

Order 2002-7-34
Served: July 31, 2002



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

Issued by the Department of Transportation
on the 26th day of July, 2002

Essential Air Service at

**Alamosa, Colorado
Cortez, Colorado
Pueblo, Colorado
Laramie, Wyoming
Rock Springs, Wyoming
Worland, Wyoming**

| | |
|---------------|----------------------|
| Docket | OST-1997-2960 |
| Docket | OST 1998-3508 |
| Docket | OST-1999-6589 |
| Docket | OST-1997-2958 |
| Docket | OST-1997-2959 |
| Docket | OST-1997-2981 |

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

ORDER REQUESTING PROPOSALS

Summary

By this order we are requesting proposals from carriers interested in providing essential air service at each of the communities listed above.¹

Background

By various orders in 2000, Great Lakes Aviation, Ltd. (Great Lakes) was selected to provide subsidized Essential Air Service (EAS) to each of the above communities.² Under our normal procedures when nearing the end of a subsidy rate term, we contact the incumbent carrier to determine whether it is interested in continuing service and whether it will continue to require subsidy. We usually negotiate a new subsidy rate with the carrier, issue an order tentatively reselecting it for a new rate term at the agreed rate, and direct other parties to show cause why we should not finalize our tentative decision.

¹ See Appendix A for a map.

² Order 2000-5-14, May 11, 2000, for Laramie, Rock Springs, and Worland; Order 2000-5-17, May 12, 2000, for Alamosa; Order 2000-7-16, July 11, 2000, for Pueblo; and Order 2000-12-26, December 28, 2000, for Cortez.

Other carriers wishing to submit competing proposals are invited to do so in response to the show-cause order; if any such proposals are filed, we process them as a competitive case. However, the Department recently became aware of other carriers that are interested in providing EAS at one or more of the above communities. In view of this situation, and to save time, we will forego our discussions with Great Lakes and immediately initiate a formal carrier selection case. Thus, we are issuing an order seeking replacement service proposals for essential air service at each of the communities for new two-year contract periods.

Great Lakes was last selected to provide subsidized service at Laramie, Rock Springs, and Worland by Order 2000-5-14. Annual subsidy rates were set at \$297,633 for Laramie, \$465,023 for Rock Springs, and \$353,345 for Worland. By Order 2000-5-17 Great Lakes was selected to provide subsidized service at Alamosa for the annual subsidy rate of \$925,045. The annual rate at each of these four communities expired on April 30, 2002. By Order 2000-7-16, the Department selected Great Lakes to provide subsidized service at Pueblo at the annual subsidy rate of \$527,185 through May 31, 2002. At Cortez, Great Lakes was selected by Order 2000-12-26 to provide subsidized service at the annual subsidy rate of \$403,311 through September 30, 2002.

Great Lakes current service at each community consists of 18 weekly nonstop or one-stop flights to Denver using 19-seat Beech 1900D aircraft.

Essential Air Service Determinations and Current Service

Alamosa, Colorado

Alamosa's EAS determination, last set by Order 94-9-10, requires a minimum of two weekday and weekend round trips to Denver on a one-stop or nonstop basis, and 67 seats each service day. Great Lakes currently provides Alamosa with 18 weekly nonstop round trips to Denver using its 19-seat, Beech 1900 aircraft.

Cortez, Colorado

The EAS definition for Cortez, also set by Order 94-9-10, requires a minimum of two weekday and weekend round trips to Denver on a one-stop or nonstop basis, and 67 seats each service day. Great Lakes currently provides Cortez with 18 weekly nonstop round trips, again using its 19-seat, Beech 1900 aircraft.

Pueblo, Colorado

The EAS definition for Pueblo was set by Civil Aeronautics Board Order 84-6-19, and requires a minimum of two nonstop round trips to Denver each weekday and weekend and 67 seats each service day. Great Lakes currently serves Pueblo with 18 weekly nonstop Denver round trips using its 19-seat, Beech 1900 aircraft.

Laramie, Wyoming

Essential air service at Laramie was set by the Department in Order 94-9-10, and is defined as at least two daily nonstop or one-stop round trips to Denver and 67 seats each

service day. Great Lakes currently serves Laramie on a nonstop basis to Denver using its 19-seat, Beech 1900 aircraft.

