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Order 2003-12-2



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

Served: December 5, 2003

Issued by the Department of Transportation
on the 2nd day of December, 2003

Essential air service at

GRAND ISLAND, NEBRASKA
KEARNEY, NEBRASKA
McCOOK, NEBRASKA
NORFOLK, NEBRASKA
NORTH PLATTE, NEBRASKA
SCOTTSBLUFF, NEBRASKA

Docket OST-2002-13983-16
Docket OST-1996-1715-15
Docket OST-1997-3005-7
Docket OST-1998-3704-24
Docket OST-1999-5173-20
Docket OST-2003-14535-16

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

ORDER REQUESTING PROPOSALS

Summary

By this order, the Department is requesting proposals from carriers interested in providing essential air service at the six Nebraska communities listed above for a future two-year period, with or without subsidy. (See Appendix A for a map of the service area.)

Background

Grand Island: On December 2, 2002, Great Lakes Aviation, Ltd., filed a notice of intent to terminate its subsidy-free scheduled air service (consisting of three one-stop round trips to Denver on weekdays and four one-stop round trips to Denver on weekends) at Grand Island, effective March 3, 2003. By Order 2003-2-10, February 12, 2003, the Department prohibited Great Lakes from terminating its service and requested proposals from air carriers interested in providing essential air service at Grand Island. The Department received proposals from Great Lakes, Mesa Air Group (on behalf of its wholly-owned subsidiary, Air Midwest, Inc.), and Multi-Aero, Inc.

Kearney and McCook: By Order 2000-5-5, May 8, 2000, and 2000-5-12, May 10, 2000, the Department selected Great Lakes Aviation to provide subsidized essential air service at Kearney and McCook. By Order 2002-10-37, October 29, 2002, the Department requested proposals

from air carriers interested in providing essential air service at Kearney and McCook. Great Lakes' service at each community consists of 18 weekly nonstop flights to Denver using 19-seat Beech 1900D aircraft, with about one-half of the flights originating at Grand Island, Nebraska. The Department received proposals from Great Lakes and Mesa/Air Midwest.

Norfolk: By Order 2003-6-25, June 19, 2003, the Department tentatively terminated Norfolk's subsidy eligibility because its subsidy per passenger far exceeded the \$200 statutory cap, but gave the community 30 days to show cause why the Department should not finalize that tentative decision.¹ The community filed a timely objection stating basically that passenger traffic was growing and that, with a little more time, the subsidy-per-passenger would fall below the \$200 cap.

North Platte: Order 2002-5-22 tentatively reselected Great Lakes Aviation to provide essential air service at North Platte (consisting of 18 nonstop round trips each week to Denver with 19-passenger-seat Beech 1900D aircraft) and Norfolk through November 30, 2003.

Scottsbluff: Great Lakes Aviation had served Scottsbluff subsidy-free since it inaugurated service at the community in 1998. On February 9, 2003, Great Lakes filed a 90-day notice of its intent to suspend service (consisting of three daily nonstop round trips to Denver with 19-passenger Beech 1900D aircraft) at Scottsbluff, effective May 20, 2003. By Order 2003-5-3, May 1, 2003, the Department prohibited Great Lakes from suspending its service and solicited proposals for replacement service. The Department received proposals from Great Lakes, Mesa/Air Midwest, Multi-Aero, Inc., and Westward Airways, Inc.

Request for Proposals

As indicated above, the Department had already issued orders requesting proposals from carriers interested in serving these communities. However, by letter dated July 14, 2003, the Mayor of Grand Island, the Chairman of the Hall County Airport Authority, and the Chair of the Hall County Board of Supervisors requested that the Department seek proposals offering Grand Island service to a hub to the east, rather than to Denver. In addition, other communities (especially Kearney) have indicated that they, too, are interested in seeking alternatives to the status quo. Further, we have decided to make an additional effort to seek service for Norfolk that falls within the statutory \$200 per passenger ceiling. As a result, we ask carriers to construct their proposals so that the subsidy attributable to Norfolk can be readily identified or allocated. (We emphasize that this does not necessarily assure Norfolk of continued eligibility for subsidized service, nor does it grant the community an indefinite time period to attempt to boost its traffic levels. We are primarily interested in seeing proposals for Norfolk that potentially exhibit lower overall costs than the traditional Norfolk-North Platte-Denver package.) Moreover, essential air service at Nebraska communities has traditionally been interconnected to a significant extent. (For

