



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

Issued by the Department of Transportation  
on the 6th day of May, 2003

Essential Air Service at

**BURLINGTON, IOWA  
CAPE GIRARDEAU, MISSOURI  
FT. LEONARD WOOD, MISSOURI  
KIRKSVILLE, MISSOURI  
JACKSON, TENNESSEE  
MARION, ILLINOIS  
OWENSBORO, KENTUCKY**

**Served: May 9, 2003**

**DOCKET OST-2001-8731  
DOCKET OST-1996-1559  
DOCKET OST-1996-1167  
DOCKET OST-1997-2515  
DOCKET OST-2000-7857  
DOCKET OST-2000-7881  
DOCKET OST-2000-7855**

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

**ORDER SETTING FINAL RATES**

**Summary**

By this order, we are setting final subsidy rates, retroactive to October 1, 2001, for Corporate, Airlines, Inc., for its provision of essential air service (EAS) at the above communities, until the normal ends of the various contracts.

**Discussion**

As discussed in Order 2002-2-13, the Department authorized emergency EAS payments to subsidized carriers because of the losses suffered by them in the face of generally lower revenue and higher costs after the terrorist attacks of September 11, 2001, combined with the fact that the EAS carriers are paid on a pre-agreed, fixed rate per flight. That order provided for immediate increases to the final rates then in place on an *ad hoc*, interim basis, along with authority to re-negotiate new final rates retroactive to October 1 until the end of the carriers' selection term as provided in the order.<sup>1</sup>

<sup>1</sup> See Order 2002-2-13 for a complete discussion of the emergency relief.

The table below shows the original and revised subsidy rates at all seven communities, as follows:

Community	Order Number	Original Annual Rate	Revised Rate	Expiration
Burlington, IA	2001-6-16	\$929,085	\$1,137,614	7/31/03
Cape Girardeau, MO	2000-5-3	\$430,925	\$750,788	5/25/02
Ft. Leonard Wood, MO	2000-5-3	\$573,725	\$767,507	5/25/02
Kirksville, MO	2000-10-30	\$732,363	\$894,785	12/5/02
Jackson, TN	2001-3-21	\$1,151,993	\$1,287,478	4/30/03
Marion, IL	2000-12-27	\$794,031	\$1,157,699	11/25/02
Owensboro, KY	2001-3-21	\$888,863	\$1,029,546	4/30/03

We have made adjustments to the rates consistent with the framework established by Order 2002-2-13, namely, that we would make up for revenue reductions to the extent that they fell below those forecast in the final subsidy rates in effect on September 11, and insurance increases directly attributable to the September 11 attacks. Even though Corporate's revenue fell after September 11, only at Cape Girardeau and Kirksville did they fall below those forecast in the subsidy rate, and we adjusted those rates accordingly. At all seven communities, the only other adjustments we made were for increased hull and liability insurance (other than general and administrative and return elements which are set as a percentage of expenses).

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

**ACCORDINGLY,**

1. The Department sets the final subsidy rate for Corporate Airlines, Inc., for the provision of essential air service at Burlington, Iowa, for the period from October 1, 2001, through July 31, 2003, as described in Appendix B-1, to be payable as follows: for each calendar month during which essential air service is provided, the amount of compensation shall be subject to the weekly ceiling and shall be determined by multiplying the subsidy-eligible flights completed during the month to St. Louis by \$623.35;<sup>2</sup>

2. The Department sets the final subsidy rate for Corporate Airlines, Inc., for the provision of essential air service at Cape Girardeau, Missouri, for the period from October 1, 2001, through May 25, 2002, as described in Appendix B-2, to be payable as follows: for each calendar month during which essential air service is provided, the amount of compensation shall be subject to the weekly ceiling and shall be determined by multiplying the subsidy-eligible flights completed during the month to St. Louis by \$387.80;<sup>3</sup>

3. The Department sets the final subsidy rate for Corporate Airlines, Inc., for the provision of essential air service at Ft. Leonard Wood, Missouri, for the period from October 1, 2001, through May 25, 2002, as described in Appendix B-3, to be payable as follows: for each

<sup>2</sup> See Appendix B-1 for calculation.

