



1999

**Order 99-10-24**  
**Served: November 1,**

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

Issued by the Department of Transportation  
on the 27<sup>th</sup> day of October, 1999

Essential Air Service at

**VERNAL, UTAH**

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

**Docket OST-97-2706**

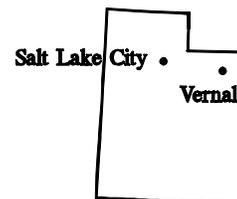
**ORDER REQUESTING PROPOSALS**

**Summary**

By this order we are requesting proposals from carriers interested in providing essential air service at Vernal, Utah.

**Background**

By Order 97-7-12, issued July 11, 1997, SkyWest Airlines, Inc. (SkyWest) was reselected to continue providing essential air service at Vernal for an additional two-year period. Subsidy was set at an annual rate of \$280,854 for the period December 28, 1997, through December 27, 1999, for three nonstop round trips each weekday and over each weekend period between Vernal and Salt Lake City, with 30-seat Embraer Brasilia aircraft.



SkyWest's two-year rate term expires on December 27, and at this juncture our normal procedure would be to invite the incumbent carrier to submit a proposal to continue providing essential air service at Vernal for another two-year period, either with or without subsidy support.

However, in the last few weeks, we have had inquiries from other parties interested in submitting a proposal to serve the Vernal market. Therefore, with the probability of our receiving competing proposals, our program practice is to initiate a carrier selection case immediately for Vernal by formally requesting proposals from all interested carriers.

**Essential Air Service at Vernal**

Essential air service at Vernal is defined as at least two nonstop round trips each weekday and each weekend period to Salt Lake City, providing at least 17 seats in each direction each service day. Under essential air service guidelines, this service must be provided with pressurized aircraft having at least 15 passenger seats.<sup>1</sup>

In 1998, SkyWest carried a total of 7,754 O&D passengers in the market, an average of 24.8 per day. This represented an increase of almost 17 percent over 1997, when it carried 6,653 O&D passengers, or an average of 21.3 per day.

### **Request for Proposals**

We request that any carriers interested in providing essential air service at Vernal, file their proposals within 20 days of the service date of this order. We ask that carriers submit proposals for two, three or four nonstop round trips per service day to Salt Lake City, with 15-seat, or larger, pressurized aircraft. In order to assist carriers in making their traffic and revenue forecasts, we have included historical traffic data in Appendix A.

### **Procedures For Filing Proposals**

For interested air carriers that are not familiar with our procedures and recommended form for supplying the necessary information, we have prepared two explanatory documents that we will make available upon request. The first describes the process for handling carrier replacement cases under 49 U.S.C. 41734(f) and discusses in detail the process of seeking proposals, conducting financial and operational audits of the applicant carriers and selecting a replacement carrier. The second is an evidence request containing an explanatory statement, and a copy of section 14 CFR 204.4 of the Department's regulations which deals with the information required of all applicants for authority to provide basic essential air service, and provides schedules giving our recommended form for submitting data required for determining the financial and operational ability of applicants to provide dependable air service.<sup>2</sup>

### **Community and State Comments**

The community and the State are welcome to submit comments on the proposals at any time.<sup>3</sup> Early in the proceeding, comments on the perceived strengths and weaknesses of the proposals would be particularly helpful to the Department. The civic parties may also express a preference for a particular carrier or proposal option at that time, if they choose. In any event, after we conclude rate conferences with all

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<sup>1</sup> Department of Transportation Order 88-7-32.

<sup>2</sup> Copies of these documents can be obtained from: EAS & Domestic Analysis Division, X-53, Office of Aviation Analysis, Room 6401, Department of Transportation, 400 7th Street, S.W., Washington, DC 20590. Telephone requests for these documents are accepted at (202) 366-1053.

<sup>3</sup> Civic parties should file an original and five copies of their comments in Docket OST-97-2706. This filing should be addressed to: Docket Operations and Media Management Division, SVC-124, Office of the Secretary, U.S. Department of Transportation, Room PL 401, 400 Seventh Street, S.W., Washington D.C. 20590.

applicants, we will provide a summary of the conference results to the civic parties and ask them to file their final comments.<sup>4</sup>

### **Other Carrier Requirements**

The Department is responsible for implementing various Federal statutes governing lobbying activities, drug-free workplaces, and nondiscrimination.<sup>5</sup> Consequently, all carriers receiving Federal subsidy to support essential air service must certify that they are in compliance with Department regulations regarding drug-free workplaces and nondiscrimination, and those carriers whose subsidies exceed \$100,000 over the life of the rate term must also certify that they are in compliance with regulations governing lobbying activities. All carriers that plan to submit proposals involving subsidy should submit the required certifications along with their proposals. Interested carriers requiring more detailed information regarding these requirements as well as copies of the certifications should contact the Office of Aviation Analysis at (202) 366-1053. The Department is prohibited from paying subsidy to carriers that do not submit these documents.

