



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

Issued by the Department of Transportation
on the **5th day of June, 2003**

Essential Air Service at

JAMESTOWN, NEW YORK

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

Served: June 10, 2003

Docket OST-2003-14950

**ORDER PROHIBITING TERMINATION OF SERVICE
AND REQUESTING PROPOSALS**

Summary

By this order, the Department is (a) prohibiting Air Midwest, Inc., d/b/a US Airways Express (Air Midwest) from terminating its unsubsidized scheduled air service at Jamestown, New York, (b) requiring the carrier to maintain its current service at the community for an initial 30-day period following the end of the notice period, and (c) requesting proposals from carriers interested in providing replacement service at Jamestown.

Background

On April 14, 2003, Air Midwest filed a 90-day notice as required by 49 U.S.C. 41734(a) of its intent to terminate all scheduled air service at Jamestown, New York, effective July 14, 2003. Air Midwest is the only air carrier providing scheduled service at Jamestown, and it currently provides three daily nonstop round trips to Pittsburgh with 19-seat Beech 1900D aircraft.



Essential Air Service Determination

The essential air service determination for Jamestown, established by Order 86-5-46, is defined as two daily nonstop round trips to Pittsburgh with 15-seat or larger aircraft, providing 62 seats outbound and 62 seats inbound each day.¹

Decision

In view of the fact that Air Midwest is the only air carrier providing scheduled air service at Jamestown, we must prohibit the carrier from suspending its service at the end of the notice period, and seek proposal for replacement service. In accordance with 49 U.S.C. 41734(b), we will require that Air Midwest maintain three nonstop round trips to Pittsburgh each weekday and over each weekend period, with 19-seat Beech 1900D aircraft, through August 12, 2003. As required by 49 U.S.C. 41734(c), we will continue Air Midwest's obligation at Jamestown for additional 30-day periods, as necessary, until the case is concluded and a replacement carrier has started service.

Request for Proposals

We request that any carriers interested in providing essential air service at Jamestown file their proposals within 20 days of the service date of this order. We ask that carriers submit proposals consisting of two or three round trips each weekday and each weekend period to Pittsburgh with 15-seat or larger aircraft. We will also entertain proposals linking Jamestown with Bradford, Pennsylvania,² or that provide access to the national air transportation system through other hubs in order to give the Department and community as broad an array of proposals as possible from which to choose. Of course, as always, we will formally solicit the community's views on any service options we receive before making a long-term carrier selection decision. To assist carriers in making their traffic and revenue forecasts, we have included historical traffic data in Appendix A.

At the end of the 20-day period set for filing proposals, our staff will place in the docket any proposals received, thereby making them public, and will direct each carrier to serve a copy of its proposal on the civic parties and the other applicants. Each applicant will then have an opportunity to finalize its proposal in rate discussions with Department staff before we seek final community comments. We will give full consideration to all proposals that are timely filed.

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

¹ Order 86-5-46, issued May 12, 1986, required capacity sufficient to accommodate 40 inbound and outbound passengers, which continues to represent the maximum guarantee under the Essential Air Service program. Under the 60-percent load factor standard subsequently established by the Airport and Airway Safety and Capacity Expansion Act of 1987, P.L. 100-223, the number of guaranteed seats is therefore $67: 40/0.60 = 66.7$.

² Air Midwest currently is providing Bradford with two nonstop round trips each day to Pittsburgh. The carrier filed a 90-day notice to terminate service at the community on March 14, 2003. Order 2003-4-3, issued April 7, 2003, requires Air Midwest to maintain service at Bradford and requests proposals for replacement service. See Docket OST-2003-14528.

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.³

Community and State Comments

The community and the State are welcome to submit comments on the proposals at any time.⁴ 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.⁵

Other Carrier Requirements

The Department is responsible for implementing various Federal statutes governing lobbying activities, drug-free workplaces, and nondiscrimination.⁶ 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

³ 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.

⁴ Civic parties should file an original and five copies of their comments in Docket OST-2003-14950. This filing should be addressed to: Docket Operations and Media Management Division, M-30, Office of the Secretary, U.S. Department of Transportation, Room PL 401, 400 Seventh Street, S.W., Washington D.C. 20590.

⁵ 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.

⁶ The regulations applicable to these areas are: (1) 49 CFR Part 20 – New restrictions on lobbying; (2) 49 CFR Part 21 – Nondiscrimination in federally-assisted programs of the Department of Transportation – Effectuation of title VI of the Civil Rights Act of 1964; 49 CFR Part 27 – Nondiscrimination on the basis of disability in programs and activities receiving or benefiting from Federal financial assistance; and 14 CFR Part 382 – Nondiscrimination on the basis of disability in air travel; and (3) 49 CFR Part 29 – Government-wide debarment and suspension (non-procurement) and government-wide requirements for drug-free workplace (grants).

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 delegated in 49 CFR 1.56a(f).