<sup>3</sup> See Appendix B-2 for calculation.

calendar month during which essential air service is provided, the amount of compensation shall be subject to the weekly ceiling and shall be determined by multiplying the subsidy-eligible flights completed during the month to St. Louis by \$418.26;<sup>4</sup>

4. The Department sets the final subsidy rate for Corporate Airlines, Inc., for the provision of essential air service at Kirksville, Missouri, for the period from October 1, 2001, through December 5, 2002, as described in Appendix B-4, to be payable as follows: for each calendar month during which essential air service is provided, the amount of compensation shall be subject to the weekly ceiling and shall be determined by multiplying the subsidy-eligible flights completed during the month to St. Louis by \$735.24;<sup>5</sup>

5. The Department sets the final subsidy rate for Corporate Airlines, Inc., for the provision of essential air service at Jackson, Tennessee, for the period from October 1, 2001, through April 30, 2003, as described in Appendix B-5, to be payable as follows: for each calendar month during which essential air service is provided, the amount of compensation shall be subject to the weekly ceiling and shall be determined by multiplying the subsidy-eligible flights completed during the month to St. Louis by \$1,057.91;<sup>6</sup>

6. The Department sets the final subsidy rate for Corporate Airlines, Inc., for the provision of essential air service at Marion, Illinois, for the period from October 1, 2001, through November 25, 2002, as described in Appendix B-6, to be payable as follows: for each calendar month during which essential air service is provided, the amount of compensation shall be subject to the weekly ceiling and shall be determined by multiplying the subsidy-eligible flights completed during the month to St. Louis by \$439.19;<sup>7</sup>

7. The Department sets the final subsidy rate for Corporate Airlines, Inc., for the provision of essential air service at Owensboro, Kentucky, for the period from October 1, 2001, through April 30, 2003, as described in Appendix B-7, to be payable as follows: for each calendar month during which essential air service is provided, the amount of compensation shall be subject to the weekly ceiling and shall be determined by multiplying the subsidy-eligible flights completed during the month to St. Louis by \$845.97;<sup>8</sup>

8. We set the rates in ordering paragraphs 1-7 above as interim rates after the ends of the original two-year contract periods as established by the original carrier-selection orders and depicted in the chart on page 2;

9. These rates are in lieu of, and not in addition to, those set by Orders 2001-6-16; 2002-12-13, 2000-5-3, 2000-10-33, 2001-3-21, 2000-12-27, and 2003-1-13;

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<sup>4</sup> See Appendix B-3 for calculation.

<sup>5</sup> See Appendix B-4 for calculation.

<sup>6</sup> See Appendix B-5 for calculation.

<sup>7</sup> See Appendix B-6 for calculation.

<sup>8</sup> See Appendix B-7 for calculation.

10. We direct Corporate to retain all books, records, and other source and summary documentation to support claims for payment and to preserve and maintain such documentation in a manner that readily permits the 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; and

11. The Department will serve copies of this order on Corporate Airlines, Inc.

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>*

CORPORATE AIRLINES, INC.  
Essential Air Service to be Provided at Burlington, Iowa  
Calculation of Annual Subsidy Requirement  
(October 1, 2001, through July 31, 2003)

	Order <u>2001-6-16</u>	Adjusted <u>Subsidy</u>
Passengers	13,010	13,010
Hours	1,826	1,826
Passenger Revenue	\$1,170,900	\$1,170,900
<u>Freight Revenue</u>	<u>\$5,855</u>	<u>\$5,855</u>
Total Revenue	\$1,176,755	\$1,176,755
Crew	\$335,089	\$335,089
Fuel & Oil	\$319,367	\$319,367
Hull + Liab. Ins.	\$96,796	<b>\$247,841</b>
War Risk @ \$2.23/pax.		<b>\$29,012</b>
Maintenance	\$389,687	\$389,687
<u>Lease</u>	<u>\$131,052</u>	<u>\$131,052</u>
Total Directs	\$1,271,991	\$1,452,048
Other	\$399,732	\$399,732
Commissions @ 4.72%	\$55,266	\$55,266
Tickets @ \$6.60/pax.	\$85,866	\$85,866
<u>G&amp;A @ 10.6%</u>	<u>\$192,707</u>	<u>\$211,249</u>
Total Indirects	\$733,571	\$752,113
Total Operating Exp.	\$2,005,562	\$2,204,161
<u>Return @ 5%</u>	<u>\$100,278</u>	<u>\$110,208</u>
Total Econ. Cost	\$2,105,840	\$2,314,369
Annual Subsidy Need @ 97.5% Completion	\$929,085	\$1,137,614

CORPORATE AIRLINES, INC.  
Essential Air Service to be Provided at Cape Girardeau, Missouri  
Calculation of Annual Subsidy Requirement  
(October 1, 2001, through May 25, 2002)

