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ORDER 2000-10-10

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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 12th day of October, 2000

Essential Air Service at

KIRKSVILLE, MISSOURI

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

Served: October 12, 2000

Docket OST-97-2515-5

EMERGENCY ORDER REQUESTING PROPOSALS

Summary

By this order we are requesting proposals on an emergency basis from carriers interested in providing essential air service at Kirksville.

Background

By Order 97-5-9, issued May 13, 1997, Redwing Airways (Redwing) was selected to continue providing essential air service at Kirksville for an additional two-year period. Subsidy was set at an annual rate of \$275,969 for the period August 1, 1997, through September 30, 1997, for ten nonstop round trips each week between Kirksville and Kansas City with 8-seat Beech Queenair aircraft. For the period October 1, 1997, through July 31, 1999, subsidy was set at an annual rate of \$450,736 for 24 nonstop round trips each week between Kirksville and Kansas City, with the same aircraft.

By Order 99-7-21, issued July 30, 1999, the Department requested proposals for replacement service and extended Redwing's subsidy, established by Order 97-5-9, until further Department action. No proposals were received in response to that request.

On October 11, 2000, the City Manager of Kirksville notified the Department that Redwing was ceasing all scheduled air operations on October 16. Subsequent conversations with the Federal Aviation Administration indicated that in fact Redwing was not providing scheduled air service as of October 11.

Essential Air Service at Kirksville

Essential air service at Kirksville is defined as at least two nonstop or one-stop round trips each weekday and each weekend period to either St. Louis or Kansas City, providing at least eight seats in each direction each service day. Under normal essential air service guidelines, this service must be provided with pressurized aircraft having at least 15 passenger seats.¹ However, the community has waived its right to larger aircraft since 1988 in exchange for additional frequencies.



Traffic History

Redwing Airways began serving Kirksville on March 4, 1991, with an 8-seat, unpressurized, piston-powered, Beech QueenAir aircraft. In 1994, Redwing carried a total of 5,458 O&D passengers, its best year. Since that time, traffic has declined, partly because of service cutbacks brought about by Congressional budget cuts in 1996 and 1997, and totaled 2,590 for the year ended December 31, 1999. In order to help carriers make their traffic and revenue projections, Appendix A shows historical traffic data.

Request for Proposals

Since Redwing appears to have ceased operations as of October 11, we are taking immediate steps on an expedited basis to secure suitable replacement service. We request that any carriers interested in providing essential air service at Kirksville, file their proposals within five days of the service date of this order. We ask that carriers submit proposals for two or three round trips per service day to either St. Louis or Kansas City, or other appropriate hub destination, with 15-seat or larger, pressurized aircraft. Carriers may also submit proposals for service with smaller aircraft and more frequencies, subject to the continuing concurrence of the Kirksville community. Carriers submitting proposals should fax them to the Department at (202) 366-7638, and simultaneously to the Kirksville City Manager at (660) 665-0940.

Because of the emergency nature of this proceeding, we will place great importance in making our selection decision on how quickly each of the applicants would be able to commence operations at Kirksville.

¹ Civil Aeronautics Board Order 84-9-75.

Procedures For Filing Proposals

For interested air carriers that are not familiar 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 seeking proposals, conducting financial and operational audits of the applicant carriers and selecting a replacement carrier. The second is an evidence request containing an explanatory statement, and a copy of section 14 CFR 204.4 of the Department's regulations which deals with the information required of all applicants for authority to provide basic essential air service, and provides schedules giving our recommended form for submitting data required for determining the financial and operational ability of applicants to provide dependable air service.²

Community and State Comments

The community and the State are welcome to submit comments on the proposals at any time.³ Early in the proceeding, comments on the perceived strengths and weaknesses of the proposals would be particularly helpful to the Department. The civic parties may also express a preference for a particular carrier or proposal option at that time, if they choose. In any event, after we conclude 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 Because we are conducting this proceeding on an expedited basis, rate conference results and community comments and responses may be sent by fax.

² Copies of these documents can be obtained from: EAS & Domestic Analysis Division, X-53, Office of Aviation Analysis, Room 6401, Department of Transportation, 400 7th Street, S.W., Washington, DC 20590. Telephone requests for these documents are accepted at (202) 366-1053.

³ Civic parties should file an original and five copies of their comments in Docket OST-97-2515. This filing should be addressed to: Docket Operations and Media Management Division, SVC-124, Office of the Secretary, U.S. Department of Transportation, Room PL 401, 400 Seventh Street, S.W., Washington D.C. 20590.

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.