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

### **ACCORDINGLY,**

1. We request that carriers interested in providing essential air service at Vernal, Utah, submit their proposals, with or without requests for subsidy, within 20 days of the service date 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 7<sup>th</sup> Street, S.W., Washington, D.C. 20590, with the title: "Proposal to Provide Essential Air Service at Vernal, Utah, Docket OST-97-2706;"<sup>6</sup>
2. This docket will remain open until further Department order; and
3. We will serve a copy of this order on the Mayor and airport manager of Vernal, Utah, the Governor of Utah, the Utah Department of Transportation, SkyWest Airlines, and the carriers listed in Appendix B.

By:

### **A. BRADLEY MIMS**

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<sup>4</sup> In cases where a carrier proposes to provide essential air service without subsidy and we determine that service can be reliably provided without such compensation, we do not normally hold rate conferences. Instead, we rely on the carrier's subsidy-free service.

<sup>5</sup> The regulations applicable to each of these areas are (1) 49 CFR Part 20, New Restrictions on Lobbying, Implementing title 31, United States Code, section 1352, entitled "Limitation on use of appropriated funds to influence certain Federal contracting and financial transactions"; (2) 49 CFR Part 29, Subpart F, Drug-Free Workplace Requirements (Grants) implementing the Drug-Free Workplace Act of 1988; (3) 49 CFR Part 21, Nondiscrimination in Federally-Assisted Programs for the Department of Transportation--Effectuation of Title VI of the Civil Rights Act of 1964; 49 CFR Part 27, Nondiscrimination on the basis for Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance; and 14 CFR Part 382, Nondiscrimination on the Basis of Handicap in Air Travel.

<sup>6</sup> After serving a copy of its proposal on the civic officials of Vernal, the State of Utah, and each of the other applicants, each applicant must then file a certification of service with the Department's Docket Operations and Media Management Division, SVC-124. Questions regarding filings in response to this order may be directed to John McCamant at (202) 366-1060.

Acting Assistant Secretary for Aviation  
and International Affairs

(SEAL)

*An electronic version of this document is available on the World Wide Web at  
<http://dms.dot.gov>  
The electronic version may not contain all of the appendixes*

**HISTORICAL TRAFFIC  
AT VERNAL, UTAH**

		<u>VEL-SLC</u>	<u>SLC-VEL</u>	<u>TOTAL</u>	<u>O &amp; D Per Day</u>
1993	1	722	712	1,434	
	2	1,025	1,047	2,072	
	3	1,565	1,424	2,989	
	4	<u>1,184</u>	<u>1,199</u>	<u>2,383</u>	
		4,496	4,382	8,878	28.4
1994	1	1,206	1,107	2,313	
	2	1,466	1,488	2,954	
	3	1,815	1,642	3,457	
	4	<u>1,480</u>	<u>1,467</u>	<u>2,947</u>	
		5,967	5,704	11,671	37.3
1995	1	1,362	1,299	2,661	
	2	1,461	1,549	3,010	
	3	1,537	1,367	2,904	
	4	<u>1,101</u>	<u>1,111</u>	<u>2,212</u>	
		5,461	5,326	10,787	34.5
1996	1	804	747	1,551	
	2	906	1,022	1,928	
	3	924	913	1,837	
	4	<u>761</u>	<u>789</u>	<u>1,550</u>	
		3,395	3,471	6,866	21.9
1997	1	697	650	1,347	
	2	799	913	1,712	
	3	1,032	950	1,982	
	4	<u>785</u>	<u>826</u>	<u>1,611</u>	
		3,313	3,339	6,652	21.3
1998	1	722	666	1,388	
	2	982	1,047	2,029	
	3	1,160	1,146	2,306	
	4	<u>1,003</u>	<u>1,028</u>	<u>2,031</u>	
		3,867	3,887	7,754	24.8
1999	1	782	749	1,531	
	2	809	859	1,668	
	3				
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Source: SkyWest Airlines Form 298C

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1/ Average O & D passengers per day based on 313 service days per year.

**SERVICE LIST FOR THE STATE OF UTAH**

**Air L.A., Inc.**  
**Air Nevada Airlines, Inc.**  
**Air Vegas, Inc.**  
**Alpine Aviation, Inc.**  
**Amerijet International, Inc.**  
**Arizona Airways, Inc.**  
**Arizona Pacific Airlines, Inc.**  
**Aspen Airways, Inc.**  
**Aviation Services West, Inc.**  
**Barken International, Inc.**  
**Big Sky Transportation Co.**  
**Delta Connection**  
**Empire Airlines, Inc.**  
**Grand Airways, Inc.**  
**Grand Canyon Airlines, Inc.**  
**Martin Aviation, Inc.**  
**Mesa Air Group**  
**Metroflight, Inc.**  
**Midway Airlines, Inc.**  
**Midwest Express Airlines, Inc.**  
**Northern Tier Airlines, Inc.**  
**Northwest Airlink**  
**Pacific Air West, Inc.**  
**Rocky Mountain Helicopters, Inc.**  
**Sierra Nevada Airways, Inc.**  
**Sunrise Airlines, Inc.**  
**Wing West Airlines, Inc.**

**Ken Bannon**  
**E.B Freeman**  
**A. Edward Jenner**  
**John McFarlane**

**Bill Oakes**  
**Andy Pike**  
**Richard A. Raymer**  
**Kevin Thomas**  
**Gary L. White**