	Order <u>2000-5-3</u>	Adjusted <u>Subsidy</u>
Passengers	16,849	16,197
Hours	1,433	1,433
Passenger Revenue	\$1,128,883	<b>\$991,121</b>
<u>Freight Revenue</u>	<u>\$11,289</u>	<u>\$11,289</u>
Total Revenue	\$1,140,172	<b>\$1,002,410</b>
Crew	\$143,013	\$143,013
Fuel & Oil	\$168,994	\$168,994
Insurance	\$104,217	<b>\$237,100</b>
War Risk @ \$2.23/pax.		<b>\$36,119</b>
Maintenance	\$276,555	\$276,555
<u>Lease</u>	<u>\$140,308</u>	<u>\$140,308</u>
Total Directs	\$833,087	\$1,002,089
Other	\$305,423	\$305,423
Commissions @ 7.45%	\$84,102	<b>\$73,839</b>
Tickets @ \$6.75/pax.	\$113,731	<b>\$109,330</b>
<u>G&amp;A @ 12.01%</u>	<u>\$159,940</u>	<u>\$179,031</u>
Total Indirects	\$663,196	\$667,623
Total Operating Exp.	\$1,496,283	\$1,669,712
<u>Return @ 5%</u>	<u>\$74,814</u>	<u>\$83,486</u>
Total Econ. Cost	\$1,571,097	\$1,753,198
Annual Subsidy Need @ 98% Completion	\$430,925	\$750,788

CORPORATE AIRLINES, INC.  
Essential Air Service to be Provided at Ft. Leonard Wood, Missouri  
Calculation of Annual Subsidy Requirement  
(October 1, 2001, through May 25, 2002)

	Order <u>2000-5-3</u>	Adjusted <u>Subsidy</u>
Passengers	14,194	14,194
Hours	1,486	1,486
Passenger Revenue	\$942,907	\$942,907
<u>Freight Revenue</u>	<u>\$9,429</u>	<u>\$9,429</u>
Total Revenue	\$952,336	\$952,336
Crew	\$148,303	\$148,303
Fuel & Oil	\$175,244	\$175,244
Insurance	\$104,217	<b>\$237,100</b>
War Risk @ \$2.23/pax.		<b>\$31,653</b>
Maintenance	\$286,783	\$286,783
<u>Lease</u>	<u>\$140,308</u>	<u>\$140,308</u>
Total Directs	\$854,855	\$1,019,391
Other	\$277,005	\$277,005
Commissions @ 7.45%	\$70,247	\$70,247
Tickets @ \$6.75/pax.	\$95,809	\$95,809
<u>G&amp;A @ 12.0%</u>	<u>\$155,475</u>	<u>\$175,494</u>
Total Indirects	\$598,536	\$618,555
Total Operating Exp.	\$1,453,391	\$1,637,946
<u>Return @ 5%</u>	<u>\$72,670</u>	<u>\$81,897</u>
Total Econ. Cost	\$1,526,061	\$1,719,843
Annual Subsidy Need @ 98% Completion	\$573,725	\$767,507

CORPORATE AIRLINES, INC.  
Essential Air Service to be Provided at Kirksville, Missouri  
Calculation of Annual Subsidy Requirement  
(October 1, 2001, through December 5, 2002)

	Order 2000-10-33	Adjusted Subsidy
Effective Through:	<u>12/5/02</u>	<u>12/5/02</u>
Passengers	3,418	4,664
Hours	1,136	1,136
Passenger Revenue	\$375,980	<b>\$300,445</b>
<u>Freight Revenue</u>	<u>\$3,760</u>	<u>\$3,760</u>
Total Revenue	\$379,740	<b>\$304,205</b>
Crew	\$130,526	\$130,526
Fuel & Oil	\$191,189	\$191,189
Insurance	\$29,491	<b>\$46,859</b>
Maintenance	\$243,524	\$243,524
<u>Lease</u>	<u>\$83,019</u>	<u>\$83,019</u>
Total Directs	\$677,749	\$695,117
Other	\$148,785	\$148,785
Commissions @ 6.84%	\$25,717	<b>\$20,550</b>
Tickets @ \$6.40/pax.	\$21,875	<b>\$29,850</b>
Liab. Insur.	\$8,648	<b>\$46,792</b>
War Risk @ \$2.23/pax.	\$0	<b>\$10,485</b>
<u>G&amp;A @ 20.0%</u>	<u>\$176,372</u>	<u>\$190,316</u>
Total Indirects	\$381,397	\$446,778
Total Operating Exp.	\$1,059,146	\$1,141,895
<u>Return @ 5%</u>	<u>\$52,957</u>	<u>\$57,095</u>
Total Econ. Cost	\$1,112,103	\$1,198,990
Annual Subsidy Need @ 97.5% Completion	\$732,363	\$894,785