¹ Under Public Law 106-69, Department of Transportation and Related Agencies Appropriations Act, 2000, Section 332, no subsidy can be provided to support air service at a community if the subsidy per passenger exceeds \$200, unless such community is greater than 210 miles from the nearest large or medium hub airport. Norfolk is within 210 miles of Omaha, Nebraska, a medium hub.

example, two of Grand Island's three flights to Denver currently make an intermediate stop at McCook, and Norfolk's service to Denver involves a stop at either Grand Island or Kearney.) Based on all of the above, we find that this is clearly a case that merits being processed in one comprehensive case under our new, streamlined carrier selection procedures.

Carriers interested in filing proposals, with or without subsidy requests, should file them within 30 days of the date of service of this order. At the end of that period, our staff will docket the proposals, thereby making them public, and direct each carrier to serve a copy of its proposal on the civic parties and other applicants. Shortly afterwards, we will provide a summary of the proposals to the communities and ask them to submit their final comments. We will give full consideration to all proposals that are timely filed.²

New Procedures

In the past, we have accepted *initial* carrier proposals, reviewed them, and then negotiated *final* proposals with each applicant before formally presenting the proposals to the communities and asking for their final comments. We found that a two-step process was generally necessary because, in most cases, the incumbent carrier was the only one interested. As a result, we were unable to rely on competition to discipline carrier subsidy requests, and communities had to wait on a protracted selection process. More recently, however, we have noticed that most orders requesting essential air service proposals have drawn interest from at least two carriers, and sometimes more. Under the circumstances, we expect that competition among multiple carriers will ensure reasonable subsidy requests, obviate the need for rate negotiations, and allow us to streamline the carrier selection process.

Consequently, interested carriers should prepare their proposals with every expectation that their initial proposals will also be their *final* and *only* proposals.³ We retain the discretion to further negotiate proposals with carriers when we deem it desirable; in such cases, of course, we will give all applicants the same opportunity. For example, we anticipate that we will continue to negotiate rates in cases where there is only a single interested carrier, as is typically the situation in Alaska. We also retain the discretion to reject outright all unreasonable or unrealistic proposals and resolicit a new round of proposals. However, we anticipate that negotiation or rejection will remain only occasional exceptions to the rule.

We are here providing interested carriers with some basic information to serve as guidance when they prepare their proposals, but we will not prescribe a precise format for their proposals. We

² 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 proceed with the carrier-selection case. Instead, we simply rely on that carrier's subsidy-free service as proposed.

³ For this reason, we will allow carriers 30 days to submit their proposals, rather than just 20 as in the past. Because the new procedures anticipate that a carrier's first proposal will also be its final proposal, we expect to enforce our filing deadlines more stringently than in the past. Carriers should not expect the Department to accept late filings. The additional 10 days will comfortably accommodate the additional time carriers may find necessary to prepare their proposals.

expect proposals to adequately describe the service being proposed and the annual amount of subsidy being requested. The applicants can make their own judgments as to the level of detail they wish to present; however, they might want to include proposed schedules as well as supporting data for their subsidy requests, such as projected block hours, revenues and expenses. We strongly encourage clear, well-documented proposals that will facilitate their evaluation by the affected communities and the Department. We do not anticipate any change in our selection criteria, or in the general provisions governing subsidy payments for essential air service.⁴

With respect to the specific Nebraska markets at issue here, we expect proposals consisting of service, at a minimum, with two-pilot, twin-engine aircraft with at least 15 passenger seats, and offering a minimum of two or three round trips each weekday and each weekend from the essential air service community to a suitable hub. Such service is generally consistent with what the communities currently receive. We encourage proposals that meet those requirements in an efficient manner.⁵ Carriers are also welcome to propose more than one service option, if they choose; they need not limit themselves to those requirements if they envision other, potentially more attractive service possibilities -- different hubs, for example -- with subsidy requirements that remain competitive.

