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Order 2000-11-6

Served: November 14, 2000



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

Issued by the Department of Transportation
on the 8th day of November, 2000

Essential Air Service at
**SARANAC LAKE/
LAKE PLACID, NEW YORK**
under 49 U.S.C. 41731 *et seq.*

Docket OST-2000-8025-2

**ORDER PROHIBITING TERMINATION OF SERVICE
AND REQUESTING PROPOSALS**

Summary

By this order, the Department is (a) prohibiting CommutAir, Inc., d/b/a USAirways Express (CommutAir) from terminating its unsubsidized scheduled air service at Saranac Lake/Lake Placid, New York (b) requiring the carrier to maintain its current service at the community for an initial 30-day period following the end of the notice period, and (c) requesting proposals from carriers interested in providing replacement service.

Background

On September 12, 2000, CommutAir filed a 90-day notice of its intent to terminate all scheduled air service at Saranac Lake/Lake Placid, New York, effective December 11, 2000. CommutAir currently provides Saranac Lake/Lake Placid with three round trips a day to Albany with 19-seat Beech 1900D aircraft. All three outbound flights continue on to La Guardia Airport; two of the inbound flights originate at La Guardia. CommutAir is the only air carrier providing scheduled service at Saranac Lake/Lake Placid.



Essential Air Service at Saranac Lake/Lake Placid

The essential air service determination for Saranac Lake/Lake Placid, New York, requires at least two nonstop or one-stop round trips each day to Albany, with sufficient capacity

to accommodate 20 passengers in each direction each day.¹ In accordance with our essential air service guidelines, service must be provided with 15-seat or larger aircraft. In calendar year 1999, Saranac Lake/Lake Placid generated a total of 5,243 enplanements, or 16.8 enplanements per day based on a 313-day service year. In calendar years 1997 and 1998, the community generated 4,613 (14.7 a day) and 5,265 (16.8 a day) enplanements, respectively.

Request for Proposals

We request that any carriers interested in providing essential air service at Saranac Lake/Lake Placid file their proposals within 20 days of the service date of this order. We ask that carriers submit proposals for two or three nonstop or one-stop round trips per day to Albany with 15-seat, or larger, pressurized aircraft. We will also entertain proposals to other hubs that provide access to the national air transportation system in order to give the Department and community as broad an array of proposals as possible from which to choose. Of course, as always, we will formally solicit the community's views on any service options we receive before making a long-term carrier selection decision. 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.²

Community and State Comments

The community and the State are welcome to submit comments on the proposals at any time.³ 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.

¹ Civil Aeronautics Board Order 80-3-19, issued March 4, 1980.

² 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.

³ Civic parties should file an original and five copies of their comments in Docket OST-00-8025. 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.

In any event, after we conclude 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.⁴

Other Carrier Requirements

The Department is responsible for implementing various Federal statutes governing lobbying activities, drug-free workplaces, and nondiscrimination.⁵ 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.

Requirement to Maintain Service

CommutAir is the only carrier providing scheduled air service at Saranac Lake/Lake Placid, and is the community's only link to the nation's air transportation system. In accordance with 49 U.S.C. 41734, we must prohibit CommutAir from terminating service for a 30-day period beyond the end of its 90-day notice period, through January 10, 2001.⁶ We will require the carrier to continue to provide its current frequency of three round trips a day.

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 Saranac Lake/Lake Placid, New York, 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

⁴ 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.

⁵ 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 Civic 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.

⁶ In accordance with 49 U.S.C. 41734(c), we will extend CommutAir's service obligation for successive 30-day periods as necessary until replacement service actually begins.

the proposal should be sent to the EAS and Domestic Analysis Division, X-53, Office of Aviation Analysis, Room 6401, Department of Transportation, 400 7th Street, S.W., Washington, D.C. 20590, with the title: "Proposal to Provide Essential Air Service at Saranac Lake/Lake Placid, New York, Docket OST-00-8025;"⁷

2. The Department prohibits CommutAir, Inc., d/b/a USAirways Express, from terminating service at Saranac Lake/Lake Placid, New York, at the end of its 90-day notice period, and requires it to maintain at least three nonstop or one-stop round trips a day between Saranac Lake/Lake Placid and Albany, through January 10, 2001, or until a carrier capable of providing reliable essential air service actually begins service, whichever comes first;

3. The Department directs CommutAir, Inc., d/b/a USAirways Express, to retain all books, records, and other source and summary documents to support subsidy claims for payment, and to preserve and maintain such documentation in a manner that readily permits its audit and examination by representatives of the Department. Such documentation shall be retained for seven years or until the Department indicates that the records may be destroyed. Copies of flight logs for aircraft sold or disposed of must be retained. The carrier may forfeit its compensation for any claim that is not supported under the terms of this order;

4. This docket will remain open until further Department order; and

5. We will serve a copy of this order on the mayors of Saranac Lake and Lake Placid, the Airport Manager of Adirondack Regional Airport, the Governor of New York, the New York Department of Transportation, CommutAir, and the carriers listed in Appendix B.

By:

FRANCISCO J. SANCHEZ
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>*

⁷ After serving a copy of its proposal on the civic officials of Saranac Lake and Lake Placid, the State of New York, 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.

HISTORICAL TRAFFIC AT SARANAC LAKE, NEW YORK

		<u>SLK-</u>	<u>-SLK</u>	<u>Enpl. per day</u>
1996	1Q	910	780	
	2Q	1,059	1,114	
	3Q	1,608	1,431	
	4Q	<u>884</u>	<u>856</u>	
		4,461	4,181	14.2
1997	1Q	777	717	
	2Q	1,118	1,227	
	3Q	1,766	1,551	
	4Q	<u>952</u>	<u>995</u>	
		4,613	4,490	14.7
1998	1Q	905	816	
	2Q	1,139	1,278	
	3Q	2,139	2,007	
	4Q	<u>1,082</u>	<u>1,039</u>	
		5,265	5,140	16.8
1999	1Q	958	940	
	2Q	1,121	1,179	
	3Q	1,962	1,729	
	4Q	<u>1,202</u>	<u>1,190</u>	
		5,243	5,038	16.8
2000	1Q	833	757	

Source: CommutAir Form 298-C, Schedule T-1

SERVICE LIST FOR THE STATE OF NEW YORK

Acadia Air, Inc.	Northwest Airlink
Amerijet International, Inc.	Omniflight Helicopter Service, Inc.
Business Express, Inc.	Pennsylvania Aviation, Inc.
Chautauqua Airlines, Inc.	Pennsylvania Commuter Airlines, Inc.
Chester County Aviation, Inc.	Southern Jersey Airways, Inc.
Colgan Air	Spectrum airlines, Inc.
Columbia Aviation, Inc.	Travelair, Inc.
Corporate Air, Inc.	Valley Air Service, Inc.
Delta Connection	
Executive Airlines, Inc.	
Gull Aviation, Inc.	Chester Anderson
Henson Aviation, Inc.	Ken Bannon
Horizon Air, Inc.	Sabrina Cranor
HubExpress, Inc.	Virgil de la Cruz
Hyannis Air Service, Inc.	E. B. Freeman
Jetstream International Airlines, Inc.	Edward Harahusk
Long Island Airlines	Robert Hart
Metroflight, Inc.	A. Edward Jenner
Midway Airlines, Inc.	John McFarlane
Midwest Express Airlines, Inc.	Eric Nordling
New England Airlines, Inc.	Mark Prange
New York Helicopter Corporation	John Sinisi
Northeast Express Regional Airlines, Inc.	Kevin Thomas