CORPORATE AIRLINES, INC.  
Essential Air Service to be Provided at Jackson, Tennessee  
Calculation of Annual Subsidy Requirement  
(October 1, 2001, through April 30, 2003)

	Order <u>2000-10-33</u>	Adjusted <u>Subsidy</u>
Passengers	5,781	5,781
Hours	1,521	1,521
Passenger Revenue	\$526,071	\$526,071
<u>Freight Revenue</u>	<u>\$2,630</u>	<u>\$2,630</u>
Total Revenue	\$528,701	\$528,701
Crew	\$135,883	\$135,883
Fuel & Oil	\$312,931	\$312,931
Insurance.	\$39,143	<b>\$63,156</b>
Maintenance	\$321,314	\$321,314
<u>Lease</u>	<u>\$109,731</u>	<u>\$109,731</u>
Total Directs	\$919,002	\$943,015
Other	\$279,557	\$279,557
Commissions @ 6.81%	\$35,825	\$35,825
Tickets @ \$6.51/pax.	\$37,634	\$37,634
Liab. Insur.	\$14,568	<b>\$81,506</b>
War Risk @ \$2.23/pax.		<b>\$12,892</b>
<u>G&amp;A @ 24.4%</u>	<u>\$314,075</u>	<u><b>\$339,265</b></u>
Total Indirects	\$681,659	\$786,679
Total Operating Exp.	\$1,600,661	\$1,729,694
<u>Return @ 5%</u>	<u>\$80,033</u>	<u>\$86,485</u>
Total Econ. Cost	\$1,680,694	\$1,816,179
Annual Subsidy Need @ 97.5% Completion	\$1,151,993	\$1,287,478

CORPORATE AIRLINES, INC.  
Essential Air Service to be Provided at Marion/Herrin, Illinois  
Calculation of Annual Subsidy Requirement  
(October 1, 2001, through November 25, 2002)

	Order <u>2000-12-27</u>	Adjusted <u>Subsidy</u>
Passengers	20,034	20,034
Hours	1,987	1,987
Passenger Revenue	\$1,502,550	\$1,502,550
<u>Freight Revenue</u>	<u>\$7,513</u>	<u>\$7,513</u>
Total Revenue	\$1,510,063	\$1,510,063
Crew	\$179,406	\$179,406
Fuel & Oil	\$375,940	\$375,940
Insurance.	\$51,583	<b>\$81,902</b>
Maintenance	\$425,953	\$425,953
<u>Lease</u>	<u>\$145,210</u>	<u>\$145,210</u>
Total Directs	\$1,178,092	\$1,208,411
Other	\$422,982	\$422,982
Commissions @ 6.84%	\$102,774	\$102,774
Tickets @ \$6.40/pax.	\$128,218	\$128,218
Liab. Ins.	\$50,686	<b>\$273,820</b>
War Risk @ \$2.23/pax.		<b>\$44,676</b>
<u>G&amp;A @ 16.5%</u>	<u>\$311,623</u>	<u>\$359,845</u>
Total Indirects	\$1,016,283	\$1,332,315
Total Operating Exp.	\$2,194,375	\$2,540,726
<u>Return @ 5%</u>	<u>\$109,719</u>	<u>\$127,036</u>
Total Econ. Cost	\$2,304,094	\$2,667,762
Annual Subsidy Need @ 97.5% Completion	\$794,031	\$1,157,699

CORPORATE AIRLINES, INC.  
Essential Air Service to be Provided at Owensboro, Kentucky  
Calculation of Annual Subsidy Requirement  
(October 1, 2001, through April 30, 2003)