Service and Traffic History

Great Lakes has served all of these communities for several years. During the year ended March 31, 2003, the most recent 12-month period for which traffic data are available, Grand Island averaged 13.5 enplanements a day, Kearney 17.6, McCook 5.7, Norfolk 3.5, North Platte 17.9, and Scottsbluff 25.9. These figures represent declines of 29 to 57 percent from levels registered during calendar year 2000, prior to the terrorist attacks of September 11, 2001.⁶

⁴ In selecting a carrier to provide subsidized essential air service, 49 U.S.C. 41733(c)(1) directs us to consider four factors: (1) service reliability; (2) contractual and marketing arrangements with a larger carrier at the hub; (3) interline arrangements with a larger carrier at the hub; and (4) community views. In addition, we have always given weight to the applicants' relative subsidy requirements. Appendix B contains the general provisions governing essential air service; as in the past, these provisions will be included in the selection order as part of the Department's authorization of subsidy for the selected service.

⁵ In several cases, two communities are served together on a single route. Of particular interest is Norfolk, where the current rate assumes service to Denver over an intermediate stop at North Platte. Currently (according to the November 1, 2003, *Official Airline Guide*), Norfolk receives service to Denver over Grand Island and Kearney. The nonstop distance (and hence, we presume, the flying time) is shorter from Norfolk to either Grand Island or Kearney than it is to North Platte. We would therefore expect that proposals to serve Norfolk over Grand Island or Kearney could be less expensive than over North Platte.

⁶ See Appendix B for historical traffic data. Enplanements represent one-half of total origin-and-destination traffic, and average enplanements per day are based on 313 weekdays and weekends a year, except as noted.

Other Carrier Requirements

The Department is responsible for implementing various Federal statutes governing lobbying activities, drug-free workplaces, and nondiscrimination.⁷ Consequently, all carriers receiving Federal subsidy for 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 the regulations governing lobbying activities. Because the Department is prohibited from paying subsidy to carriers that do not submit these documents, all carriers that plan to submit proposals involving subsidy should be aware that the selected carrier will be expected to complete the required certifications. 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) 366-1053.⁸

Community and State Comments

The communities and state are welcome to submit comments on the proposals at any time. As noted earlier, however, we will provide a summary of the proposals to the civic parties and ask them to submit their final comments shortly after the end of the 30-day period for carrier proposals.

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 Grand Island, Kearney, McCook, Norfolk, North Platte, and Scottsbluff, Nebraska, submit their proposals, with or without subsidy requests, no later than 30 days after the date of service of this order. The proposals should be sent to the EAS & Domestic Analysis Division, X-53, Office of Aviation Analysis, Room 6401, Department of Transportation, 400 7th Street S.W., Washington, DC 20590, with the title "Proposal to Provide Essential Air Service at [the community or communities at issue]," with the docket number corresponding to each community as shown on the first page of this order;⁹
2. These dockets will remain open until further order of the Department; and

⁷ 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).

⁸ The certifications are also available on the web at <http://ostpxweb.dot.gov/aviation/index.html>.

⁹ Questions regarding filings in response to this order may be directed to Luther Dietrich at (202) 366-1046.

