



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

Order 2003-2-28

Issued by the Department of Transportation
on the 28th day of February, 2003

Essential air service at

TOPEKA, KANSAS

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

Docket OST-96-1352

Served: March 5, 2003

**ORDER TO SHOW CAUSE
TENTATIVELY TERMINATING SUBSIDY
AND ALLOWING SUSPENSION OF SERVICE**

Summary

By this order, the Department is requesting interested persons to show cause why we should not terminate subsidy for essential air service at Topeka, Kansas, and allow Air Midwest, Inc., d/b/a US Airways Express, to suspend service there as of May 1, 2003. Objections to the Department's tentative decision are due within 20 days of the service date of this order.

Background and Decision

By Order 2001-8-13, August 10, 2001, the Department reselected Air Midwest to provide essential air service at Topeka for a further two-year period beginning January 1, 2001. Specifically, the Department authorized Air Midwest to operate 18 nonstop round trips a week between Topeka and Kansas City with 19-seat Beech 1900 aircraft at a subsidy of \$621,872 annually.¹

In continuing to authorize subsidy for Topeka, however, we also expressed concern about the long-term trend in the community's use of its local service. Topeka averaged 35 enplanements a day as recently as 1993, but traffic has steadily declined since then. As we noted in Order 2001-8-13, the community registered just 6.7 enplanements a day during the year ended March 31, 2001.² We also noted that Topeka is only 71 highway miles via Interstates 70 and 435 from Kansas City International Airport, a medium hub; it appeared that local commuter service

¹ See the Appendix for a map. Air Midwest has been providing subsidized service at Topeka since May 1991, when it replaced Trans States Airlines, Inc., which was then operating as Trans World Express to St. Louis.

² Traffic data are from carrier reports. Enplanements represent one-half of total origin-and-destination traffic, and averages are based on 313 weekdays and weekends each year.

to Kansas City could no longer compete with the highway.³ Traffic has continued to erode since our last review. During the year ended September 30, 2002, the most recent 12-month period for which data are available, Topeka registered 2,110 origin-and-destination passengers -- about 3.4 enplanements a day, or hardly more than one passenger per flight on aircraft offering 19 passenger seats.

The Department is prohibited from subsidizing service at communities where the subsidy amounts to more than \$200 per passenger, unless they are more than 210 miles from the nearest large or medium hub.⁴ Based on the latest traffic data, Topeka's subsidy per passenger is \$294.73,⁵ well above the \$200 ceiling, and it is considerably less than 210 miles from Kansas City, the nearest large or medium hub. Under the circumstances, we tentatively find that Topeka is no longer eligible for subsidy under the essential air service program, and we have tentatively decided to terminate subsidy for Air Midwest's service there as of May 1, and to allow Air Midwest to suspend its service on that date.

We will give interested persons 20 days after the service date of this order to submit objections. Objections should be fully documented and contain complete information on the data used by the person objecting. If we later finalize our tentative findings and Air Midwest decides to suspend service, we will expect it to contact all passengers who hold reservations for flights that will be suspended, to inform them of the suspension, and to assist them in arranging alternate transportation.

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

ACCORDINGLY,

1. We tentatively terminate the subsidy rate authorized for the provision of essential air service at Topeka, Kansas, as of May 1, 2003;

³ In fact, if Topeka were a mere two miles closer to Kansas City International Airport, it would have lost its subsidy eligibility years ago; see fn. 4 below. As reported by the Bureau of Transportation Statistics in its annual publication, *Airport Activity Statistics of Certificated Route Carriers*, hub classifications are based on each hub's enplanements as a percentage of all U.S. enplanements: a large hub accounts for at least 1.00 percent, a medium hub for at least 0.25 but less than 1.00 percent, and a small hub for at least 0.05 but less than 0.25 percent. During calendar year 2001, the most recent year for which data are available, Kansas City accounted for 0.92 percent of all U.S. enplanements.

⁴ Congress first imposed the \$200 ceiling and 70-mile proximity standard in fiscal year 1990 appropriations language, and generally repeated them in appropriations from 1994 through 1999. Congress then made them permanent subsidy-eligibility standards by the Department of Transportation and Related Agencies Appropriations Act, 2000, P.L. 106-69.

⁵ \$621,872 divided by 2,110 passengers = \$294.73. In making this calculation, we are using the subsidy rate established by Order 2001-8-13. Air Midwest is currently receiving a higher, emergency interim rate of \$701,852 a year for its Topeka service under Order 2002-2-13, February 15, 2002. The interim rate will ultimately be subject to retroactive adjustment, and the adjusted final rate could be higher, lower, or the same as the interim rate. In any event, however, we do not anticipate that the revised final rate will be below \$621,872 a year.

2. We tentatively allow Air Midwest, Inc., d/b/a US Airways Express, to suspend service at Topeka, Kansas, as of May 1, 2003;
3. 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 above. Objections should be filed with the Docket Operations and Media Management Division, SVC-124, Room PL-401, 400 7th Street S.W., Washington, DC 20590;⁶
4. In the event that no objections are filed, all further procedural steps will be deemed waived and this order shall become final on 21st day following its service date;
5. This docket will remain open until further order of the Department; and
6. We will serve copies of this order on the mayor and airport manager of Topeka, Kansas; and Air Midwest, Inc., d/b/a US Airways Express.

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>*

⁶ In addition, copies of objections may be faxed to the Chief, EAS & Domestic Analysis Division, at (202) 366-7638. Regardless of whether copies are faxed to the EAS & Domestic Analysis Division, all objections should be filed with the Docket Operations and Media Management Division at the above address.

TOPEKA, KANSAS

