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Order 2000-9-13



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

Served: September 18, 2000

Issued by the Department of Transportation
on the 13th day of September, 2000

Essential Air Service at

**IRONWOOD, MICHIGAN/
ASHLAND, WISCONSIN**

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

Docket OST-1996-1266 75

FINAL ORDER

Summary

By this order, the Department is making final the selection of Great Lakes Aviation, Ltd., d/b/a United Express, initially proposed in Order 2000-8-13, August 14, 2000, to provide subsidized essential air service at Ironwood, Michigan/Ashland, Wisconsin, for the two-year period ending June 30, 2002, at an annual subsidy rate of \$544,269.

Background

By Orders 98-7-24, July 31, 1998, and 98-12-30, December 23, 1998, the Department selected Great Lakes Aviation, Ltd., d/b/a United Express, to provide subsidized service at Ironwood/Ashland through June 30, 2000, by operating 14 round trips (seven one-stop and seven two-stop) a week to Chicago O'Hare airport with 19-seat Beech 1900 aircraft at an annual subsidy rate of \$357,588. By Order 2000-8-13, the Department tentatively reselected Great Lakes Aviation, to provide subsidized essential air service at Ironwood/Ashland.

Objections to Order 2000-8-13 were due September 5, 2000, and none were filed. Thus, we will make the tentative findings final.

In Order 2000-8-13 we indicated erroneously that the carrier was being selected to provide 14 nonstop round trips each week to Minneapolis/St. Paul. In fact, both the carrier's proposal and the tentative reselection contemplate the provision of 12 nonstop round trips each week to Minneapolis/St. Paul. (See the proposed schedule in Appendix E to Order 2000-8-13.) Although the subsidy rate of \$443.22 per arrival/departure was calculated correctly on the basis of 12 round trips each week, the weekly ceiling amount in Appendix D to Order 2000-8-13 is incorrect and should be

\$10,637.28 each week. The Appendix to this order shall reflect these corrections, and shall supersede Appendix D to Order 2000-8-13.

This order is issued under authority assigned in 14 CFR 385.12(k)(4) and 14 CFR 385.12(k)(8).

ACCORDINGLY

1. The Department makes final the tentative selection set forth in Order 2000-8-13, August 14, 2000, of Great Lakes Aviation, Ltd., d/b/a United Express, to provide essential air service at Ironwood, Michigan/Ashland, Wisconsin, as described in the Appendix to this order for the period of July 1, 2000, through June 30, 2002;
2. We amend the weekly ceiling for Great Lakes Aviation's service at Ironwood/Ashland from \$12,410.16 to \$10,637.28, as shown in the Appendix to this order;
3. Docket OST-1996-1266 shall remain open until further order of the Department; and
4. We will serve copies of this order on the Mayors and Airport Manager of Ironwood, Michigan and Ashland, Wisconsin; the Departments of Transportation of Michigan and Wisconsin; the Governors of Michigan and Wisconsin; and Great Lakes Aviation, Ltd., d/b/a United Express.

By:

RANDALL D. BENNETT
Director, Office of Aviation Analysis

(SEAL)

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

Great Lakes Aviation, Ltd., d/b/a United Express
Essential Air Service at Ironwood, Michigan/Ashland, Wisconsin

Effective period: July 1, 2000, through June 30, 2002.

Service: 12 round trips per week to Minneapolis/St. Paul.

Intermediate stops and upline service: Nonstop to Minneapolis/St Paul with no upline limitations.

Aircraft type: Beech 1900D (19 passenger seats).

Timing of flights: Flights must be well-timed and well-spaced in order to ensure full compensation.

Annual compensation: \$544,269¹

Subsidy rate per arrival/departure: \$443.22²

Compensation ceiling each week:³ \$10,637.28⁴

¹ This rate assumes an annual completion factor of 98 percent. A compensation ceiling is to be applied per calendar week such that service above that ceiling in one week cannot make up for service shortfalls in another week.

² Annual compensation of \$544,269 divided by 1,228 annual arrivals and departures as shown in Appendix B to Order 2000-8-13.

³ Weeks that fall into separate calendar months shall be treated as part of the latter month for the purpose of calculating service weeks each month and monthly compensation.

⁴ Subsidy rate per departure of \$443.22 multiplied by 24 subsidy-eligible arrivals and departures each week.

Great Lakes Aviation, Ltd., d/b/a United Express
Essential Air Service at Ironwood, Michigan/Ashland, Wisconsin

NOTE

The carrier understands that it may forfeit its compensation for any flights that it does not operate in conformance with the terms and stipulations of this order, including the service plan outlined in the order and any other significant elements of the required service, without prior approval. The carrier understands that an aircraft take-off and landing at its scheduled destination constitutes a completed flight; absent an explanation supporting subsidy eligibility for a flight that has not been completed, such as certain weather cancellations, only completed flights are considered eligible for subsidy. In addition, if the carrier does not schedule or operate its flights in full conformance with the order for a significant period, it may jeopardize its entire subsidy claim for the period in question. If the carrier contemplates any such changes beyond the scope of the order during the applicable period of these rates, it must first notify the Office of Aviation Analysis in writing and receive written approval from the Department to be assured of full compensation. Should circumstances warrant, the Department may locate and select a replacement carrier to provide service on these routes. The carrier must complete all flights that can be safely operated; flights that overfly points for lack of traffic will not be compensated. In determining whether subsidy payment for a deviating flight should be adjusted or disallowed, the Department will consider the extent to which the goals of the program are met and the extent of access to the national air transportation system provided to the community.