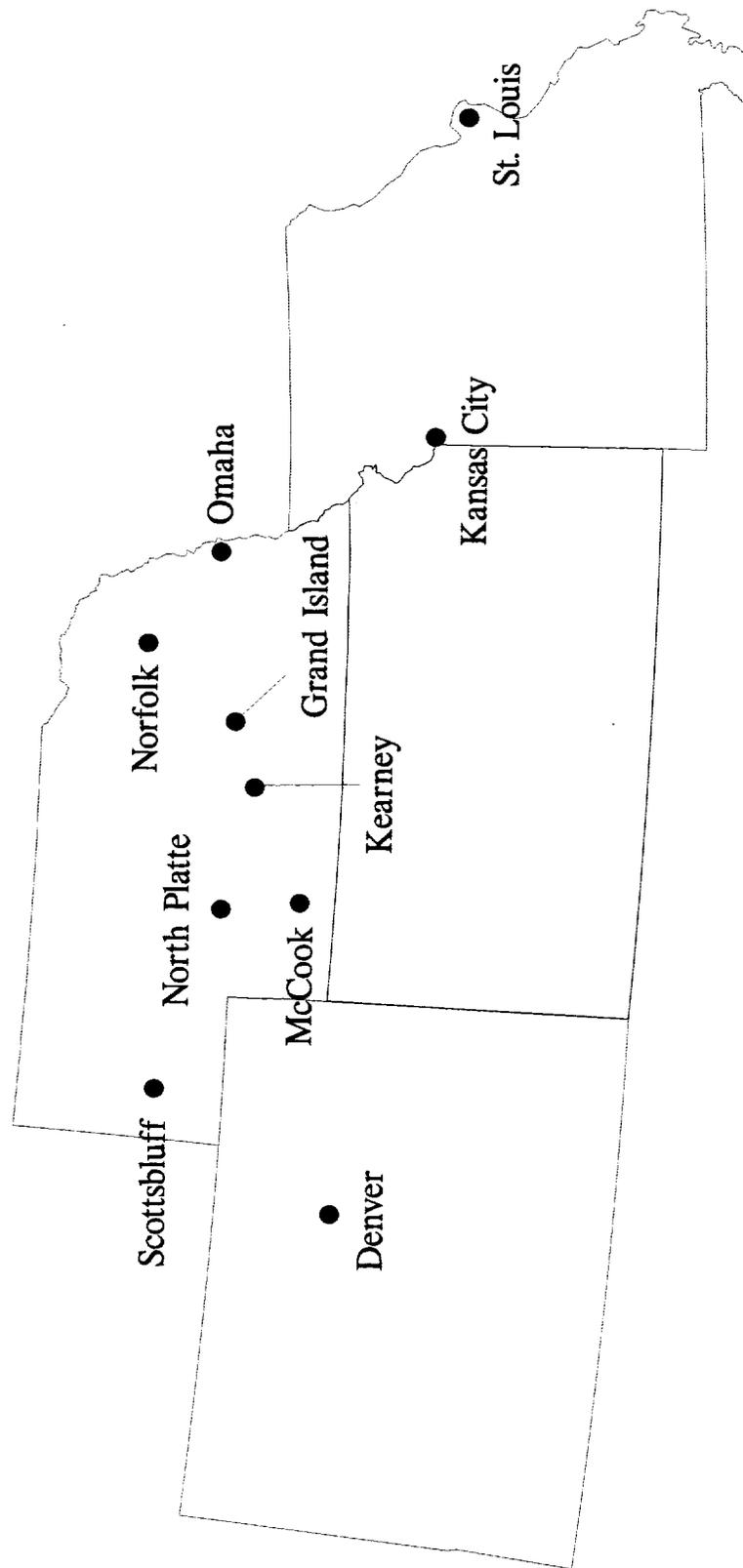
3. We will serve copies of this order on the mayors and airport managers of Grand Island, Kearney, McCook, Norfolk, North Platte, and Scottsbluff; Air Midwest, Inc., d/b/a US Airways Express; Great Lakes Aviation, Ltd., Multi-Aero, Inc., Westward Airways, Inc., and the persons listed in Appendix C.

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>*



Essential Air Service at Grand Island, Nebraska
Historical Origin-Destination Passenger Traffic (both directions)^{1 2}

Four quarters ended	<u>GRI-DEN</u>	<u>GRI-MCI</u>	<u>GRI-MSP</u>	<u>GRI-OMA</u>	<u>GRI-ORD</u>	All GRI markets other than hubs	Total all GRI markets ³
12/31/1987	6,200	684	0	4,976	0	2,009	13,869
12/31/1988	5,212	4,043	0	4,131	0	2,605	15,991
12/31/1989	5,627	7,717	0	2,177	0	2,899	18,420
12/31/1990	8,092	2,949	4,664	5,291	0	2,020	23,016
12/31/1991	12,220	6,639	5,557	2,821	2,052	1,960	31,249
12/31/1992	17,454	4,797	5,961	2,690	3,427	2,156	36,485
12/31/1993	18,637	5,628	6,955	2,003	4,449	2,458	40,130
12/31/1994	20,181	4,272	5,330	791	3,688	2,729	36,991
12/31/1995	17,464	2,713	5,605	406	1,916	1,877	29,981
12/31/1996	19,238	1,198	6,168	1,761	11	367	28,743
12/31/1997	19,251	0	4,970	2,840	0	400	27,461
12/31/1998	19,573	0	10,303	0	6	617	30,499
12/31/1999	19,435	0	1,820	0	21	571	21,847
12/31/2000	18,613	0	0	0	0	1,215	19,828
12/31/2001	13,145	0	0	0	0	344	13,489
12/31/2002	8,368	0	0	0	0	172	8,540
3/31/2003	8,341					201	8,452

¹ Source: U.S. Department of Transportation, Bureau of Transportation Statistics (BTS), Form 298-C, Schedule T-1, and Form T-100 for traffic reported by Rocky Mountain Airways, Midcontinent/Braniff Express, GP Express Airlines, and Great Lakes Aviation.

