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ORDER 2002-3-7
SERVED: March 13, 2002



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 March, 2002

Ninety-day notice of intent of

CHAUTAUQUA AIRLINES, INC.
d/b/a US Airways Express

to terminate service at Lancaster, Pennsylvania,
under 49 U.S.C. 41731 *et seq.*

Docket OST-2002-11450 - 3

ORDER TO SHOW CAUSE

Summary

By this order, the Department is tentatively allowing Chautauqua Airlines, Inc., d/b/a US Airways Express (Chautauqua) to suspend its scheduled service at Lancaster, Pennsylvania, on May 1, 2002.

Background

On January 31, 2002, Chautauqua Airlines, Inc., filed a 90-day notice of its intent to suspend service at Lancaster, Pennsylvania, on or about May 1, 2002. Chautauqua is the only carrier serving Lancaster, and currently operates three weekday and four weekend nonstop round trips to Pittsburgh using 34-seat Saab 340 aircraft. (See Appendix A for map.)

Order 83-3-15 defines Lancaster's essential air service determination as two daily nonstop round trips to Philadelphia, with sufficient capacity to accommodate 40 enplanements a day. In its notice, the carrier states it would be willing to continue service after May 1, 2002, but only if it receives EAS subsidy that is adequate to fully cover losses incurred in serving the route.

Objection filed by Lancaster Airport Authority

On February 19, 2002, the Lancaster Airport Authority filed an Objection to Chautauqua's notice. The Authority states that adequate air service is crucial to the economic health of Lancaster City and County. In addition, the Authority states that the County of Lancaster has invested millions of dollars into the Lancaster Airport since the airport was built in 1935, and that the demand for air service from Lancaster County continues to grow. Finally, the Authority states that the loss of scheduled air service would jeopardize its eligibility for funding

for its Aircraft Rescue Fire Fighting (ARFF) crews and equipment and put at risk pilots, crews and passengers.

Decision

Under Public Law 106-69, the Department of Transportation and Related Agencies Appropriations Act of 2000, the Department is precluded from compensating a carrier under the Essential Air Service program for serving any community within 70 driving miles of a medium or large hub airport. We tentatively find that Lancaster is within 70 driving miles from the Philadelphia International Airport, a large hub. Since we are prohibited from paying subsidy to Chautauqua for providing air service at Lancaster under the Essential Air Service program, we are thus also precluded from requiring the carrier to continue service at the community after the end of its 90-day notice period. Consistent with program practice, we will give the community 20 days after the service date of this order to file an objection if it believes that we have made a mistake in our distance calculations.

Although we have no authority to require Chautauqua to continue to serve Lancaster, we note that the community generated a total of 29,605 O&D passengers for the year ended June 2001. With traffic levels exceeding 80 passengers a day, we would encourage other carriers to examine the feasibility of providing service to the community.

As a final matter, we expect Chautauqua, before suspending service, to contact all passengers holding reservations for flights affected, to inform them of the suspension, and to assist them in arranging alternate transportation or to provide a refund of the ticket price, without penalty, if requested.

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

ACCORDINGLY,

1. We tentatively find that Lancaster, Pennsylvania is less than 70 driving miles from the Philadelphia International Airport and, thus, is ineligible to receive subsidized air service under the Essential Air Service program. We will take no action to prohibit Chautauqua Airlines, Inc., d/b/a US Airways Express, from suspending its scheduled service at Lancaster, on May 1, 2002;
2. We direct all interested persons to show cause within 20 days of the service date of this order why we should not make final the tentative findings and conclusions set forth in paragraph 1 above.¹ If no objections are filed, all procedural steps will be deemed waived, and this order shall become effective on the 21st day following the date of service;²

¹ Since we are providing for the filing of objections to this order, we will not entertain petitions for reconsideration.

² Objections should be filed with Docket Operations and Media Management, SVC-124, Room PL-401, 400 7th Street, S.W., Washington, DC 20590.

3. This docket will remain open until further order of the Department; and
4. We will serve a copy of this order on the parties listed in the Certificate of Service of Docket OST-2002-11450.

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>*

**LANCASTER, PENNSYLVANIA
AREA MAP**