	2001-3-21	Adjusted
Effective Through	<u>4/30/03</u>	<u>Subsidy</u>
Passengers	5,781	5,781
Hours	1,298.2	1,298.2
Passenger Revenue	\$578,100	\$578,100
<u>Freight Revenue</u>	<u>\$2,891</u>	<u>\$2,891</u>
Total Revenue	\$580,991	\$580,991
Crew	\$115,955	\$115,955
Fuel & Oil	\$252,760	\$252,760
Insurance	\$33,403	<b>\$63,156</b>
Maintenance	\$274,193	\$274,193
<u>Lease</u>	<u>\$93,639</u>	<u>\$93,639</u>
Total Directs	\$769,950	\$799,703
Other	\$284,089	\$284,089
Commissions @ 6.81 %	\$39,369	\$39,369
Tickets @ \$6.51/pax.	\$37,634	\$37,634
Liab. Insur.	\$14,568	<b>\$81,505</b>
War Risk @ \$2.23/pax.		<b>\$12,892</b>
<u>G&amp;A @ 22.2%</u>	<u>\$254,251</u>	<u>\$278,653</u>
Total Indirects	\$629,911	\$734,142
Total Operating Exp.	\$1,399,861	\$1,533,845
<u>Return @ 5%</u>	<u>\$69,993</u>	<u>\$76,692</u>
Total Econ. Cost	\$1,469,854	\$1,610,537
Annual Subsidy Need @ 97.5% Completion	\$888,863	\$1,029,546

**Corporate Airlines, Inc., Essential Air Service to be Provided to  
Burlington, Iowa, Docket 8731**

Effective Period: October 1, 2001, through July 31, 2003

Scheduled Service:

18 nonstop stop round trips each week St. Louis.

Aircraft: 19-seat Jetstream 32

Subsidy Rate per St. Louis Flight: \$623.35 <sup>1</sup>

Weekly Compensation Ceiling: \$22,440.60 <sup>2</sup>

**Note:**

The carrier understands that it may forfeit its compensation for any flights that it does not operate in conformance with the terms and stipulations of the rate order, including the service plan outlined in the order and any other significant elements of the required service, without prior approval. The carrier understands that an aircraft take-off and landing at its scheduled destination constitutes a completed flight; absent an explanation supporting subsidy eligibility for a flight that has not been completed, such as certain weather cancellations, only completed flights are considered eligible for subsidy. In addition, if the carrier does not schedule or operate its flights in full conformance with this order for a significant period, it may jeopardize its entire subsidy claim for the period in question. If the carrier contemplates any such changes beyond the scope of the order during the applicable period of these rates, it must first notify the Office of Aviation Analysis in writing and receive written approval from the Department to be assured of full compensation. Should circumstances warrant, the Department may locate and select a replacement carrier to provide service on these routes. The carrier must complete all flights that can be safely operated; flights that overfly points for lack of traffic will not be compensated. In determining whether subsidy payment for a deviating flight should be adjusted or disallowed, the Department will consider the extent to which the goals of the program are met and the extent of access to the national air transportation system provided to the community.

If the Department unilaterally, either partially or completely, terminates or reduces payments for service or changes service requirements at a specific location provided for under this order, then, at the end of the period for which the Department does make payments in the agreed amounts or at the agreed service levels, the carrier may cease to provide service to that specific location without regard to any requirement for notice of such cessation. Those adjustments in the levels of subsidy and/or service that are mutually agreed to in writing by the parties to the agreement do not constitute a total or partial reduction or cessation of payment.

Subsidy contracts are subject to, and incorporate by reference, relevant statutes and Department regulations, as they may be amended from time to time. However, any such statutes, regulations, or amendments thereto shall not operate to controvert the foregoing paragraph.

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<sup>1</sup> \$1,137,614 divided by 1,825 annual flights calculated as follows: 36 flights/week\*52 weeks\*.975 completion.

<sup>2</sup> 36 flights per week x \$623.35.

**Corporate Airlines, Inc., Essential Air Service to be Provided to  
Cape Girardeau, Missouri, Docket 1559**

Effective Period: October 1, 2001, through May 25, 2002

Scheduled Service:

19 nonstop stop round trips each week St. Louis.

Aircraft: 19-seat Jetstream 32

Subsidy Rate per St. Louis Flight: \$387.80 <sup>1</sup>

Weekly Compensation Ceiling: \$14,736.40 <sup>2</sup>

**Note:**

The carrier understands that it may forfeit its compensation for any flights that it does not operate in conformance with the terms and stipulations of the rate order, including the service plan outlined in the order and any other significant elements of the required service, without prior approval. The carrier understands that an aircraft take-off and landing at its scheduled destination constitutes a completed flight; absent an explanation supporting subsidy eligibility for a flight that has not been completed, such as certain weather cancellations, only completed flights are considered eligible for subsidy. In addition, if the carrier does not schedule or operate its flights in full conformance with this order for a significant period, it may jeopardize its entire subsidy claim for the period in question. If the carrier contemplates any such changes beyond the scope of the order during the applicable period of these rates, it must first notify the Office of Aviation Analysis in writing and receive written approval from the Department to be assured of full compensation. Should circumstances warrant, the Department may locate and select a replacement carrier to provide service on these routes. The carrier must complete all flights that can be safely operated; flights that overfly points for lack of traffic will not be compensated. In determining whether subsidy payment for a deviating flight should be adjusted or disallowed, the Department will consider the extent to which the goals of the program are met and the extent of access to the national air transportation system provided to the community.