² In this and in subsequent tables of origin-destination data in this appendix, data are broken out by hub for any hubs for which 1,000 or more origin-destination passengers were reported during any calendar year.

³ In addition to service from the “traditional” commuter and small certificated carriers listed in footnote (1), above, Grand Island has received service to Elko, Nevada, from Casino Express from 1988 onward. Although Casino Express typically does not appear to schedule or operate more than one or two round trips per month, and usually not in all months of the year, the carrier has nonetheless reported a significant amount of GRI-EKO traffic, e.g., 2,225 passengers in CY 2000, 1,013 in CY 2001 and 1,105 in CY 2002.

Essential Air Service at Grand Island, Nebraska
Average Daily Passenger Enplanements Computed from
Historical Origin-Destination Passenger Traffic

<u>Four quarters ended</u>	<u>Origin- destination passengers</u> ⁴	<u>Average annual enplanements</u> ⁵	<u>Average Enplanements per service day</u> ⁶
12/31/1987	13,869	6,934	22.2
12/31/1988	15,991	7,996	25.5
12/31/1989	18,420	9,210	29.4
12/31/1990	23,016	11,508	36.8
12/31/1991	31,249	15,624	49.9
12/31/1992	36,485	18,242	58.1
12/31/1993	40,130	20,065	64.1
12/31/1994	36,991	18,496	59.1
12/31/1995	29,981	14,990	47.9
12/31/1996	28,743	14,372	45.8
12/31/1997	27,461	13,730	43.9
12/31/1998	30,499	15,250	48.7
12/31/1999	21,847	10,924	34.9
12/31/2000	19,828	9,914	31.6
12/31/2001	13,489	6,744	21.5
12/31/2002	8,540	4,270	13.6
3/31/2003	8,452	4,226	13.5

⁴ See page (1) of this Appendix.

⁵ Origin-destination passengers divided by two.

⁶ Average annual enplanements divided by 313 effective annual service days, except for the annual periods ended 12/31/1988, 12/31/1992, 12/31/1996, and 12/31/2000 (314 effective annual service days).

Essential Air Service at Kearney, Nebraska
Historical Origin-Destination Passenger Traffic (both directions) ⁷

Four quarters ended	<u>EAR-DEN</u>	<u>EAR-MCI</u>	<u>EAR-OMA</u>	All EAR markets other than hubs	Total all EAR markets
12/31/1987	1,946	0	2,991	46	4,983
12/31/1988	1,860	0	3,325	21	5,206
12/31/1989	1,676	0	2,907	11	4,594
12/31/1990	2,168	0	4,039	18	6,225
12/31/1991	2,547	318	3,014	353	6,232
12/31/1992	2,959	2,927	1	210	6,097
12/31/1993	2,860	3,346	0	224	6,430
12/31/1994	2,769	3,801	2	125	6,697
12/31/1995	1,594	2,928	10	436	4,968
12/31/1996	252	1,429	123	61	1,865
12/31/1997	2,068	0	0	87	2,155
12/31/1998	10,753	0	0	216	10,969
12/31/1999	14,462	0	0	552	15,014
12/31/2000	19,584	0	0	680	20,064
12/31/2001	13,488	0	0	301	13,789
12/31/2002	10,050	0	0	127	10,177
3/31/2003	10,242	0	0	75	10,317

⁷ Source: U.S. Department of Transportation, Bureau of Transportation Statistics (BTS), Form 298-C, Schedule T-1, and Form T-100 for traffic reported by GP Express Airlines and Great Lakes Aviation.