Rock Springs, Wyoming

Essential air service at Rock Springs was set by Civil Aeronautics Board Order 88-11-51, and is defined as at least two one-stop or nonstop round trips to Denver each weekday and weekend and 67 seats each service day. Great Lakes currently provides the community with 18 nonstop round trips a week to Denver, again using its 19-seat, Beech 1900D aircraft.

Worland, Wyoming

Essential air service at Worland was set by the Department in Order 94-9-10, and is defined as at least two daily nonstop or one-stop round trips to Denver and 25 seats each service day. Great Lakes current service consists of 18 weekly one-stop round trips to Denver via Riverton, Wyoming, using its Beech 1900D aircraft.

Request for Proposals

We request that any carriers interested in providing essential air service at one or more of the above communities file their proposals within 20 days of the service date of this order. We ask that carriers submit proposals for two or three round trips each weekday and weekend to Denver with 15-19 seat aircraft, or two round trips a day with larger aircraft. Pueblo-Denver service should be nonstop, while service to the other markets may be nonstop or one-stop. We will also entertain proposals to other hubs that provide access to the National air transportation system in order to give the Department and each community as broad an array of proposals as possible from which to choose. Of course, as always, we will formally solicit each 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 for all six communities in Appendix B.

Procedures for Filing Competitive 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 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.³ 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

If we receive competing proposals, the communities and states 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.⁴

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 Alamosa, Cortez, or Pueblo, Colorado, or at Laramie, Rock Springs, or Worland, Wyoming, 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 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

³ The regulations applicable to these areas are: (1) 49 CFR Part 20 – New restrictions on lobbying; (2) 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 disability in programs and activities receiving or benefiting from Federal financial assistance; and 14 CFR Part 382 - Nondiscrimination on the basis of disability in air travel; and (3) 49 CFR Part 29 – Government-wide debarment and suspension (non-procurement) and government-wide requirements for drug-free workplace (grants).

⁴ In cases where a carrier proposes to provide 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.

to Provide Essential Air Service at Alamosa, Colorado (Docket OST-1997-2960), Cortez, Colorado (OST 1999-3508), Pueblo, Colorado (OST-1998-6589), Laramie, Wyoming (OST-1999-2958), Rock Springs, Wyoming (OST-1999-2959), or Worland, Wyoming (Docket OST-1998-2981);⁵

2. This docket will remain open until further Department order; and
3. We will serve a copy of this order on the Mayors and airport managers of Alamosa, Cortez, and Pueblo, Colorado, and Laramie, Rock Springs, and Worland, Wyoming, the Governors of Colorado and Wyoming, the Colorado Department of Transportation and the Wyoming Department of Transportation, Great Lakes Aviation, Ltd., and the carriers listed in Appendix C.

By:

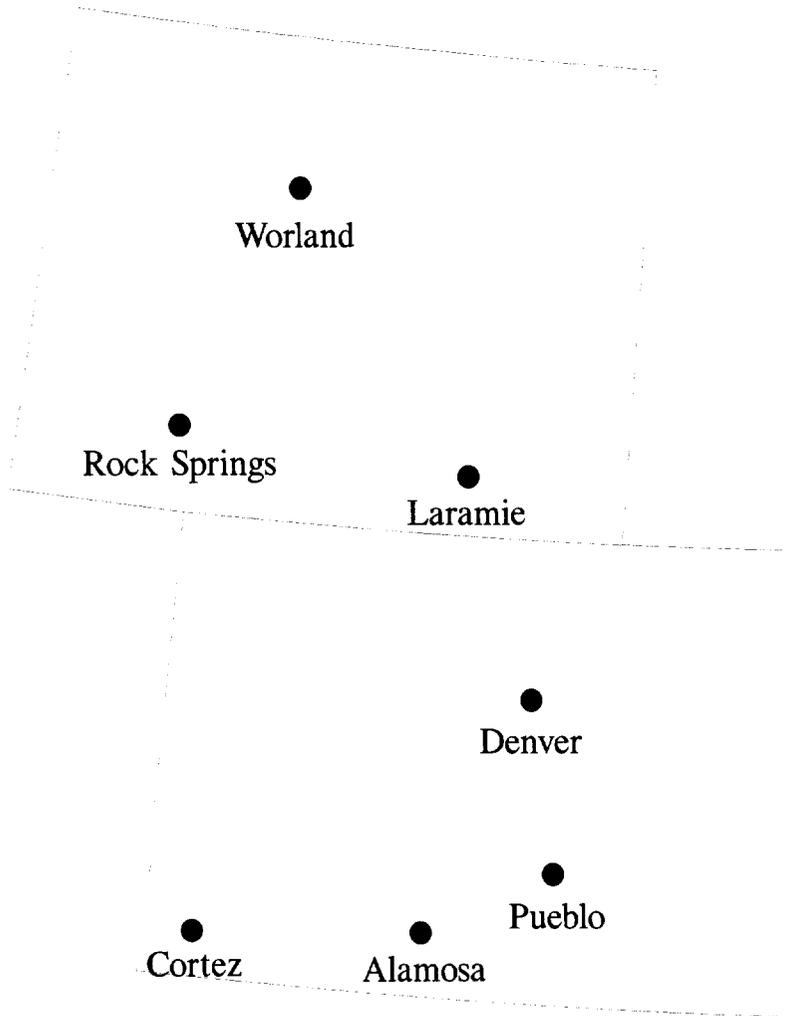
Read C. Van de Water
Assistant Secretary for Aviation
and International Affairs

(SEAL)

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

⁵ After serving a copy of its proposal on the civic officials of the relevant communities and states 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 Mike Waters at (202) 366-6494.

AREA MAP



Historical Origination & Destination Passengers at Alamosa, Colorado

| Year | Origination & Destination Passengers ⁶ | Average Annual Enplanements ⁷ | Average Enplanements per Service Day ⁸ |
|------|---|--|---|
| 1985 | 16,710 | 8,355 | 26.7 |
| 1986 | 19,197 | 9,599 | 30.7 |
| 1987 | 18,669 | 9,335 | 29.8 |
| 1988 | 17,485 | 8,743 | 27.8 |
| 1989 | 16,146 | 8,073 | 25.8 |
| 1990 | 16,819 | 8,410 | 26.9 |
| 1991 | 15,041 | 7,521 | 24.0 |
| 1992 | 14,563 | 7,282 | 23.2 |
| 1993 | 15,913 | 7,957 | 25.4 |
| 1994 | 13,231 | 6,616 | 21.1 |
| 1995 | 7,874 | 3,937 | 12.6 |
| 1996 | 7,910 | 3,955 | 12.6 |
| 1997 | 5,515 | 2,758 | 8.8 |
| 1998 | 10,193 | 5,097 | 16.3 |
| 1999 | 8,776 | 4,388 | 14.0 |
| 2000 | 9,622 | 4,811 | 15.3 |
| 2001 | 8,456 | 4,228 | 13.5 |

⁶ Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Form 298-C, Schedule T-1, as reported by Great Lakes Aviation, Ltd., for the period indicated.

⁷ Origin & Destination passengers divided by two.

⁸ Average annual enplanements divided by 313 effective service days (314 service days in leap years).

Historical Origination & Destination Passengers at Cortez, Colorado

| Year | Origination & Destination Passengers ⁹ | Average Annual Enplanements ¹⁰ | Average Enplanements per Service Day ¹¹ |
|------|---|---|--|
| 1988 | 8,569 | 4,285 | 13.6 |
| 1989 | 9,271 | 4,636 | 14.8 |
| 1990 | 16,820 | 8,410 | 26.9 |
| 1991 | 12,486 | 6,243 | 19.9 |
| 1992 | 14,904 | 7,452 | 23.7 |
| 1993 | 16,773 | 8,387 | 26.8 |
| 1994 | 17,510 | 8,755 | 28.0 |
| 1995 | 21,748 | 10,874 | 34.7 |
| 1996 | 17,424 | 8,712 | 27.7 |
| 1997 | 20,975 | 10,488 | 33.5 |
| 1998 | 22,989 | 11,495 | 36.7 |
| 1999 | 15,888 | 7,944 | 25.4 |
| 2000 | 18,157 | 9,079 | 28.9 |
| 2001 | 16,584 | 8,292 | 26.5 |

⁹ Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Form 298-C, Schedule T-1, as reported by Great Lakes Aviation, Ltd., for the period indicated.