If the Department unilaterally, either partially or completely, terminates or reduces payments for service or changes service requirements at a specific location provided for under this order, then, at the end of the period for which the Department does make payments in the agreed amounts or at the agreed service levels, the carrier may cease to provide service to that specific location without regard to any requirement for notice of such cessation. Those adjustments in the levels of subsidy and/or service that are mutually agreed to in writing by the parties to the agreement do not constitute a total or partial reduction or cessation of payment.

Subsidy contracts are subject to, and incorporate by reference, relevant statutes and Department regulations, as they may be amended from time to time. However, any such statutes, regulations, or amendments thereto shall not operate to controvert the foregoing paragraph.

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<sup>1</sup> \$750,788 divided by 1,936 annual flights calculated as follows: 38 flights/week\*52 weeks\*.98 completion.

<sup>2</sup> 38 flights per week x \$387.80.

**Corporate Airlines, Inc., Essential Air Service to be Provided to  
Ft. Leonard Wood, Missouri, Docket 1167**

Effective Period: October 1, 2001, through May 25, 2002

Scheduled Service:

18 nonstop stop round trips each week St. Louis.

Aircraft: 19-seat Jetstream 32

Subsidy Rate per St. Louis Flight: \$418.26 <sup>1</sup>

Weekly Compensation Ceiling: \$15,057.36 <sup>2</sup>

**Note:**

The carrier understands that it may forfeit its compensation for any flights that it does not operate in conformance with the terms and stipulations of the rate order, including the service plan outlined in the order and any other significant elements of the required service, without prior approval. The carrier understands that an aircraft take-off and landing at its scheduled destination constitutes a completed flight; absent an explanation supporting subsidy eligibility for a flight that has not been completed, such as certain weather cancellations, only completed flights are considered eligible for subsidy. In addition, if the carrier does not schedule or operate its flights in full conformance with this order for a significant period, it may jeopardize its entire subsidy claim for the period in question. If the carrier contemplates any such changes beyond the scope of the order during the applicable period of these rates, it must first notify the Office of Aviation Analysis in writing and receive written approval from the Department to be assured of full compensation. Should circumstances warrant, the Department may locate and select a replacement carrier to provide service on these routes. The carrier must complete all flights that can be safely operated; flights that overfly points for lack of traffic will not be compensated. In determining whether subsidy payment for a deviating flight should be adjusted or disallowed, the Department will consider the extent to which the goals of the program are met and the extent of access to the national air transportation system provided to the community.

If the Department unilaterally, either partially or completely, terminates or reduces payments for service or changes service requirements at a specific location provided for under this order, then, at the end of the period for which the Department does make payments in the agreed amounts or at the agreed service levels, the carrier may cease to provide service to that specific location without regard to any requirement for notice of such cessation. Those adjustments in the levels of subsidy and/or service that are mutually agreed to in writing by the parties to the agreement do not constitute a total or partial reduction or cessation of payment.

Subsidy contracts are subject to, and incorporate by reference, relevant statutes and Department regulations, as they may be amended from time to time. However, any such statutes, regulations, or amendments thereto shall not operate to controvert the foregoing paragraph.

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<sup>1</sup> \$767,507 divided by 1,835 annual flights calculated as follows: 36 flights/week\*52 weeks\*.98 completion.

<sup>2</sup> 36 flights per week x \$418.26.

**Corporate Airlines, Inc., Essential Air Service to be Provided to  
Kirksville, Missouri, Docket 2515**

Effective Period: October 1, 2001, through December 5, 2002

Scheduled Service:

12 nonstop stop round trips each week St. Louis.

