

Order 99-10-1



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

Issued by the Department of Transportation  
on the 1<sup>st</sup> day of October, 1999

Served: October 6, 1999

Docket OST-1999-5931

Ninety-day notice of

**GREAT LAKES AVIATION, LTD.,  
d/b/a UNITED EXPRESS**

of intent to terminate service at Quincy, Illinois/  
Hannibal, Missouri, pursuant to 49 U.S.C. 41731 *et seq.*

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

**Summary**

By this order, the Department is (a) allowing Great Lakes Aviation, Ltd., d/b/a United Express, to suspend Quincy/Hannibal-Chicago service as of October 4, 1999, and (b) modifying the community's essential air service determination to guarantee service to a single hub, either Chicago or St. Louis, rather than both.

**Background**

On July 6, 1999, Great Lakes filed a 90-day notice of intent to suspend its unsubsidized scheduled air service between Quincy, Illinois/Hannibal, Missouri, and Chicago O'Hare International Airport as of October 4, 1999. Great Lakes currently operates three one-stop round trips each weekday and five each weekend with 19-seat Beech 1900 aircraft. In addition, the community receives unsubsidized scheduled air service from Trans States Airlines, Inc., d/b/a Trans World Express, which currently operates three nonstop round trips to St. Louis each weekday and five each weekend with 19-seat Jetstream 31 aircraft.<sup>1</sup>

The essential air service determination for Quincy/Hannibal, as last established by Order 80-2-124, February 25, 1980, requires at least two daily round trips to both Chicago (no more than one intermediate stop) and St. Louis (nonstop) providing a total of 57 seats in each direction.<sup>2</sup> Great Lakes' suspension of service would thus reduce the community's service below the essential air service level.

**Community Comments**

Senator Richard J. Durbin and Congressmen Lane Evans and John M. Shimkus have submitted a letter stressing the importance of the community's service to Chicago.

**Decision**

<sup>1</sup> See Appendix A for a map. Great Lakes' flights are operated via either Springfield, Illinois, or Burlington, Iowa; Trans States' flights are operated on a nonstop, turnaround basis.

<sup>2</sup> The Airport and Airway Safety and Capacity Expansion Act of 1987, P.L. 100-223, established a 60-percent load-factor standard for 15-seat or larger aircraft. As noted later in this order, the community has recently been averaging 34.2 enplanements a day. Quincy/Hannibal's seat guarantee is therefore 57 seats a day.

After a thorough review of Great Lakes' notice and the community's answer, we have decided to allow Great Lakes to suspend service at the end of its 90-day notice period, on October 4, 1999, and to modify the community's essential air service determination to guarantee service to a single hub, Chicago or St. Louis, rather than both.

In reaching our decision, we have reviewed the Quincy/Hannibal community's service requirements in the context of the significant changes that have occurred in the essential air service program during the 19 years that have passed since we last considered those requirements. In the Department's continuing commitment to administering the program in the most effective manner, balancing subsidy costs and benefits, we have routinely reexamined all elements of each program-eligible community's situation, including the guarantee of service to more than one hub. In recent years, we have eliminated guarantees of service to a second hub where the service no longer appeared to be cost-effective -- *i.e.*, where it was underused or unnecessary in view of the service available to the community's remaining hub or the community's proximity to other service.<sup>3</sup>

In August 1990, Great Lakes replaced Simmons Airlines, Inc., d/b/a American Eagle, in the Quincy/Hannibal-Chicago market.<sup>4</sup> With Great Lakes' decision to file notice to suspend service on the route, both commuter code-share partners of the major carriers at O'Hare -- United Air Lines and American Airlines -- have now concluded that the route is uneconomic. During the year ended March 31, 1999, the most recent 12-month period for which data are available, Great Lakes' service to O'Hare accounted for 4,374 enplanements, or 12.0 per day. In comparison, Trans States' service to St. Louis accounted for 8,125 enplanements, or 22.3 per day.<sup>5</sup>

