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

Issued by the Department of Transportation
on the 6th day of March, 2001

Essential air service at

BURLINGTON, IOWA

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

Docket OST-2001-8731 - 8

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

Background

On January 18, 2001, Corporate Airlines, Inc., d/b/a Trans World Express, filed a 90-day notice of its intent to suspend its unsubsidized scheduled service at Burlington, Iowa, as of April 17, 2001. Corporate Airlines is the only carrier providing scheduled service at Burlington, where it currently operates four nonstop round trips to St. Louis each weekday and six each weekend with 19-seat Jetstream 32 aircraft.¹

Burlington's essential air service determination, as last established by Order 92-3-61, March 30, 1992, required at least two nonstop or one-stop round trips a day to both St. Louis and Chicago providing a total of 67 inbound and outbound seats.

Until very recently, Burlington received service to Chicago as well as St. Louis. However, on November 15, 2000, Great Lakes Aviation, Ltd., d/b/a United Express, filed a 90-day notice to suspend its unsubsidized Burlington-Chicago service as of February 15, 2001. By Order 2000-12-22, December 22, 2000, the Department decided to allow Great Lakes to suspend its service at the end of the notice period. In reaching that decision, the Department concluded that it could not require Great Lakes to continue service to Chicago, which would have automatically made that service eligible for subsidy; in view of constraints on the essential air service program's budget, the Department could not begin to subsidize a community's service to one hub when that community was also receiving service to another hub.

Decision

Corporate Airlines' suspension of service would now leave Burlington without any scheduled air service. In accordance with 49 U.S.C. 41734, we will therefore prohibit Corporate Airlines from suspending service at the community for 30 days beyond the end of its 90-day

¹ See Appendix A for a map.

notice period, through May 16, 2001. In doing so, we will require the carrier to operate 24 nonstop round trips to St. Louis each week -- the equivalent of four round trips each weekday and weekend, thus providing the community with 76 inbound and outbound seats a day.

Request for Proposals

We will also seek proposals, with or without subsidy requests, from carriers interested in providing replacement service at Burlington. 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 St. Louis, Chicago, or any other hub providing suitable access to the national air transportation system.

Traffic and Service History

Corporate Airlines has operated Burlington-St. Louis service for less than a year, since May 2000, when it replaced Trans States Airlines, Inc., which was also a Trans World Express carrier. As noted earlier, Burlington also received serviced to Chicago until very recently. During the year ended June 30, 2000, the most recent 12-month period for which data are available, Burlington averaged 58.3 enplanements per day -- 33.1 to St. Louis and 25.3 to Chicago.² It is as yet unclear to what extent the loss of service to Chicago will affect demand for service to St. Louis.

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.

² 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.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

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.⁴

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

ACCORDINGLY,

1. We prohibit Corporate Airlines, Inc., d/b/a Trans World Express, from suspending service at Burlington, Iowa, at the end of its 90-day notice period, and require it to maintain service at the community, as set forth in Appendix C, for the 30-day period through May 16, 2001, or until a carrier capable of providing reliable essential air service actually begins service, whichever is first:⁵

³ 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.

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 as proposed.

⁵ In accordance with 49 U.S.C. 41734(c), we will extend Corporate Airlines' service obligation for successive 30-day periods as necessary until replacement service actually begins.

2. We direct Corporate Airlines, Inc., d/b/a Trans World Express, to retain all books, records, and other source and summary documentation to support 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;
3. We request that carriers interested in providing essential air service at Burlington, Iowa, 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, Department of Transportation, 400 7th Street S.W., Washington, DC 20590, with the title, "Proposal to Provide Essential Air Service at Burlington, Iowa, Docket OST-2001-8731":⁶
4. This docket will remain open until further order of the Department; and
5. We will serve copies of this order on the mayor and airport manager of Burlington, Iowa; Corporate Airlines, Inc., d/b/a Trans World Express, and the persons listed in Appendix D.

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>*

⁶ 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.

BURLINGTON, IOWA, AND THE SURROUNDING REGION



APPENDIX B

BURLINGTON, IOWA
HISTORICAL TRAFFIC DATA

<u>YEAR</u>	<u>CHICAGO SERVICE</u>		<u>ST. LOUIS SERVICE</u>		<u>ALL SERVICE</u>	
	<u>ENPLANEMENTS</u>	<u>AVG.</u>	<u>ENPLANEMENTS</u>	<u>AVG.</u>	<u>ENPLANEMENTS</u>	<u>AVG.</u>
1996	9,822	31.4	11,775	37.6	21,604	69.0
1997	8,286	26.5	11,064	35.3	19,377	61.9
1998	8,492	27.1	11,709	37.4	20,228	64.6
1999	8,011	25.6	10,612	33.9	18,632	59.5
YE 6/30/00	7,909	25.3	10,354	33.1	18,263	58.3

SOURCE: Bureau of Transportation Statistics Form 298-C, Schedule T-1. Enplanements represent one-half of total origin-and-destination traffic, and averages are based on 313 weekdays and weekends each year.

APPENDIX C

CORPORATE AIRLINES, INC., d/b/a TRANS WORLD EXPRESS
ESSENTIAL AIR SERVICE TO BE MAINTAINED
AT BURLINGTON, IOWA

EFFECTIVE PERIOD	April 17, 2001, until further Department action
SERVICE	At least 24 nonstop round trips to St. Louis each week
AIRCRAFT TYPE	Jetstream 32 (19 seats)
TIMING OF FLIGHTS	Flights must be well-timed and well-spaced to ensure full compensation

SERVICE LIST FOR THE STATE OF IOWA

Aero Taxi Rockford, Inc.
Air Casino, Inc.
Air Wisconsin, Inc.
AirVantage, Inc.
Allied Airlines, 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.
Enterprise Airlines, Inc.
Executive Airlines, Inc.
Falcon Aviation, Inc.
Florida Air, Inc.
Gorda Aero Service, Inc.
Great Lakes Aviation, Ltd.
Heartland Aviation, Inc.
Imperial International, Inc.
Jet Services, Inc.
Mesaba Aviation, Inc.
Metroflight, Inc.
Midway Airlines, Inc.
Midwest Aviation
Midwest Express Airlines, Inc.
Multi Aero, Inc.
Northwest Airlink
Ottumwa Flying Service, Inc.
Redwing Airways, Inc.
Scott Aviation, Inc.
Simmons Airlines, Inc.
Thunderbird Aviation, Inc.
Trans North Aviation Ltd.
Trans States Airlines, Inc.
Westward Airways, Inc.
Wise Aviation Company

Chester Anderson
Louis Andrews
Ken Bannon
E.B. Freeman
Douglas Gumula
A. Edward Jenner
Dan Katzka
John McFarlane
Tracy Schoenrock
Gary L. White
Robert Wigmore