Other Carrier Requirements

The Department is responsible for implementing various Federal statutes governing lobbying activities, drug-free workplaces, and nondiscrimination.⁵ Consequently, all carriers receiving Federal subsidy to support 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 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.

This order is issued under authority assigned 14 CFR 385.12(k)(6).

ACCORDINGLY,

1. We request that carriers interested in providing essential air service at Kirksville, Missouri, submit their proposals, with or without requests for subsidy, no later than 5:00 pm. ET, Tuesday, October 17th, 2006. 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 to Provide Essential Air Service at Kirksville, Missouri, Docket OST-97-2515." Because of the emergency nature of this carrier replacement case, one copy of each proposal should be faxed to the Department at (202) 366-7638, and to the Kirksville City Manager at (660) 655-0940;⁶
2. This docket will remain open until further Department order; and

⁵ The regulations applicable to each of these 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; (3) 49 CFR Part 21, Nondiscrimination in Federally-Assisted Programs for the Department of Transportation-- Effectuation of Title VI of the Civil Rights Act of 1964; 49 CFR Part 27, Nondiscrimination on the basis for 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.

⁶ After serving a copy of its proposal on the civic officials of Kirksville, the State of Missouri, 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 John McCamant at (202) 366-1060.

3. We will serve a copy of this order on the Mayor and airport manager of Kirksville, the Governor of Missouri, the Missouri Department of Transportation, Redwing Airways, and the carriers listed in Appendix B.

Persons entitled to petition the Department for review of this order under the Department's Regulations, 14 CFR 385.50, must file such petitions within 10 days after the service date of this order.

This order will be effective immediately, and the filing of a petition for review shall not preclude its effectiveness.

By:

RANDALL D. BENNETT
Acting Director
Office of Aviation Analysis

(SEAL)

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

Appendix A

HISTORICAL TRAFFIC AT KIRKSVILLE, MISSOURI

		<u>IRK-MCI</u>	<u>MCI-IRK</u>	<u>TOTAL</u>	<u>O&D Per Day</u> ^{1/}
1993	1	544	528	1,072	
	2	599	588	1,187	
	3	630	627	1,257	
	4	<u>699</u>	<u>588</u>	<u>1,287</u>	
		2,472	2,331	4,803	15.3
1994	1	618	646	1,264	
	2	756	718	1,474	
	3	674	653	1,327	
	4	<u>761</u>	<u>630</u>	<u>1,391</u>	
		2,811	2,647	5,458	17.4
1995	1	553	555	1,118	
	2	614	593	1,207	
	3	519	488	1,007	
	4	<u>612</u>	<u>555</u>	<u>1,167</u>	
		2,308	2,191	4,499	14.4
1996	1	385	399	784	
	2	360	415	775	
	3	282	276	558	
	4	<u>313</u>	<u>287</u>	<u>600</u>	
		1,340	1,347	2,687	10.3
1997	1	246	266	512	
	2	288	251	539	
	3	251	230	481	
	4	<u>372</u>	<u>329</u>	<u>701</u>	
		1,157	1,076	2,233	8.6
1998	1	335	341	696	
	2	360	328	688	
	3	275	270	545	
	4	<u>356</u>	<u>390</u>	<u>746</u>	
		1,346	1,329	2,675	8.6
1999	1	304	331	635	
	2	326	314	640	
	3	294	300	594	
	4	<u>379</u>	<u>312</u>	<u>691</u>	
		1,303	1,287	2,590	8.3
2000	1	252	236	488	

Source: Redwine Airways Form 298C

1/ Total O & D passengers per day based on 313 service days per year 1991-1995 and 1998-1999; and 261 service days per year 1996 and 1997

SERVICE LIST FOR THE STATE OF MISSOURI

Air Midwest, Inc.
Amerijet International, Inc.
Big Sky Airlines
Chicago Air Taxi, Inc.
Chicago Express Airlines, Inc.
Corporate Airlines, Inc.
Crauch Aviation
Delta Connection
Flagship Airlines, Inc.
Gorda Aero Service, Inc.
Great Lakes Aviation, Ltd.
Heartland Aviation, Inc.
Mesaba Aviation, Inc.
Metroflight, Inc.
Midway Airlines, Inc.
Midwest Express Airlines, Inc.
Multi Aero, Inc.
Northwest Airlink
Ohio Valley Aviation, Inc.
Planemaster Services, Inc.
Safeway Aviation Company, Inc.
Simmons Airlines, Inc.
Trans States Airlines, Inc.

Chester Anderson
Louis Andrews
Ken Bannon
Richard Thomas Clarke
E.B. Freeman
Douglas Gumula
A. Edward Jenner
John McFarlane
Kevin Thomas
Gary L. White
Robert Wigmore