ACCORDINGLY,

1. We request that carriers interested in providing essential air service at Jamestown, New York, submit their proposals, with or without requests for subsidy, within 20 days of the service date of this order. 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 Jamestown, New York, Docket OST-2003-14950;"⁷
2. The Department prohibits Air Midwest, Inc., d/b/a US Airways Express, from terminating service at Jamestown, New York, at the end of its 90-day notice period, and requires it to maintain three nonstop round trips each weekday and over each weekend period between Jamestown and Pittsburgh, through August 12, 2003, or until a carrier capable of providing reliable essential air service actually begins service, whichever comes first;
3. The Department directs Air Midwest, Inc., d/b/a US Airways Express, to retain all books, records, and other source and summary documents 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. This docket will remain open until further Department order; and

⁷ After serving a copy of its proposal on the civic officials of Jamestown, the State of New York, 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, M-30. Questions regarding filings in response to this order may be directed to John McCamant at (202) 366-1060.

5. We will serve a copy of this order on the mayor and airport manager of Jamestown, the Governor of New York, the New York Department of Transportation, Air Midwest, and the carriers listed in Appendix B.

By:

MICHAEL W. REYNOLDS
Acting 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>

**HISTORICAL TRAFFIC
JAMESTOWN, NEW YORK**

| | | Enplanemnts | Deplanements | Total | Enplanements per day |
|------|----|--------------|-----------------|---------------|-------------------------|
| 1996 | 1Q | 5,686 | 5,319 | 11,005 | 80.3 |
| | 2Q | 6,132 | 7,194 | 13,326 | |
| | 3Q | 10,824 | 7,679 | 18,503 | |
| | 4Q | <u>6,654</u> | <u>6,674</u> | <u>13,328</u> | |
| | | 29,296 | 26,866 | 56,162 | |
| 1997 | 1Q | 6,793 | 6,011 | 12,804 | 77.7 |
| | 2Q | 7,090 | 7,808 | 14,898 | |
| | 3Q | 8,027 | 7,371 | 15,398 | |
| | 4Q | <u>6,444</u> | <u>6,554</u> | <u>12,998</u> | |
| | | 28,354 | 27,744 | 56,098 | |
| 1998 | 1Q | 6,036 | 5,669 | 11,705 | 65.0 |
| | 2Q | 6,006 | 6,239 | 12,245 | |
| | 3Q | 6,360 | 6,146 | 12,506 | |
| | 4Q | <u>5,324</u> | <u>5,311</u> | <u>10,635</u> | |
| | | 23,726 | 23,365 | 47,091 | |
| 1999 | 1Q | 4,945 | 4,546 | 9,491 | 56.8 |
| | 2Q | 5,173 | 5,738 | 10,911 | |
| | 3Q | 6,079 | 5,974 | 12,053 | |
| | 4Q | <u>4,542</u> | <u>4,652</u> | <u>9,194</u> | |
| | | 20,739 | 20,910 | 41,649 | |
| 2000 | 1Q | 4,162 | 3,976 | 8,138 | 50.0 |
| | 2Q | 4,567 | 4,914 | 9,481 | |
| | 3Q | 5,180 | 4,986 | 10,166 | |
| | 4Q | <u>4,346</u> | <u>4,416</u> | <u>8,762</u> | |
| | | 18,255 | 18,292 | 36,547 | |
| 2001 | 1Q | 3,621 | 3,413 | 7,034 | 38.3 |
| | 2Q | 3,790 | 4,183 | 7,973 | |
| | 3Q | 3,836 | 3,622 | 7,458 | |
| | 4Q | <u>2,737</u> | <u>2,697</u> | <u>5,434</u> | |
| | | 13,984 | 13,915 | 27,899 | |
| 2002 | 1Q | 2,523 | 2,231 | 4,754 | 28.0 |
| | 2Q | 2,581 | 2,872 | 5,453 | |
| | 3Q | 2,755 | 2,627 | 5,382 | |
| | 4Q | <u>2,364</u> | <u>2,438</u> | <u>4,802</u> | |
| | | 10,223 | 10,168 | 20,391 | |
| 2003 | 1Q | 1,251 | 1,115 <u>1/</u> | | |

Source: Air Midwest Form 298-C, T100

1/ January and February data only.

SERVICE LIST FOR THE STATE OF NEW YORK

| | |
|---|--------------------------------------|
| Acadia Air, Inc. | Northwest Airlink |
| Amerijet International, Inc. | Omniflight Helicopter Service, Inc. |
| Business Express, Inc. | Pennsylvania Aviation, Inc. |
| Chautauqua Airlines, Inc. | Pennsylvania Commuter Airlines, Inc. |
| Chester County Aviation, Inc. | Southern Jersey Airways, Inc. |
| Colgan Air | Spectrum airlines, Inc. |
| Columbia Aviation, Inc. | Travelair, Inc. |
| Corporate Air, Inc. | Valley Air Service, Inc. |
| Delta Connection | |
| Executive Airlines, Inc. | |
| Gull Aviation, Inc. | Chester Anderson |
| Henson Aviation, Inc. | Ken Bannon |
| Horizon Air, Inc. | Sabrina Cranor |
| HubExpress, Inc. | Virgil de la Cruz |
| Hyannis Air Service, Inc. | E. B. Freeman |
| Jetstream International Airlines, Inc. | Edward Harahusk |
| Long Island Airlines | Robert Hart |
| Metroflight, Inc. | A. Edward Jenner |
| Midway Airlines, Inc. | John McFarlane |
| Midwest Express Airlines, Inc. | Eric Nordling |
| New England Airlines, Inc. | Mark Prange |
| New York Helicopter Corporation | John Sinisi |
| Northeast Express Regional Airlines, Inc. | Kevin Thomas |