Essential Air Service at Kearney, Nebraska
Average Daily Passenger Enplanements Computed from
Historical Origin-Destination Passenger Traffic

<u>Four quarters ended</u>	<u>Origin- destination passengers</u> ⁸	<u>Average annual enplanements</u> ⁹	<u>Average Enplanements per service day</u> 10
12/31/1987	4,983	2,492	8.0
12/31/1988	5,206	2,603	8.3
12/31/1989	4,594	2,297	7.3
12/31/1990	6,225	3,112	9.9
12/31/1991	6,232	3,116	10.0
12/31/1992	6,097	3,048	9.7
12/31/1993	6,430	3,215	10.3
12/31/1994	6,697	3,348	10.7
12/31/1995	4,968	2,484	7.9
12/31/1996	1,865	932	3.0
12/31/1997	2,155	1,078	3.4
12/31/1998	10,969	5,484	17.5
12/31/1999	15,014	7,507	24.0
12/31/2000	20,064	10,132	32.3
12/31/2001	13,789	6,894	22.0
12/31/2002	10,177	5,088	16.3
3/31/2003	10,317	5,515	17.6

⁸ See page (3) of this Appendix.

⁹ Origin-destination passengers divided by two.

¹⁰ Average annual enplanements divided by 313 effective annual service days, except for the annual periods ended 12/31/1988, 12/31/1992, 12/31/1996, and 12/31/2000 (314 effective annual service days).

Essential Air Service at McCook, Nebraska
Average Daily Passenger Enplanements Computed from
Historical Origin-Destination Passenger Traffic

<u>Four quarters ended</u>	<u>Origin- destination passengers</u> ¹¹	<u>Average annual enplanements</u> ¹²	<u>Average Enplanements per service day</u> ¹³
12/31/1987	2,752	1,376	4.4
12/31/1988	2,328	1,164	3.7
12/31/1989	1,896	948	3.0
12/31/1990	2,063	1,032	3.3
12/31/1991	2,047	1,024	3.3
12/31/1992	2,295	1,198	3.8
12/31/1993	2,362	1,181	3.8
12/31/1994	2,111	1,056	3.4
12/31/1995	1,757	878	2.8
12/31/1996	1,799	900	2.9
12/31/1997	3,097	1,548	4.9
12/31/1998	5,421	2,710	8.7
12/31/1999	4,567	2,284	7.3
12/31/2000	5,047	2,524	8.0
12/31/2001	4,094	2,047	6.5
12/31/2002	3,581	1,790	5.7
3/31/2003	3,581	1,790	5.7

¹¹ Source: U.S. Department of Transportation, Bureau of Transportation Statistics (BTS), Form 298-C, Schedule T-1, and Form T-100 for traffic reported by GP Express Airlines and Great Lakes Aviation.

¹² Origin-destination passengers divided by two.

¹³ Average annual enplanements divided by 313 effective annual service days, except for the annual periods ended 12/31/1988, 12/31/1992, 12/31/1996, and 12/31/2000 (314 effective annual service days).

Essential Air Service at Norfolk, Nebraska
Historical Origin-Destination Passenger Traffic (both directions) ¹⁴

Four quarters ended	<u>OFK-DEN</u>	<u>OFK-MSP</u>	<u>OFK-OMA</u>	All OFK markets other than hubs	Total all OFK markets
12/31/1987	0	0	2,051	365	2,416
12/31/1988	0	0	1,668	694	2,362
12/31/1989	0	0	815	211	1,026
12/31/1990	0	2,011	839	43	2,893
12/31/1991	2,328	2,485	1	974	5,788
12/31/1992	3,205	4,037	1	748	7,991
12/31/1993	3,566	5,187	0	204	8,957
12/31/1994	3,932	3,579	0	124	7,635
12/31/1995	2,518	3,303	51	197	6,069
12/31/1996	1,594	2,769	1	108	4,472
12/31/1997	489	1,761	0	65	2,315
12/31/1998	319	2,880	0	167	3,366
12/31/1999	2,320	1,279	0	109	3,708
12/31/2000	3,783	0	0	131	3,914
12/31/2001	2,374	0	0	138	2,512
12/31/2002	2,149	0	0	68	2,217
3/31/2003	2,133	0	0	58	2,191

¹⁴ Source: U.S. Department of Transportation, Bureau of Transportation Statistics (BTS), Form 298-C, Schedule T-1, and Form T-100 for traffic reported by Midcontinent/Braniff Express, GP Express Airlines, and Great Lakes Aviation.

