir's continuing service, and to assist them in arranging alternate transportation.

Essential Air Service Determination

ASA's notice has also prompted us to review Jacksonville/Camp Lejeune's essential air service determination for the first time since 1983. As a result of our review, we have decided to modify the community's determination to guarantee service to a single hub, Charlotte, thus eliminating the requirement for service to a second hub to the north.³ This decision is consistent with comparable other cases in recent years, where we have eliminated guarantees of service to a second hub for a variety of reasons -- for instance, where the service appeared to be too costly,

² Order 83-11-20 established a capacity guarantee of 62 seats, based on capacity sufficient to accommodate the program maximum of 40 passengers a day in each direction at a 65-percent load factor. However, the Airport and Airway Safety and Capacity Expansion Act of 1987, P.L. 100-223, later revised the load-factor standard to 60 percent. Based on the revised standard, Jacksonville/Camp Lejeune's capacity guarantee is 67 seats.

³ As we noted earlier, Jacksonville/Camp Lejeune no longer receives any scheduled service to a northern hub. When we last reviewed the community's essential air service requirements in 1983, all scheduled service at the community, including northbound service to New York and Washington, was operated by Piedmont Airlines. Piedmont was later acquired by USAir (now USAirways), and its northbound services were replaced by flights operated by USAir and Henson Aviation, Inc., d/b/a USAir Express, in August 1989. Three years later, in August 1992, the community lost the last of its northbound services when Henson suspended its service to Washington.

underused, or unnecessary in view of the service available to the community's remaining hub or the community's proximity to other service.⁴

In reaching our decision, we have necessarily taken into account the significant changes that have occurred in both the essential air service program and the U.S. domestic airline industry during the 16 years that have passed since we last reviewed the community's essential air service needs.

Jacksonville/Camp Lejeune's determination was established at a time when many carriers' services to smaller communities consisted of infrequent, linear, multi-stop flights. Since then, however, the domestic airline industry has undergone considerable restructuring. Carriers have developed extensive hub-and-spoke systems that provide smaller communities with more frequent, generally nonstop, on-line commuter flights to hubs that offer more timely connections to destinations throughout the major carriers' systems.

The Jacksonville/Camp Lejeune community is a case in point. In 1983, Piedmont Airlines operated service from the community to four different hubs, but only its nonstop service to Charlotte offered as many as two round trips a day; flights to Atlanta (one intermediate stop), New York (one stop) and Washington (nonstop) were available just once a day.⁵ Single-day business trips to any destination other than Charlotte were therefore impossible. In contrast, CCAir currently offers five nonstop round trips a day to Charlotte, where passengers can make timely on-line connections to destinations throughout USAirways' system. As a result, travelers now enjoy greater scheduling flexibility as well as more opportunities for one-day business trips to a variety of destinations.⁶ In fact, CCAir offers substantially more flights (five a day) and more seats (185 a day) than we are able to guarantee any community under the essential air service program guidelines.

Petitions for Reconsideration

In accordance with our procedures (14 CFR 302.37), interested persons may file petitions for reconsideration of our decision within 30 days of the date of service of this order. Such petitions should be filed with the Department's Docket Operations and Media Management Division in Docket OST-1999-5919.⁷ With regard to our modification of the community's essential air service determination, petitions should contain specific objections supported by relevant data, state how the modified determinations departs from the guidelines for essential air service determinations, and state the level of essential air service that should be designated instead. The filing of such petitions, however, shall not stay the effective date of the modifications made in this order.

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

ACCORDINGLY,

1. We take no action to prohibit Atlantic Southeast Airlines, Inc., d/b/a Delta Connection, from suspending scheduled air service at Jacksonville/Camp Lejeune, North Carolina, as of October 1, 1999;
2. We determine that essential air service for Jacksonville/Camp Lejeune, North Carolina, consists of at least the service outlined in Appendix B;
3. This docket will remain open until further Department order; and
4. We will serve a copy of this order on the mayor and airport manager of Jacksonville/Camp Lejeune, North Carolina; the Governor of North Carolina; Atlantic Southeast Airlines, Inc., d/b/a Delta Connection; and CCAir, Inc., d/b/a USAirways Express.

⁴ For example, see Orders 87-1-38, January 20, 1987, regarding Elkins, West Virginia; 90-10-13, October 12, 1990, regarding North Platte, Nebraska; 94-5-6, May 6, 1994, regarding Muscle Shoals, Alabama, and Laurel/Hattiesburg, Mississippi; and 95-1-45, January 27, 1995, regarding El Dorado/Camden, Arkansas.

⁵ See Order 83-11-20, at 13.

⁶ According to the July 1999 *Official Airline Guide*, CCAir's first outbound flight arrives in Charlotte at 7:15 AM, and its last return flight leaves Charlotte at 8:22 PM.

⁷ Docket Operations and Media Management Division, SVC-124, Room PL-401, Department of Transportation, 400 7th Street, S.W., Washington, DC 20590.

By:

A. BRADLEY MIMS
Acting Assistant Secretary for Aviation
and International Affairs

(SEAL)

Appendix B

ESSENTIAL AIR SERVICE DETERMINATION FOR JACKSONVILLE/CAMP LEJEUNE, NORTH CAROLINA

DESIGNATED HUB	Charlotte
MAXIMUM NUMBER OF INTERMEDIATE STOPS	One
MINIMUM NUMBER OF ROUND TRIPS	Two each day
MINIMUM NUMBER OF AVAILABLE INBOUND AND OUTBOUND SEATS	67 each day
MINIMUM AIRCRAFT SIZE	15 passenger seats