¹⁰ Origin & Destination passengers divided by two.

¹¹ Average annual enplanements divided by 313 effective service days (314 service days in leap years).

Historical Origination & Destination Passengers at Laramie, Wyoming

| Year | Origination & Destination Passengers ¹² | Average Annual Enplanements ¹³ | Average Enplanements per Service Day ¹⁴ |
|------|--|---|--|
| 1990 | 9,631 | 4,816 | 15.4 |
| 1991 | 12,900 | 6,450 | 20.1 |
| 1992 | 16,194 | 8,097 | 25.8 |
| 1993 | 17,660 | 8,830 | 28.2 |
| 1994 | 19,105 | 9,553 | 30.5 |
| 1995 | 16,266 | 8,133 | 26.0 |
| 1996 | 17,646 | 8,823 | 28.1 |
| 1997 | 17,263 | 8,632 | 27.6 |
| 1998 | 17,267 | 8,634 | 27.6 |
| 1999 | 21,604 | 10,802 | 34.5 |
| 2000 | 23,307 | 11,654 | 37.1 |
| 2001 | 18,924 | 9,462 | 30.2 |

¹² Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Form 298-C, Schedule T-1, as reported by Great Lakes Aviation, Ltd., for the period indicated.

¹³ Origin & Destination passengers divided by two.

¹⁴ Average annual enplanements divided by 313 effective service days (314 service days in leap years).

Historical Origination & Destination Passengers at Pueblo, Colorado

| Year | Origination & Destination Passengers ¹⁵ | Average Annual Enplanements ¹⁶ | Average Enplanements per Service Day ¹⁷ |
|------|--|---|--|
| 1985 | 24,831 | 12,416 | 39.7 |
| 1986 | 21,833 | 10,917 | 34.9 |
| 1987 | 34,416 | 17,208 | 55.0 |
| 1988 | 30,089 | 15,045 | 47.9 |
| 1989 | 33,574 | 16,787 | 53.6 |
| 1990 | 38,640 | 19,320 | 61.7 |
| 1991 | 48,908 | 24,454 | 78.1 |
| 1992 | 56,357 | 28,179 | 89.7 |
| 1993 | 55,195 | 27,598 | 88.2 |
| 1994 | 31,583 | 15,792 | 50.5 |
| 1995 | 26,550 | 13,275 | 42.4 |
| 1996 | 15,760 | 7,880 | 25.1 |
| 1997 | 15,676 | 7,838 | 25.0 |
| 1998 | 6,756 | 3,378 | 10.8 |
| 1999 | 8,828 | 4,414 | 14.1 |
| 2000 | 7,534 | 3,767 | 12.0 |
| 2001 | 4,502 | 2,251 | 7.2 |

¹⁵ Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Form 298-C, Schedule T-1, as reported by Great Lakes Aviation, Ltd., for the period indicated.

¹⁶ Origin & Destination passengers divided by two.

¹⁷ Average annual enplanements divided by 313 effective service days (314 service days in leap years).

Historical Origination & Destination Passengers at Rock Springs, Colorado

| Year | Origination & Destination Passengers ¹⁸ | Average Annual Enplanements ¹⁹ | Average Enplanements per Service Day ²⁰ |
|------|--|---|--|
| 1988 | 20,302 | 10,151 | 32.3 |
| 1989 | 23,748 | 11,874 | 37.9 |
| 1990 | 27,909 | 13,955 | 44.6 |
| 1991 | 30,300 | 15,150 | 48.4 |
| 1992 | 27,094 | 13,547 | 43.1 |
| 1993 | 28,154 | 14,077 | 45.0 |
| 1994 | 27,974 | 13,987 | 44.7 |
| 1995 | 18,932 | 9,466 | 30.2 |
| 1996 | 17,758 | 8,879 | 28.3 |
| 1997 | 20,296 | 10,148 | 32.4 |
| 1998 | 18,078 | 9,039 | 28.9 |
| 1999 | 18,818 | 9,409 | 30.1 |
| 2000 | 19,246 | 9,623 | 30.6 |
| 2001 | 17,404 | 8,702 | 27.8 |

¹⁸ Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Form 298-C, Schedule T-1, as reported by Great Lakes Aviation, Ltd., for the period indicated.