Essential Air Service at Norfolk, Nebraska
Average Daily Passenger Enplanements Computed from
Historical Origin-Destination Passenger Traffic

<u>Four quarters ended</u>	<u>Origin- destination passengers</u> ¹⁵	<u>Average annual enplanements</u> ¹⁶	<u>Average Enplanements per service day</u> ¹⁷
12/31/1987	2,416	1,208	3.9
12/31/1988	2,362	1,181	3.8
12/31/1989	1,026	513	1.6
12/31/1990	2,893	1,446	4.6
12/31/1991	5,788	2,894	9.2
12/31/1992	7,991	3,996	12.7
12/31/1993	8,957	4,478	14.3
12/31/1994	7,635	3,818	12.2
12/31/1995	6,069	3,034	9.7
12/31/1996	4,472	2,236	7.1
12/31/1997	2,315	1,158	3.7
12/31/1998	3,366	1,683	5.4
12/31/1999	3,708	1,854	5.9
12/31/2000	3,914	1,957	6.2
12/31/2001	2,512	1,256	4.0
12/31/2002	2,217	1,108	3.5
3/31/2003	2,191	1,096	3.5

¹⁵ See page (6) of this Appendix.

¹⁶ Origin-destination passengers divided by two.

¹⁷ Average annual enplanements divided by 313 effective annual service days, except for the annual periods ended 12/31/1988, 12/31/1992, 12/31/1996, and 12/31/2000 (314 effective annual service days).

Essential Air Service at North Platte, Nebraska
Historical Origin-Destination Passenger Traffic (both directions) ¹⁸

Four quarters ended	<u>LBF-DEN</u>	<u>LBF-OMA</u>	All LBF markets other than hubs	Total all LBF markets
12/31/1987	8,081	3,666	5,783	17,530
12/31/1988	19,105	2,363	1,376	22,844
12/31/1989	20,695	2,209	1,351	24,255
12/31/1990	23,024	2,336	1,467	26,827
12/31/1991	26,139	2,094	1,231	29,464
12/31/1992	26,301	2,855	1,084	30,240
12/31/1993	28,386	2,210	1,298	31,894
12/31/1994	21,182	1,815	1,245	24,242
12/31/1995	17,623	1,319	1,232	20,174
12/31/1996	17,087	0	0	17,087
12/31/1997	20,517	0	118	20,635
12/31/1998	19,605	0	153	19,758
12/31/1999	15,698	0	261	15,959
12/31/2000	16,592	0	226	16,818
12/31/2001	12,280	0	273	12,553
12/31/2002	11,215	0	141	11,356
3/31/2003	11,146	0	89	11,235

¹⁸ Source: U.S. Department of Transportation, Bureau of Transportation Statistics (BTS), Form 298-C, Schedule T-1, and Form T-100 for traffic reported by Rocky Mountain Airways, Britt Airways/Continental Express, Mesa Airlines, GP Express Airlines, and Great Lakes Aviation.

Essential Air Service at North Platte, Nebraska
Average Daily Passenger Enplanements Computed from
Historical Origin-Destination Passenger Traffic

<u>Four quarters ended</u>	<u>Origin- destination passengers</u> ¹⁹	<u>Average annual enplanements</u> ²⁰	<u>Average Enplanements per service day</u> ²¹
12/31/1987	17,530	8,765	28.0
12/31/1988	22,844	11,422	36.4
12/31/1989	24,255	12,128	38.7
12/31/1990	26,827	13,414	42.9
12/31/1991	29,464	14,732	47.1
12/31/1992	30,240	15,120	48.2
12/31/1993	31,894	15,947	50.9
12/31/1994	24,242	20,094	64.2
12/31/1995	20,174	10,087	32.2
12/31/1996	17,087	8,544	27.2
12/31/1997	20,635	10,318	33.0
12/31/1998	19,758	9,879	31.6
12/31/1999	15,959	7,980	25.5
12/31/2000	16,818	8,409	26.8
12/31/2001	12,553	6,276	20.0
12/31/2002	11,356	5,678	18.1
3/31/2003	11,235	5,618	17.9

¹⁹ See page (8) of this Appendix.

²⁰ Origin-destination passengers divided by two.

²¹ Average annual enplanements divided by 313 effective annual service days, except for the annual periods ended 12/31/1988, 12/31/1992, 12/31/1996, and 12/31/2000 (314 effective annual service days).

