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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 13th day of December, 1999

Essential Air Service at  
**FAIRMONT**, MINNESOTA  
under 49 U.S.C. 41731 *et seq.*

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Docket OST-1998-3843-15

ORDER GRANTING OBJECTION IN PART

Summary

By this order, the Department is **finalizing** its tentative decision in Order 99-11-12 to terminate subsidy at **Fairmont**, Minnesota; allowing Great Lakes Aviation, Ltd., d/b/a United Express, to suspend its **subsidized** service there; and granting in part the objection of the City of **Fairmont** to the Department's tentative decision.

Background

By Order 99-11-12, issued November 19, 1999, the Department tentatively decided to terminate subsidy for essential air service at **Fairmont**, \*Minnesota, because the subsidy per passenger far exceeded the \$200 per passenger statutory ceiling. That order also allowed Great Lakes Aviation to suspend its **Fairmont-Minneapolis/St. Paul** service and gave interested parties until December 13, 1999, to show cause why our tentative **decision** should not be made final.

Our tentative decision in Order 99-11-12 was based on a variety of factors. Three different commuter carriers have served **Fairmont** over the years, and none have been able to make the service viable. Under current eligibility criteria we are prohibited from subsidizing service at communities where subsidy amounts to more than \$200 per passenger **unless** they are more than 210 highway miles from a large or medium hub.<sup>1</sup> Under Great Lakes currently effective subsidy rate for **Fairmont**, the community would have to generate 3,671 passengers, or about

<sup>1</sup> P.L. 106-69, the Department of Transportation and Related Agencies Appropriations Act, 2000. **Fairmont** is 127 miles from a large hub airport at Minneapolis/St Paul

six passengers a day in each direction, in order for the subsidy-per-passenger to be less than \$200, and there is no realistic basis to expect it to do so. (See Order 99-11-12 for a full discussion.)

### **The Community's Objection**

On November 23, 1999, the Mayor of **Fairmont** filed an objection to the Department's tentative decision terminating essential air service subsidy eligibility for **Fairmont**. The community does not object to the Department's decision to allow Great Lakes' suspension of air service at **Fairmont**. Rather, it objects to our permanently eliminating the community from subsidy eligibility. It requests relief from the order to the extent that the Department would at least consider a service proposal in the future in the event that another carrier would be willing to provide service and could demonstrate that it could do so under the \$200 per passenger ceiling.

The **Fairmont** Chamber of Commerce also filed an objection urging the Department to continue the essential air service designation for **Fairmont**. The Chamber states that the community has not been provided reliable air service and it would like to keep its designation while it pursues a more reliable carrier.

### **Final Decision**

After giving careful consideration to the community's objection and all other relevant circumstances, we have decided to grant in part the community's objection. We will finalize our tentative decision in Order 99-11-12 to terminate subsidy for Great Lakes' service at **Fairmont**, and to allow the carrier to suspend service there effective within 45 to 60 days after the service date of Order 99-11-12. We are legally bound to discontinue subsidizing service at **Fairmont** because its subsidy per passenger is now well in excess of \$200. The carrier has indicated that January 4, 2000 will be its last day of service.

We will, however, grant the community's request to consider a proposal for subsidized essential air service at **Fairmont** in the future if we were to receive one. In that event, we would expect the carrier to supply sufficient information to support a traffic and revenue forecast that would keep its subsidy need under the statutory limit.

As a final matter, before Great Lakes suspends service at **Fairmont**, we expect it to contact all passengers holding reservations for flights that will be affected, to inform them of the termination, and assist them in arranging alternative transportation.

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

### **ACCORDINGLY,**

1. We finalize our tentative findings and conclusions as set forth in Order 99-11-12, November 19, 1999;

2. We take no action to prohibit Great Lakes Aviation, Ltd., d/b/a United Express, from suspending essential air service at **Fairmont**, Minnesota, effective within **45 to 60** days after the service date of Order **99-11-12**, without filing advanced notice of its intent to suspend essential air service at the community;

3. We direct Great Lakes Aviation, Ltd., d/b/a United Express, to retain all books, records, and other source and summary documentation to support subsidy 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;

4. The Department grants the objection of the City of **Fairmont** to the Department's decision in Order **99-11-12** to the extent that we would consider a proposal for subsidized **EAS** at **Fairmont** in the future if we were to receive one;

5. This docket will remain open until further order of the Department; and

6. We will serve a copy of this order on the Mayor and airport manager of **Fairmont**, Minnesota, the Governor of Minnesota, the Department of Transportation of Minnesota, the Metropolitan Airports Commission, United Air Lines, Inc., and Great Lakes Aviation, Ltd., d/b/a United Express.

By:

**A. BRADLEY MIMS**  
**Deputy Assistant Secretary for Aviation**  
**and International Affairs**

(SEAL)

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