¹⁹ Origin & Destination passengers divided by two.

²⁰ Average annual enplanements divided by 313 effective service days (314 service days in leap years).

Historical Origination & Destination Passengers at Worland, Wyoming

| Year | Origination & Destination Passengers ²¹ | Average Annual Enplanements ²² | Average Enplanements per Service Day ²³ |
|------|--|---|--|
| 1988 | 2,577 | 1,289 | 4.1 |
| 1989 | 2,622 | 1,311 | 4.2 |
| 1990 | 3,544 | 1,772 | 5.7 |
| 1991 | 4,648 | 2,324 | 7.4 |
| 1992 | 5,495 | 2,748 | 8.8 |
| 1993 | 5,533 | 2,767 | 8.8 |
| 1994 | 5,530 | 2,765 | 8.8 |
| 1995 | 3,811 | 1,906 | 6.1 |
| 1996 | 5,014 | 2,507 | 8.0 |
| 1997 | 3,822 | 1,911 | 6.1 |
| 1998 | 5,428 | 2,714 | 8.7 |
| 1999 | 5,543 | 2,772 | 8.9 |
| 2000 | 6,115 | 3,058 | 9.7 |
| 2001 | 5,082 | 2,541 | 8.1 |

²¹ Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Form 298-C, Schedule T-1, as reported by Great Lakes Aviation, Ltd., for the period indicated.

²² Origin & Destination passengers divided by two.

²³ Average annual enplanements divided by 313 effective service days (314 service days in leap years).

SERVICE LIST FOR THE STATE OF COLORADO

Air L.A., Inc.
Air Transport, Inc.
Alpine Air Express
Alpine Aviation, Inc.
Amerijet International, Inc.
Arizona Airways, Inc.
Arizona Pacific Airlines, Inc.
Aspen Airways, Inc.
Aviation Services West, Inc.
Barken International, Inc.
Blue Ridge Airlines
Delta Connection
Laredo Air, Inc.
Lone Star Airlines, Inc.
Mesa Airlines, Inc.
Metroflight, Inc.
Midway Airlines, Inc.
Midwest Express Airlines, Inc.
Northwest Airlink
Pacific Air West, Inc.
Pennsylvania Commuter Airlines, Inc.
Renown Aviation, Inc.
Rio Grande Air
Rocky Mountain Airways, Inc.
Rocky Mountain Helicopters, Inc.
Skywest Airlines, Inc.
Westward Airways, Inc.
Wings West Airlines, Inc.

Chuck Aune
Ken Bannon
Doug Franklin
E.B. Freeman
Ben Harrison
A. Edward Jenner
Keith Kahle
Bob Karns
Colleen O'Day
Gene Mallette
Alan W. Markham
Lee Mason
Helen McCoy
John McFarlane
Richard A. Raymer
Tim Woldridge

SERVICE LIST FOR THE STATE OF WYOMING

Air Wisconsin, Inc.
Alpine Air Express
Alpine Aviation, Inc.
Amerijet International, Inc.
Aspen Airways, Inc.
Barken International, Inc.
Big Sky Transportation Co.
Blue Ridge Airlines
Corporate Air
Delta Connection
Empire Airlines, Inc.
Falcon Aviation, Inc.
Mesa Airlines, Inc.
Metroflight, Inc.
Midway Airlines, Inc.
Midwest Express Airlines, Inc.
Northern Tier Airlines, Inc.
Northwest Airlink
Pacific Air West, Inc.
Rocky Mountain Airways, Inc.
Rocky Mountain Helicopters, Inc.
Skywest Airlines, Inc.
Westward Airways, Inc.
Wings West Airlines, Inc.

Ken Bannon
Doug Franklin
E.B. Freeman
Ben Harrison
A. Edward Jenner
Bob Karns
Colleen O'Day
Gene Mallette
Lee Mason
John McFarlane
Andy Pike
Richard A. Raymer
Gary L. White