



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

Issued by the Department of Transportation
on the 18th day of April, 2003

Essential air service at

TOPEKA, KANSAS

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

Served: April 23, 2003

Docket OST-96-1352

**FINAL ORDER TERMINATING SUBSIDY
AND ALLOWING SUSPENSION OF SERVICE**

Summary

By this order, the Department is terminating subsidy for essential air service at Topeka, Kansas, and allowing Air Midwest, Inc., d/b/a US Airways Express, to suspend service there as of May 1, 2003.

Background

By Order 2003-2-28, February 28, 2003, the Department announced its tentative decision to terminate subsidy for essential air service at Topeka as of May 1, and to allow Air Midwest to suspend its service between Topeka and Kansas City on that date.¹ Our tentative decision was based on a statutory prohibition against 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. The order noted that Topeka's traffic has been declining for years, and that the community registered only 2,110 origin-and-destination passengers during the year ended September 30, 2002 -- 3.4 enplanements a day, or hardly more than one passenger per flight on Air Midwest's 19-seat aircraft.² Topeka's annual subsidy requirement of \$621,872 thus amounts to \$294.73 per passenger, well above the statutory ceiling, and the community is only 71 highway miles from Kansas City International Airport, a medium hub.

The order gave interested persons until March 25 to file objections showing cause why our tentative decision should not be made final. If objections were filed, we would consider them before reaching a final decision; if no objections were filed, the show-cause order would become final by its own terms.

¹ See the Appendix for a map.

² All traffic data used in this order are from Air Midwest's reports in Bureau of Transportation Statistics Form 298-C, Schedule T-1. Enplanements represent one-half of total origin-and-destination traffic, and averages are based on 313 weekdays and weekends each year.

Community Responses

On March 18, objections to our tentative decision were filed by the Mayor of Topeka, the Metropolitan Topeka Airport Authority, the Governor of Kansas, the Greater Topeka Chamber of Commerce, Capitol Federal Savings, and SBC Kansas. In general, the objectors state that local air service is important to local business interests and continued economic development. They maintain that recent traffic declines are a consequence of the September 11 terrorist attacks, and that Topeka is no different from the rest of the country in that respect. They also suggest that more attractive schedules and fares would improve the community's use of local service. On April 2, community leaders met with Department staff.

Decision

After giving careful consideration to the objections and all other relevant information, we have decided to finalize our tentative decision in Order 2003-2-28 to terminate subsidy for essential air service at Topeka as of May 1, and to allow Air Midwest to suspend service there on the same date.

As we have explained, we are legally bound to discontinue subsidy for Topeka's service because its subsidy requirement is well in excess of the statutory limit of \$200 per passenger. The community does not dispute our application of the law, nor the data used in our calculation.

Nonetheless, we will address the issues raised by the community. We are unable to conclude that Topeka's recent traffic results are simply a short-term, remediable problem caused by the September 11 attacks, or by unattractive scheduling or fares. Rather, the community's use of its local scheduled service has been declining for at least a decade. Topeka averaged 34.8 enplanements a day in 1993, but traffic dropped to 25.1 enplanements a day in 1994 and 17.6 in 1995. In 1997, we increased the level of service we were subsidizing at Topeka to 24 round trips a week, in an effort to help the community regain the traffic levels it had achieved just a few years earlier,³ but by 1999 traffic had fallen to 10.8 enplanements a day. During the year ended June 30, 2001, the last four-quarter period before the attacks, traffic slipped even further, to 6.7 enplanements a day. And, as noted earlier, traffic for the year ended September 30, 2002, was just 3.4 enplanements a day. We recognize that the September 11 attacks have had a negative effect on air traffic throughout the country. However, Topeka's poor traffic results are largely the continuation of a long-term trend.

Topeka is just a 71-mile drive along Interstates 70 and 435 from Kansas City International Airport, a medium hub where numerous carriers offer frequent jet service to many destinations. Among the services available there are the low-fare services of Southwest Airlines and AirTran Airways; the latter began service at Kansas City in October 2002. Topeka's high subsidy per passenger is a clear indication that local turboprop service cannot compete effectively with the highway, and that we cannot justifiably continue to subsidize the operation of virtually empty aircraft between Topeka and Kansas City.

³ See Order 97-10-13, October 17, 1997.

As a final matter, we expect Air Midwest 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 finalize our tentative findings and conclusions as set forth in Order 2003-2-28, February 28, 2003; and
2. We will serve copies of this order on the mayor and airport manager of Topeka, Kansas; the Governor of Kansas; and Air Midwest, Inc., d/b/a US Airways Express; and all other parties to Docket OST-96-1352.

By:

READ C. VAN DE WATER

Assistant Secretary for Aviation
and International Affairs

(SEAL)

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TOPEKA, KANSAS