Essential Air Service at Scottsbluff, Nebraska
Historical Origin-Destination Passenger Traffic (both directions)²²

Four quarters ended	<u>BFF-DEN</u>	<u>BFF-OMA</u>	All BFF markets other than hubs	Total all BFF Markets ²³
12/31/1987	32,037	2,518	7,679	42,234
12/31/1988	28,318	1,845	4,212	34,375
12/31/1989	27,780	1,688	4,059	33,527
12/31/1990	27,779	1,380	3,589	32,748
12/31/1991	28,264	1,237	3,047	32,548
12/31/1992	32,376	1,452	3,180	37,008
12/31/1993	36,437	1,873	3,436	41,746
12/31/1994	31,685	1,843	3,724	37,252
12/31/1995	28,039	1,600	2,934	32,573
12/31/1996	20,674	0	12	20,686
12/31/1997	26,403	0	811	27,214
12/31/1998	22,588	0	899	23,487
12/31/1999	23,862	0	423	24,285
12/31/2000	24,616	0	350	24,966
12/31/2001	20,919	0	245	21,164
12/31/2002	16,740	0	94	16,834
3/31/2003	16,143	0	49	16,192

²² Source: U.S. Department of Transportation, Bureau of Transportation Statistics (BTS), Form 298-C, Schedule T-1, and Form T-100 for traffic reported by Rocky Mountain Airways, Britt Airways/Continental Express, Mesa Airlines, GP Express Airlines, Great Lakes Aviation, United Air Lines, and Air Wisconsin Airlines.

²³ In addition to service from the "traditional" commuter and certificated carriers listed in footnote (22), above, Scottsbluff received service to Elko, Nevada, from Casino Express during 1996 and 1997. Although Casino Express typically does not appear to schedule or operate more than one or two round trips per month, and usually not in all months of the year, the carrier has nonetheless reported BFF-EKO traffic amounting to 905 passengers in CY1996 and 412 passengers in CY1997.

Essential Air Service at Scottsbluff, Nebraska
Average Daily Passenger Enplanements Computed from
Historical Origin-Destination Passenger Traffic

<u>Four quarters ended</u>	<u>Origin- destination passengers</u> ²⁴	<u>Average annual enplanements</u> ²⁵	<u>Average Enplanements per service day</u> ²⁶
12/31/1987	42,234	21,117	67.5
12/31/1988	34,375	17,188	54.7
12/31/1989	33,527	16,764	53.6
12/31/1990	32,748	16,374	52.3
12/31/1991	32,548	16,274	52.0
12/31/1992	37,008	18,504	59.1
12/31/1993	41,746	20,873	66.7
12/31/1994	37,252	18,626	59.5
12/31/1995	32,573	16,286	52.0
12/31/1996	20,686	10,343	32.9
12/31/1997	27,214	13,607	43.5
12/31/1998	23,487	11,744	37.5
12/31/1999	24,285	12,142	38.8
12/31/2000	24,966	12,483	39.9
12/31/2001	21,164	10,582	33.8
12/31/2002	16,834	8,417	26.9
3/31/2003	16,192	8,096	25.9

²⁴ See page (10) of this Appendix.

²⁵ Origin-destination passengers divided by two.

²⁶ Average annual enplanements divided by 313 effective annual service days, except for the annual periods ended 12/31/1988, 12/31/1992, 12/31/1996, and 12/31/2000 (314 effective annual service days).

Service List for the State of Nebraska

Air Casino, Inc.
Air Midwest, Inc.
Air Wisconsin, Inc.
Amerijet International, Inc.
Corporate Airlines, Inc.
Delta Connection
Dwyer Aircraft Sales, Inc.
Falcon Aviation, Inc.
Great Lakes Aviation, Ltd.
Heartland Aviation, Inc.
Mesa Airlines, Inc.
Mesaba Aviation, Inc.
Midwest Express Airlines, Inc.
Multi Aero, Inc.
Redwing Airways, Inc.
Thunderbird Aviation, Inc.
Trans States Airlines, Inc.
Westward Airways, Inc.

Louis Andrews
Ken Bannon
Rick Bauer
Doug Franklin
E.B. Freeman
Douglas Gumula
Ben Harrison
A. Edward Jenner
Bob Karns
Colleen O'Day
Lee Mason
Robert Wigmore