

126086



Order 2001-4-13

Served: April 13, 2001

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

Issued by the Department of Transportation  
on the 10th day of April, 2001

Essential air service at

**ROCKFORD, ILLINOIS**

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

Docket OST-2001-9273 - 2

**ORDER ALLOWING SUSPENSION OF SERVICE  
AND REQUESTING PROPOSALS FOR REPLACEMENT SERVICE**

**Background**

On March 28, 2001, Mesaba Aviation, Inc., d/b/a Northwest AirlinK, filed a notice of its intent to suspend its unsubsidized scheduled service at Rockford, Illinois, as of June 1, 2001. Mesaba is the only carrier providing scheduled service at Rockford, where it currently operates three nonstop round trips to Detroit each weekday and weekend with 34-seat Saab SF340 aircraft.<sup>1</sup>

Rockford's essential air service determination, as last established by Order 84-8-20, August 3, 1984, required at least two nonstop round trips a day to Chicago providing 62 inbound and outbound seats or, alternatively, at least two round trips a day to both Denver and Detroit with no more than two intermediate stops and providing a total of 62 inbound and outbound seats.<sup>2</sup>

Rockford's determination was fully met until 1996, when the Department allowed Simmons Airlines, Inc., d/b/a American Eagle, to suspend its service to Chicago's O'Hare International Airport in view of the community's remaining service to two other hubs -- to Detroit by Astral Aviation, Inc., d/b/a Midwest Express Connection/Skyway Airlines, and to Minneapolis/St. Paul

<sup>1</sup> See Appendix A for a map.

<sup>2</sup> Rockford's seating guarantee reflected the maximum under the essential air service program's guidelines, based on 40 passengers and a 65-percent load factor:  $40/.65 = 62$  seats. However, the Airport and Airway Safety and Capacity Expansion Act of 1987, P.L. 100-223, subsequently changed the program's load-factor standard from 65 to 60 percent; although the Department did not formally update Rockford's determination, the community's seating guarantee became  $40/.60 = 67$  seats. In addition, P.L. 100-223 stipulated that non-Alaska communities were entitled to service with no more than one intermediate stop, so the references to two-stop service in Rockford's determination no longer apply.

by Express Airlines I, Inc., d/b/a Northwest Airlink.<sup>3</sup> That same year, Mesaba began serving the Rockford-Detroit route after the community and Northwest Airlines, Inc., the code-share parent of both Mesaba and Express Airlines I, reached an agreement under which the community waived the 90-day notice and hold-in protections ordinarily afforded communities under the essential air service program.<sup>4</sup> Skyway discontinued its own Rockford-Detroit service in 1997. The community lost service to Minneapolis/St. Paul in 2000,<sup>5</sup> and it now faces the loss of service to Detroit as well.

### **Decision**

We will allow Mesaba to suspend its service at Rockford as of June 1, 2000, as it intends. The community is prepared to honor its agreement with Northwest, and we will not intervene.

### **Request for Proposals**

We will also seek proposals, with or without subsidy requests, from carriers interested in providing replacement service at Rockford. We ask that carriers submit their proposals within 20 days of the date of service of this order; we will give full consideration to all proposals that are timely filed. In order to afford the community and Department with as broad an array of proposals as possible, we request proposals that contemplate at least three nonstop or one-stop round trips each weekday and weekend with 15-seat or larger aircraft to Chicago, Detroit, or any other hub providing suitable access to the national air transportation system.

### **Rockford's Subsidy Eligibility**

By our measure, Rockford is 70 highway miles from O'Hare, a large hub airport.<sup>6</sup> Among other things, the program's eligibility criteria prohibit us from paying subsidy to support service at communities located *fewer than 70* highway miles from a large hub.<sup>7</sup> Under the present statutory criteria, service at Rockford thus remains eligible for subsidy.

---

<sup>3</sup> See Order 96-6-9, June 5, 1996. In November 1995, the Department had implemented program-wide cutbacks necessitated by a program budget reduction of 38 percent for fiscal year 1996. As a result, the Department was able to subsidize no more than ten round trips a week to a single hub at any community in the program. See Orders 95-11-28, November 17, 1995, and 96-2-1, February 2, 1996. Under the circumstances, the Department was not in a position to require Simmons to maintain Rockford-O'Hare service, and consequently to subsidize that service, when the community was also receiving service to two other hubs.

<sup>4</sup> Both the community and Mesaba have supplied us with copies of the community's waiver, in the form of a letter from the Mayor of Rockford and the Executive Director of the Greater Rockford Airport Authority to Northwest dated July 18, 1996.

<sup>5</sup> Mesaba replaced Express Airlines I on the Rockford-Minneapolis/St. Paul route in early 1998, and downgraded that service from nonstop to one-stop via Dubuque, Iowa, later that same year. Mesaba altogether discontinued Rockford's service to Minneapolis/St. Paul in 2000.

