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

Issued by the Department of Transportation
on the 19th day of April, 2000

Essential air service at

DECATUR, ILLINOIS
QUINCY, ILLINOIS/HANNIBAL, MISSOURI

Docket OST-1999-6255 - 11
Docket OST-1999-5931 - 3

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

ORDER REQUESTING PROPOSALS

Summary

In this order, the Department is requesting proposals, with or without subsidy requests, from carriers interested in providing service from Decatur, Illinois, and Quincy, Illinois/Hannibal, Missouri, to Chicago.

Background

By Orders 99-10-1, October 1, 1999, and 99-12-21, December 22, 1999, the Department modified the essential air service determinations for Quincy/Hannibal and Decatur from requiring service to two hubs (both Chicago and St. Louis) to requiring service to a single hub (either Chicago or St. Louis). In both cases, the Department also allowed Great Lakes Aviation, Ltd., d/b/a United Express, which had filed 90-days notice of intent to discontinue its unsubsidized services to Chicago, to discontinue those services since the unsubsidized services operated to St. Louis by Trans States Airlines, Inc., d/b/a Trans World Express, would meet the communities' modified determinations. Following those decisions, Great Lakes discontinued service at both communities.¹

On April 5, 2000, however, the President signed into law the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century, P.L. 106-181. Under certain provisions contained in the new law, all Department orders issued after September 30, 1999, that modified communities' essential air service determinations are "null and void." Moreover, as of April 5, the Department may no longer modify determinations to levels below those in effect as of December 29, 1988. The new provisions also authorize an additional \$15 million a year for the essential air service program, but no additional funding has yet been appropriated.

¹ See Appendix A for a map.

Decision and Request for Proposals

Insofar as Decatur and Quincy/Hannibal are concerned, the Department's modifications of their essential air service determinations in Orders 99-10-1 and 99-12-23 are now nullified. Instead, the communities' determinations remain those that were in effect as of December 29, 1988, which had been established by Order 80-2-124, February 25, 1980. Both communities' determinations call for at least two daily round trips to both Chicago (with no more than one intermediate stop) and St. Louis (nonstop) providing a total of 67 inbound and 67 outbound seats.²

Because the two communities are guaranteed service to Chicago and are currently without it, we ask that any carriers interested in providing essential air service from Decatur and/or Quincy/Hannibal to Chicago file proposals, with or without subsidy requests, within 20 days of the date of service of this order. Carriers should submit proposals for at least two nonstop or one-stop round trips a day with 15-seat or larger pressurized aircraft. We would note that P.L. 106-181 eliminates the High Density Rule at Chicago O'Hare International Airport for various categories of service, including service operated with 70-seat or smaller aircraft from nonhubs such as Decatur and Quincy/Hannibal, as of May 1, 2000. We therefore encourage carriers to consider offering service of a quality and quantity that would attract enough traffic to make such service self-sufficient.³

Traffic and Service History

At that time that we allowed Great Lakes to discontinue service at the communities, Great Lakes was operating three round trips a day between Decatur and O'Hare (one nonstop and two via Springfield, Illinois) with a combination of 19-seat Beech 1900 and 30-seat Brasilia aircraft, and was averaging 13.6 enplanements a day.⁴ Trans States was operating five nonstop round trips a day between Decatur and St. Louis with 19-seat Jetstream 31 aircraft, and was averaging 47.4 enplanements a day.

At Quincy/Hannibal, Great Lakes was operating three round trips a day to O'Hare (all via Springfield or Burlington, Iowa) with Beech 1900s and averaging 12.0 enplanements a day, whereas Trans States was operating three round trips a day to St. Louis with Jetstream 31s and averaging 22.3 enplanements a day.

² Order 80-2-124 required capacity sufficient to accommodate 40 inbound and outbound passengers for both Decatur and Quincy/Hannibal. Under the 60-percent load-factor standard subsequently established by the Airport and Airway Safety and Capacity Expansion Act of 1987, P.L. 100-223, the number of guaranteed seats at both communities is 67: $40/0.60 = 66.7$.

³ In filing its 90-day notice for Decatur, Great Lakes had noted that its effort to provide attractive service at the community was hampered by the unavailability of take-off and landing slots at O'Hare; see Order 99-12-21 at 2. That handicap will no longer exist.

⁴ Enplanements represent one-half of total origin-and-destination traffic, and daily averages are based on 365 days a year.

Since then, Trans States' services to St. Louis have remain unchanged. However, Trans States intends to leave Quincy/Hannibal in May, to be replaced by Corporate Airlines, operating as Trans World Express with 19-seat Jetstream 32 aircraft.⁵ Trans States plans to remain at Decatur, but intends to upgrade its equipment on the route to Brasílias.

Procedures for Filing Proposals

For interested carriers unfamiliar 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 requesting proposals, conducting reviews of applicants, and selecting a replacement carrier. The second is an evidence request containing an explanatory statement, a copy of Part 204 of our regulations (14 CFR 204), and schedules setting forth our recommended form for submitting data required for calculating compensation and determining the financial and operational ability of applicants to provide reliable essential air service. (Section 204.4 describes the fitness information required of all applicants for authority to provide essential air service.) Applicant carriers that have already submitted this information in another case need only resubmit it if a substantial change has occurred. However, if there are more recent data or if there have been any changes to the information on file, carriers should provide updates of those information elements. Interested carriers that need to obtain copies of these documents may contact the Office of Aviation Analysis at (202) 366-1053.