Aircraft: 19-seat Jetstream 32

Subsidy Rate per St. Louis Flight: \$735.24 <sup>1</sup>

Weekly Compensation Ceiling: \$17,645.76 <sup>2</sup>

**Note:**

The carrier understands that it may forfeit its compensation for any flights that it does not operate in conformance with the terms and stipulations of the rate order, including the service plan outlined in the order and any other significant elements of the required service, without prior approval. The carrier understands that an aircraft take-off and landing at its scheduled destination constitutes a completed flight; absent an explanation supporting subsidy eligibility for a flight that has not been completed, such as certain weather cancellations, only completed flights are considered eligible for subsidy. In addition, if the carrier does not schedule or operate its flights in full conformance with this order for a significant period, it may jeopardize its entire subsidy claim for the period in question. If the carrier contemplates any such changes beyond the scope of the order during the applicable period of these rates, it must first notify the Office of Aviation Analysis in writing and receive written approval from the Department to be assured of full compensation. Should circumstances warrant, the Department may locate and select a replacement carrier to provide service on these routes. The carrier must complete all flights that can be safely operated; flights that overfly points for lack of traffic will not be compensated. In determining whether subsidy payment for a deviating flight should be adjusted or disallowed, the Department will consider the extent to which the goals of the program are met and the extent of access to the national air transportation system provided to the community.

If the Department unilaterally, either partially or completely, terminates or reduces payments for service or changes service requirements at a specific location provided for under this order, then, at the end of the period for which the Department does make payments in the agreed amounts or at the agreed service levels, the carrier may cease to provide service to that specific location without regard to any requirement for notice of such cessation. Those adjustments in the levels of subsidy and/or service that are mutually agreed to in writing by the parties to the agreement do not constitute a total or partial reduction or cessation of payment.

Subsidy contracts are subject to, and incorporate by reference, relevant statutes and Department regulations, as they may be amended from time to time. However, any such statutes, regulations, or amendments thereto shall not operate to controvert the foregoing paragraph.

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<sup>1</sup> \$894,785 divided by 1,217 annual flights calculated as follows: 24 flights/week\*52 weeks\*.975 completion.

<sup>2</sup> 24 flights per week x \$735.24.

**Corporate Airlines, Inc., Essential Air Service to be Provided to  
Jackson, Tennessee, Docket 7857**

Effective Period: October 1, 2001, through April 30, 2003

Scheduled Service:

12 nonstop stop round trips each week St. Louis.

Aircraft: 19-seat Jetstream 32

Subsidy Rate per St. Louis Flight: \$1,057.91 <sup>1</sup>

Weekly Compensation Ceiling: \$25,389.84 <sup>2</sup>

**Note:**

The carrier understands that it may forfeit its compensation for any flights that it does not operate in conformance with the terms and stipulations of the rate order, including the service plan outlined in the order and any other significant elements of the required service, without prior approval. The carrier understands that an aircraft take-off and landing at its scheduled destination constitutes a completed flight; absent an explanation supporting subsidy eligibility for a flight that has not been completed, such as certain weather cancellations, only completed flights are considered eligible for subsidy. In addition, if the carrier does not schedule or operate its flights in full conformance with this order for a significant period, it may jeopardize its entire subsidy claim for the period in question. If the carrier contemplates any such changes beyond the scope of the order during the applicable period of these rates, it must first notify the Office of Aviation Analysis in writing and receive written approval from the Department to be assured of full compensation. Should circumstances warrant, the Department may locate and select a replacement carrier to provide service on these routes. The carrier must complete all flights that can be safely operated; flights that overfly points for lack of traffic will not be compensated. In determining whether subsidy payment for a deviating flight should be adjusted or disallowed, the Department will consider the extent to which the goals of the program are met and the extent of access to the national air transportation system provided to the community.

If the Department unilaterally, either partially or completely, terminates or reduces payments for service or changes service requirements at a specific location provided for under this order, then, at the end of the period for which the Department does make payments in the agreed amounts or at the agreed service levels, the carrier may cease to provide service to that specific location without regard to any requirement for notice of such cessation. Those adjustments in the levels of subsidy and/or service that are mutually agreed to in writing by the parties to the agreement do not constitute a total or partial reduction or cessation of payment.

Subsidy contracts are subject to, and incorporate by reference, relevant statutes and Department regulations, as they may be amended from time to time. However, any such statutes, regulations, or amendments thereto shall not operate to controvert the foregoing paragraph.

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<sup>1</sup> \$1,287,478 divided by 1,217 annual flights calculated as follows: 24 flights/week\*52 weeks\*.975 completion.

<sup>2</sup> 24 flights per week x \$1,057.91.

**Corporate Airlines, Inc., Essential Air Service to be Provided to  
Marion, Illinois, Docket 7881**

Effective Period: October 1, 2001, through November 25, 2002

Scheduled Service:

26 nonstop stop round trips each week St. Louis.

