

Order 98-7-9  
Served: July 22, 1998



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

Issued by the Department of Transportation  
on the 16th day of July, 1998

Essential Air Service at

ALPENA & SAULT  
STE. MARIE, MICHIGAN

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

**Docket OST-98-4044**

**ORDER PERMITTING SUSPENSION OF SERVICE**

**Summary**

By this order the Department will take no action to prevent Great Lakes Aviation, Ltd., d/b/a United Express from terminating its subsidized essential air service (EAS) between Alpena and Sault Ste. Marie, Michigan, and Chicago O'Hare upon the inauguration of essential air service by Mesaba Airlines, d/b/a Northwest Airlink.

**Background**

Great Lakes has been providing subsidized EAS to Alpena and Sault Ste. Marie with 19-seat Beech 1900 aircraft since December 16, 1996. Order 97-2-1 selected Great Lakes to provide ten round trips a week between those communities and Detroit with 19-seat Beech 1900 aircraft for a total subsidy of \$282,726 annually. Order 97-7-6 modified Order 97-2-1 by approving Chicago O'Hare as an alternate airport, effective July 15, 1997. Subsequently Order 97-9-15 authorized a higher subsidy rate, \$397,597, for Great Lakes to increase its service to three round trips a day. That rate is due to expire on December 28, 1998.

Mesaba Airlines, Inc., d/b/a Northwest Airlink, has formally announced that it will inaugurate subsidy-free EAS between these communities and Detroit on September 9, 1998, providing each community a total of three round trips a day with 34-seat Saab 340 aircraft. In response to Mesaba's announcement, Great Lakes filed notice on July 10, 1998, to leave Alpena and Sault Ste. Marie upon the inauguration of service by Mesaba, and sought permission to suspend service on less than 90-days' notice.

## **Decision**

The level of service proposed by Mesaba, three round trips a day and 102 seats in each direction, would more than meet the EAS requirements for these communities. Mesaba's service to Detroit will afford the communities continued direct access by a code-share carrier into the hub of its code-share partner, with larger equipment.

Since Great Lakes restored its service to three round trips a day to the two communities a year ago, traffic has not responded significantly. In the face of Mesaba's proposed entry, the sufficiency of Great Lakes' subsidy rate will be adversely affected. On that basis, and in view of Mesaba's viable replacement service, we will allow Great Lakes to suspend service before the expiration of its 90-day notice period, provided that Mesaba's proposed service is fully in place.

We note that these two communities received subsidy-free service for a number of years to both Detroit and Chicago, and prior to having their service reduced to only ten round trips a week under the program funding cuts of fiscal year 1996, generated as many as 31 enplanements a day at Sault Ste. Marie and 20 a day at Alpena. Also, as mentioned, Northwest AirlinK's service will be into a primary hub of its code-share partner. Consequently, we expect that Northwest AirlinK's proposed service will be self-sufficient.

## **Service Transition**

We expect the carriers to make every effort to ensure an orderly transfer of service at Alpena and Sault Ste. Marie, including notifying all passengers holding reservations on Great Lakes' flights that the service will be suspended, informing them of the availability of replacement service by Mesaba Airlines, and assisting them in arranging alternative transportation.

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

## **ACCORDINGLY,**

1. We will take no action to prohibit Great Lakes Aviation, Ltd., d/b/a United Express, from suspending its subsidized service at Alpena and Sault Ste. Marie, Michigan, before the expiration of its 90-day notice period, upon the inauguration of essential air service by Mesaba Airlines, Inc., between those communities and Detroit;
2. We will rely on Mesaba's service to meet the essential air service requirements at Alpena and Sault Ste. Marie, Michigan;
3. This docket will remain open until further order of the Department; and

4. We will serve copies of this order on the Mayors and airport managers of Alpena and Sault Ste. Marie, Michigan; the Governor of Michigan; the Michigan Department of Transportation; Great Lakes Aviation, Ltd., d/b/a United Express; and Mesaba Airlines, d/b/a Northwest Airlink.

By:

**Charles A. Hunnicutt**  
Assistant Secretary for Aviation  
and International Affairs

(SEAL)

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