Other Carrier Requirements

The Department is responsible for implementing various Federal statutes governing lobbying activities, drug-free workplaces, and nondiscrimination.⁶ Consequently, all carriers receiving Federal subsidy for 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

⁵ We will consider the proposed transition at Quincy/Hannibal in a later order.

⁶ The regulations applicable to each of these three 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; and (3) 49 CFR Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation -- Effectuation of Title VI of the Civil Rights Act of 1964; 49 CFR Part 27, Nondiscrimination on the Basis of 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.

compliance with the 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.

Community and State Comments

The communities and states are welcome to submit comments on the proposals at any time.⁷ 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. In any event, after conducting rate conferences with all applicants, we will provide a summary of the conference results to the civic parties and ask them to file their final comments.⁸

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 from Decatur, Illinois, and/or Quincy, Illinois/Hannibal, Missouri, to Chicago submit their proposals, with subsidy if necessary, within 20 days of the date of service of this order. Proposals should include all the data required by section 204.4 of the Department's Regulations (14 CFR 204.4). An original and five copies of the proposals should be sent to the EAS & Domestic Analysis Division, X-53, Office of Aviation Analysis, U.S. Department of Transportation, Washington DC 20590, with the title "Proposal to Provide Essential Air Service at Decatur, Illinois, Docket OST 1999-6255" and/or "at Quincy, Illinois/Hannibal, Missouri, Docket OST 1999-5931," as appropriate;⁹
2. These dockets will remain open until further order of the Department; and
3. We will serve copies of this order on the Mayors and airport managers of Decatur, Illinois, and Quincy, Illinois/Hannibal, Missouri; the Mayor of Chicago; the Chicago Department of

⁷ Civic parties should file an original and five copies of their comments in Dockets OST-1999-6255 for Decatur and OST-1999-5931 for Quincy/Hannibal. Filings should be addressed to the Docket Operations and Media Management Division, SVC-124, Room PL-401, U.S. Department of Transportation, 400 7th Street S.W., Washington DC 20590.

⁸ 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 as proposed.

⁹ After serving a copy of its proposal on the civic officials of Decatur and Quincy/Hannibal, the states of Illinois and Missouri, and each of the other applicants, each applicant must file a certificate of service with the Departments Docket Operations and Media Management Division. Questions regarding filings in response to this order may be directed to Dennis J. DeVany at 202-366-1061.

Aviation; Great Lakes Aviation, Ltd., d/b/a United Express; Trans States Airlines, Inc., d/b/a Trans World Express; and the persons listed in Appendix B.

By:

A. BRADLEY MIMS
Deputy 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>*

DECATUR, QUINCY/HANNIBAL, AND THE SURROUNDING REGION



SERVICE LIST FOR THE STATE OF ILLINOIS

Aero Taxi Rockford, Inc.
Air Casino, Inc.
Air Wisconsin, Inc.
Allied Airlines, Inc.
American Trans Air, Inc.
Amerijet International, Inc.
Bemidji Airlines
Chicago Air Taxi, Inc.
Chicago Express Airlines, Inc.
Delta Connection
Direct Air, Inc.
Dwyer Aircraft Sales, Inc.
Executive Airlines, Inc.
Florida Air, Inc.
Gorda Aero Service, Inc.
GP Express Airlines, Inc.
Great Lakes Aviation, Ltd.
Heartland Aviation, Inc.
Jet Services, Inc.
Logansport Flying Service, Inc.
Metroflight, Inc.
Michigan Airways, Inc.
Midway Airlines, Inc.
Midwest Express Airlines, Inc.
Multi Aero, Inc.
Northwest AirlinK
Ohio Valley Aviation, Inc.
Pennsylvania Commuter Airlines, Inc.
Planemaster Services Inc.
Redwing Airways, Inc.
Scott Aviation, Inc.
Shawano Flying Service, Inc.
Simmons Airlines, Inc.
Thunderbird Aviation, Inc.
Trans North Aviation Ltd.
Trans States Airlines, Inc.
Welch Aviation, Inc.
Wise Aviation Company

Chester Anderson
Ken Bannon
Jeff Bell
Richard Thomas Clarke
Sabrina Cranor
E.B. Freeman
Douglas Gumula
A. Edward Jenner
Dan Katzka
John McFarlane
Tracy Schoenrock
Kevin Thomas
Edward Wenz
Gary L. White
Robert Wigmore

SERVICE LIST FOR THE STATE OF MISSOURI

Air Midwest, Inc.
Amerjet International, Inc.
Chicago Air Taxi, Inc.
Chicago Express Airlines, Inc.
Crauch Aviation
Delta Connection
Direct Air, Inc.
Exec Express II, Inc.
Flagship Airlines Inc.
Gorda Aero Service, Inc.
GP Express Airlines, Inc.
Great Lakes Aviation, Ltd.
Heartland Aviation, Inc.
Mesaba Aviation, Inc.
Metroflight, Inc.
Midway Airlines, Inc.
Midwest Express Airlines, Inc.
Multi Aero, Inc.
Northwest Airlink
Ohio Valley Aviation, Inc.
Planemaster Services Inc.
Redwing Airways, Inc.
Simmons Airlines, Inc.
Trans States Airlines, Inc.

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Richard Thomas Clarke
E.B. Freeman
Douglas Gumula
A. Edward Jenner
John McFarlane
Kevin Thomas
Gary L. White
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