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Order 2001-1-20



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

Issued by the Department of Transportation  
on the 26<sup>th</sup> day of January, 2001

Served: February 1, 2001

Essential Air Service at  
**ELY, NEVADA**  
under 49 U.S.C. 41731 *et seq.*

**Docket OST-1995-361 - 31**

**ORDER REQUESTING PROPOSALS**

**Summary**

By this order, the Department is requesting proposals from carriers interested in providing replacement service at Ely, Nevada.<sup>1</sup>

**Background**

On November 3, 2000, Sunrise Airlines shut down leaving Ely, Nevada, Page, Arizona, and Moab and Vernal, Utah, with no scheduled air service. By Order 2000-11-4, issued November 7, 2000, the Department requested proposals on an emergency basis from carriers interested in providing replacement essential air service at those communities.

In response to that request, we received service proposals from five carriers. Sunrise and Casino Airlines submitted proposals for service to all four communities; Great Lakes Aviation submitted proposals for Vernal, Page and Moab; Arrow West submitted a proposal for Moab only; and Classic Aviation submitted a proposal for Page only. Subsidy rate negotiations with all five carriers are now underway.

However, neither carrier with proposals for Ely--Sunrise and Casino--is currently operating and, in fact, neither has the requisite operating authority from the Department at this time. In view of this, we have decided that, in order to expedite the selection decision for Page, Moab and Vernal, we will separate the Ely proceeding from the others and re-advertise for proposals for that community.

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

**Request for Proposals**

We request that any carriers interested in providing essential air service at Ely file their proposals within 30 days of the service date of this order. In general, we ask that carriers submit proposals for two or three nonstop or one-stop round trips per day, preferably to Las Vegas, Reno or Salt Lake City, with 15-seat, or larger, pressurized aircraft. However, if carriers wish to provide service with smaller aircraft and provide more frequencies, or serve different hubs, we will entertain such proposals. 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.<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.

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<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-1995-361. 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.<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 assigned in 14 CFR 385.12(k)(6).

### **ACCORDINGLY,**

1. We request that carriers interested in providing essential air service at Ely, Nevada, submit their proposals, with or without requests for subsidy, within 30 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 Ely, Nevada, Docket OST-1995-361";<sup>6</sup>
2. This docket will remain open until further Department order; and

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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 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.

<sup>6</sup> After serving a copy of its proposal on the civic officials of Ely and White Pine County, the State of Nevada, 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.

3. We will serve a copy of this order on the mayor and airport manager of Ely, the White Pine County Board of County Commissioners, the Governor of Nevada, the Nevada Department of Transportation, and the carriers listed in Appendix B.

By:

**RANDALL D. BENNETT**  
Director  
Office of Aviation Analysis

(SEAL)

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

**HISTORICAL TRAFFIC**

**ELY**

<b>ELY</b>		<b><u>ELY-</u></b>	<b><u>-ELY</u></b>	<b><u>TOTAL</u></b>	<b><u>O&amp;D Per Day 1/</u></b>
1998	1	119	129	248	
	2	181	176	357	
	3	140	133	273	
	4	<u>121</u>	<u>127</u>	<u>248</u>	
		561	565	1,126	3.6
1999	1	104	84	188	
	2	144	107	251	
	3	555	490	1,045	
	4	<u>723</u>	<u>751</u>	<u>1,474</u>	
		1,526	1,432	2,958	9.5
2000	1	621	691	1,312	

**SERVICE LIST**

Air LA, Inc.  
Air Midwest, Inc.  
Air Nevada Airlines, Inc.  
Air Transport, Inc.  
Air Vegas, Inc.  
Alpha Air  
America Aviation  
Arizona Pacific Airlines, Inc.  
Aspen Airways, Inc.  
Aviation Services West, Inc.  
Balter Worldwide Corporation  
Barken International, Inc.  
Big Sky Transportation Co.  
Delta Connection  
Direct Aviation  
Empire Airways  
Grand Airways  
Grand Canyon Airlines, Inc.  
Great Lakes, Aviation, Ltd.  
Martin Aviation, Inc.  
Mesa Airlines, Inc.  
Metroflight, Inc.  
Midway Airlines, Inc.  
Midwest Express Airlines, Inc.  
Northern Tier Airlines, Inc.  
Northwest Airlink

Pacific Air West, Inc.  
Renown Aviation  
Rocky Mountain Helicopters, Inc.  
Sierra Nevada Airways, Inc.  
SkyWest Airlines, Inc.  
WestAir Commuter Airlines, Inc.  
Wings West Airlines, Inc.  
World Airways, Inc.

Ken Bannon  
E.B Freeman  
A. Edward Jenner  
John McFarlane  
Andy Pike  
Richard A. Raymer  
Kevin Thomas  
Larry Tiffin

**M A P**