<sup>6</sup> The community has informally told us that the distance is a mile or two more, but the difference is not decisive.

<sup>7</sup> Department of Transportation and Related Agencies Appropriations Act of 2000, P.L. 106-69.

However, carriers interested in providing replacement service at Rockford but who believe they will require subsidy should be aware that the Administration has proposed a program budget of \$50 million for fiscal year 2002 -- the same level as for fiscal years 1998 through 2001 -- although we are now spending program funds at an annual rate of nearly \$60 million. Under the circumstances, we have proposed a tightening of the program's subsidy eligibility criteria for fiscal year 2002, which begins October 1, 2001. Insofar as Rockford is concerned, we have proposed that communities located within 100 highway miles of a large hub, rather than 70, be ineligible for subsidy to support their services. Of course, our proposal is subject to Congressional action, but interested carriers should be mindful that Rockford could ultimately lose its subsidy eligibility in less than six months.

### **Service and Traffic History**

Rockford's service history since 1996 is discussed above. At various times in the early 1990s, the community also received service to Milwaukee by Skyway, to Chicago's Midway Airport by Midway Airlines, Inc., and to Detroit by Mesa Airlines, Inc., d/b/a America West Express. In the early 1990s, Rockford averaged roughly 160 enplanements a day, with Simmons's service to O'Hare generally accounting for about three-quarters of the total.<sup>8</sup> During the last four years, without service to O'Hare, the community averaged 55.1 enplanements a day in 1997, 49.7 in 1998, 45.6 in 1999, and 35.6 in 2000.

### **Procedures for Filing Replacement 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.

---

<sup>8</sup> See Appendix B for historical traffic data. Enplanements represent one-half of total origin-and-destination traffic, and averages are based on 313 weekdays and weekends each year.

### **Other Carrier Requirements**

The Department is responsible for implementing various Federal statutes governing lobbying activities, drug-free workplaces, and nondiscrimination.<sup>9</sup> 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 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 community and state are welcome to submit comments on the proposals at any time. 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.<sup>10</sup>

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

### **ACCORDINGLY,**

1. We take no action to prohibit Mesaba Aviation, Inc., d/b/a Northwest Airlink, from suspending its scheduled air service at Rockford, Illinois, as of June 1, 2001;
2. We request that carriers interested in providing essential air service at Rockford, Illinois, submit their proposals, with subsidy requests if necessary, within 20 days after 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 proposal should be sent to the EAS & Domestic Analysis Division, X-53, Office of Aviation Analysis, Room 6401,

---

<sup>9</sup> 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.

<sup>10</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 as proposed.

Department of Transportation, 400 7th Street S.W., Washington, DC 20590, with the title, "Proposal to Provide Essential Air Service at Rockford, Illinois, Docket OST-2001-9273";<sup>11</sup>

3. This docket will remain open until further order of the Department; and
4. We will serve copies of this order on the Mayor of Rockford, the Executive Director of the Greater Rockford Airport Authority, the Illinois Division of Aeronautics, Mesaba Aviation, Inc., d/b/a Northwest Airlinck, and the persons listed in Appendix C.

By:

**SUSAN McDERMOTT**  
Deputy Assistant Secretary for Aviation  
and International Affairs

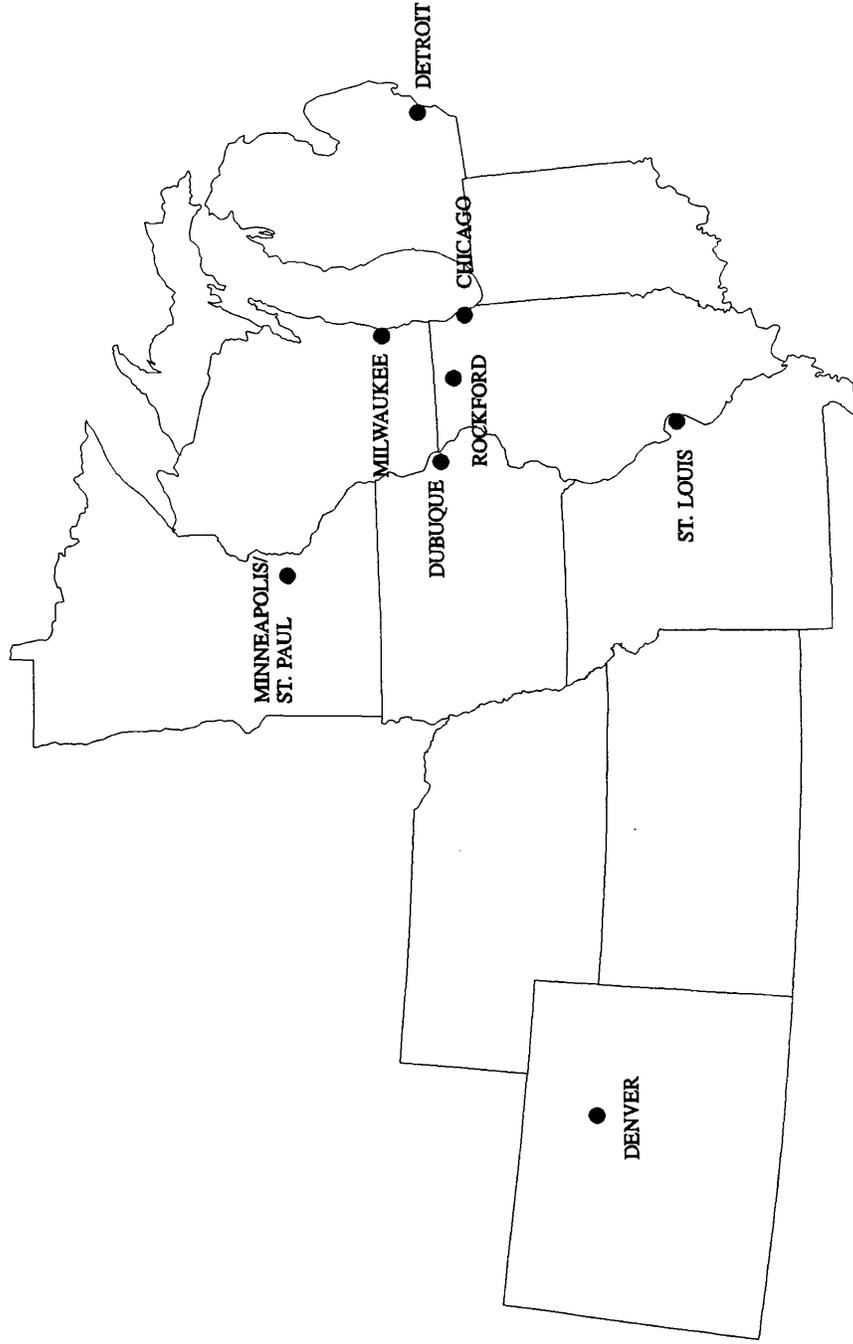
(SEAL)

*An electronic version of this document is available  
on the World Wide Web at <http://dms.dot.gov>*

---

<sup>11</sup> After the proposals have been docketed, Department staff will contact each applicant and direct it to serve a copy of its proposal on the civic officials of the community, the state, and the other applicants. All applicants must then file a certificate of service with the Department's Documentary Services Division.

# ROCKFORD, ILLINOIS, AND THE SURROUNDING REGION



APPENDIX B

ROCKFORD, ILLINOIS  
HISTORICAL TRAFFIC DATA

YEAR	SIMMONS d/b/a AMERICAN EAGLE		MIDWEST EXPRESS CONN/SKYWAY		EXPRESS AIRLINES I AND MESABA d/b/a		MESA d/b/a		ALL SERVICE	
	ENPLANEMENTS	AVG.	ENPLANEMENTS	AVG.	ENPLANEMENTS	AVG.	ENPLANEMENTS	AVG.	ENPLANEMENTS	AVG.
1990	29,156	93.2	6,387	20.4	4,859	15.5	11,989	38.3	52,390	167.4
1991	33,813	108.0	5,413	17.3	3,757	12.0	8,818	28.2	51,801	165.5
1992	39,283	125.5	6,989	22.3	4,979	15.0	---	---	51,250	163.7
1993	37,488	119.8	7,486	23.9	4,860	15.5	---	---	49,833	159.2
1994	35,567	113.6	5,201	16.6	3,667	11.7	---	---	47,286	151.1
1995	22,982	73.4	4,939	15.8	3,976	12.7	---	---	31,897	101.9
1996	8,370	26.7	5,186	16.6	6,322	20.2	---	---	19,877	63.5
1997	---	---	1,453	4.6	15,794	50.5	---	---	17,247	55.1
1998	---	---	---	---	15,562	49.7	---	---	15,562	49.7
1999	---	---	---	---	14,286	45.6	---	---	14,286	45.6
2000	---	---	---	---	11,142	35.6	---	---	11,142	35.6

SOURCE: The Greater Rockford Airport Authority. Enplanements represent one-half of total origin-and-destination traffic, and averages are based on 313 weekdays and weekends each year.

## 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.  
Corporate Airlines, Inc.  
Delta Connection  
Direct Air, Inc.  
Dwyer Aircraft Sales, Inc.  
Executive Airlines, Inc.  
Florida Air, Inc.  
Gorda Aero Service, 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.  
Westward Airways, 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  
Edward Wenz  
Gary L. White