Trans States' service to St. Louis, whose ridership exceeds that of Great Lakes' service to Chicago by a margin of nearly two to one, will continue to provide the community with a link to the national air transportation network. Furthermore, Quincy and Hannibal are roughly two hours' drive from a major hub at St. Louis, where Trans World Airlines maintains a substantial presence, and where a low-fare carrier, Southwest Airlines, Inc., offers direct jet service to 30 destinations, 17 of them nonstop.<sup>6</sup> Requiring Great Lakes to maintain its service to Chicago would necessitate subsidy. Under the circumstances, we are unable to conclude that subsidizing the community's service to Chicago would be cost-effective and warranted.<sup>7</sup>

We will therefore modify the community's determination to guarantee service to either Chicago or St. Louis, rather than both.<sup>8</sup> In doing so, we will rely on Trans States' service to St. Louis to meet the community's redefined essential air service requirements and will allow Great Lakes to suspend its service to Chicago as of October 4, 1990. Trans States' current service offers 57 seats each weekday and 95 over the weekend. As a practical matter, it is unclear how many passengers now using Great Lakes' service to Chicago will begin using Trans States' service to St. Louis. In any case, we would expect Trans States, as a matter of self-interest, to accommodate any need for additional capacity that might arise.

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<sup>3</sup> 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; 95-1-45, January 27, 1995, regarding El Dorado/Camden, Arkansas; and 99-7-14, July 22, 1999, regarding Jacksonville/Camp Lejeune, North Carolina.

<sup>4</sup> Simmons filed a 90-day notice to suspend its Quincy/Hannibal-Chicago service on September 11, 1989; see Order 89-12-51, December 29, 1989. The Department later approved Great Lakes' replacement service by Order 90-5-26, May 18, 1990.

<sup>5</sup> From RSPA Form 298-C, Schedule A-1, for Great Lakes, and RSPA Form 41, Schedule T-100, for Trans States. The enplanement figures used above represent one-half of total origin-and-destination traffic. Averages are based on 365 service days a year.

<sup>6</sup> Based on the September 1999 *Official Airline Guide*.

<sup>7</sup> We note also that the added subsidy burden that would result from our compelling Great Lakes to maintain Quincy/Hannibal-Chicago service, coupled with other rising program demands, would likely exceed our current budgetary limits.

<sup>8</sup> Appendix B contains the community's essential air service determination as modified by this order.

Before Great Lakes suspends service, 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 Trans States' continuing service, and to assist them in arranging alternate transportation.

**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.<sup>9</sup> 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 Great Lakes Aviation, Ltd., d/b/a United Express, from suspending scheduled air service at Quincy, Illinois/Hannibal, Missouri, as of October 4, 1999;
2. We determine that essential air service for Quincy, Illinois/Hannibal, Missouri, 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 mayors and airport manager of Quincy, Illinois/Hannibal/Missouri; the Mayor of Chicago; the Chicago Department of Aviation; Great Lakes Aviation, Ltd., d/b/a United Express; and Trans States Airlines, Inc., d/b/a Trans World Express.

By:

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

(SEAL)

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<sup>9</sup> Docket Operations and Media Management Division, SVC-124, Room PL-401, Department of Transportation, 400 7th Street, S.W., Washington, DC 20590.

## Appendix B

### ESSENTIAL AIR SERVICE DETERMINATION FOR QUINCY, ILLINOIS/HANNIBAL, MISSOURI

DESIGNATED HUB	Chicago or St. Louis
MAXIMUM NUMBER OF INTERMEDIATE STOPS	One to Chicago, none to St. Louis
MINIMUM NUMBER OF ROUND TRIPS	Two each day
MINIMUM NUMBER OF AVAILABLE INBOUND AND OUTBOUND SEATS	57 each day
MINIMUM AIRCRAFT SIZE	15 passenger seats