Aircraft: 19-seat Jetstream 32

Subsidy Rate per St. Louis Flight: \$439.19 <sup>1</sup>

Weekly Compensation Ceiling: \$22,837.88 <sup>2</sup>

**Note:**

The carrier understands that it may forfeit its compensation for any flights that it does not operate in conformance with the terms and stipulations of the rate order, including the service plan outlined in the order and any other significant elements of the required service, without prior approval. The carrier understands that an aircraft take-off and landing at its scheduled destination constitutes a completed flight; absent an explanation supporting subsidy eligibility for a flight that has not been completed, such as certain weather cancellations, only completed flights are considered eligible for subsidy. In addition, if the carrier does not schedule or operate its flights in full conformance with this order for a significant period, it may jeopardize its entire subsidy claim for the period in question. If the carrier contemplates any such changes beyond the scope of the order during the applicable period of these rates, it must first notify the Office of Aviation Analysis in writing and receive written approval from the Department to be assured of full compensation. Should circumstances warrant, the Department may locate and select a replacement carrier to provide service on these routes. The carrier must complete all flights that can be safely operated; flights that overfly points for lack of traffic will not be compensated. In determining whether subsidy payment for a deviating flight should be adjusted or disallowed, the Department will consider the extent to which the goals of the program are met and the extent of access to the national air transportation system provided to the community.

If the Department unilaterally, either partially or completely, terminates or reduces payments for service or changes service requirements at a specific location provided for under this order, then, at the end of the period for which the Department does make payments in the agreed amounts or at the agreed service levels, the carrier may cease to provide service to that specific location without regard to any requirement for notice of such cessation. Those adjustments in the levels of subsidy and/or service that are mutually agreed to in writing by the parties to the agreement do not constitute a total or partial reduction or cessation of payment.

Subsidy contracts are subject to, and incorporate by reference, relevant statutes and Department regulations, as they may be amended from time to time. However, any such statutes, regulations, or amendments thereto shall not operate to controvert the foregoing paragraph.

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<sup>1</sup> \$1,157,699 divided by 2.636 annual flights calculated as follows: 52 flights/week\*52 weeks\*.975 completion.

<sup>2</sup> 52 flights per week x \$439.19.

**Corporate Airlines, Inc., Essential Air Service to be Provided to  
Owensboro, Kentucky, Docket 7855**

Effective Period: October 1, 2001, through April 30, 2003

Scheduled Service:

12 nonstop stop round trips each week St. Louis.

Aircraft: 19-seat Jetstream 32

Subsidy Rate per St. Louis Flight: \$845.97 <sup>1</sup>

Weekly Compensation Ceiling: \$20,303.28 <sup>2</sup>

**Note:**

The carrier understands that it may forfeit its compensation for any flights that it does not operate in conformance with the terms and stipulations of the rate order, including the service plan outlined in the order and any other significant elements of the required service, without prior approval. The carrier understands that an aircraft take-off and landing at its scheduled destination constitutes a completed flight; absent an explanation supporting subsidy eligibility for a flight that has not been completed, such as certain weather cancellations, only completed flights are considered eligible for subsidy. In addition, if the carrier does not schedule or operate its flights in full conformance with this order for a significant period, it may jeopardize its entire subsidy claim for the period in question. If the carrier contemplates any such changes beyond the scope of the order during the applicable period of these rates, it must first notify the Office of Aviation Analysis in writing and receive written approval from the Department to be assured of full compensation. Should circumstances warrant, the Department may locate and select a replacement carrier to provide service on these routes. The carrier must complete all flights that can be safely operated; flights that overfly points for lack of traffic will not be compensated. In determining whether subsidy payment for a deviating flight should be adjusted or disallowed, the Department will consider the extent to which the goals of the program are met and the extent of access to the national air transportation system provided to the community.

If the Department unilaterally, either partially or completely, terminates or reduces payments for service or changes service requirements at a specific location provided for under this order, then, at the end of the period for which the Department does make payments in the agreed amounts or at the agreed service levels, the carrier may cease to provide service to that specific location without regard to any requirement for notice of such cessation. Those adjustments in the levels of subsidy and/or service that are mutually agreed to in writing by the parties to the agreement do not constitute a total or partial reduction or cessation of payment.

Subsidy contracts are subject to, and incorporate by reference, relevant statutes and Department regulations, as they may be amended from time to time. However, any such statutes, regulations, or amendments thereto shall not operate to controvert the foregoing paragraph.

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<sup>1</sup> \$1,029,546 divided by 1,217 annual flights calculated as follows: 24 flights/week\*52 weeks\*.975 completion.

<sup>2</sup> 24 flights per week x \$845.97.