



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

ESTABLISHMENT OF SLOT EXEMPTION PROCEEDING
PURSUANT TO 49 U.S.C. § 41718(b)
Docket OST-2000-7182

NOTICE

On July 5, 2000, pursuant to the provisions of the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21), the Department issued Order 2000-7-2, which granted a total of 12 slot exemptions at Ronald Reagan Washington National Airport (DCA) for services inside the 1,250-mile perimeter to the following carriers: American Trans Air, Inc., Midwest Express Airlines, Inc., Spirit Airlines, Inc., and Midway Airlines Corporation.

Under the provisions of that order, Midwest Express (now Midwest Airlines) was granted two DCA slot exemptions to provide nonstop service to Des Moines, Iowa.

By letter dated May 14, 2004, Midwest informed the Department that due to recent losses in the market, it planned to discontinue nonstop service between Des Moines and DCA on June 30, 2004. It stated that it was so advising the Department so that we would be able to promptly reallocate the slot exemptions to another qualifying carrier.

Proceeding

Given this development, the Department will now consider applications from air carriers using Stage 3 aircraft for the two slot exemptions formerly granted to Midwest. Applicants must propose to provide service to DCA from airports that were designated as small hub or nonhub airports in 1997¹ within the 1,250-mile perimeter established for civil operations at DCA under 49 U.S.C. § 49109. Applications should be filed in Docket OST 2000-7182.²

¹ Definitions of nonhub, small hub, and medium hub airports are provided under 49 U.S.C. § 41714 (h)(7), (8), and (9).

² Title 49, U.S.C. § 41718(c)(3), incorporating amendments made by P.L. 108-176 (the Vision 100 – Century of Aviation Reauthorization Act, “Vision 100”), authorizes the Department to award a total of 20 within-perimeter slot exemptions. Of these, at least six must be for air transportation to small hub and nonhub airports. (See section 41718(c)(3)(a)). At present, these six were awarded and allocated as follows: two to Midwest for service to Des Moines in Order 2000-7-2; two to Comair, Inc. for either Jackson, MS, or Lexington, KY, in Order 2004-4-2; and two to US Airways, Inc. for Asheville, NC, Chattanooga, TN, or Wilmington, NC, also in Order 2004-4-2. With the impending return of Midwest’s Des Moines

Section 41718(b) of Title 49 U.S.C. establishes certain requirements for award of these exemptions. As concerns the small hub or nonhub category for within-perimeter exemptions, it directs the Secretary to distribute them in a manner that promotes air transportation: (1) to communities without existing nonstop air transportation to DCA; (2) to small communities; (3) that will provide competitive nonstop air transportation on a monopoly nonstop route to DCA; *or* (4) that will produce the maximum competitive benefits, including low fares.³

Completed applications must be submitted by June 24, and comments with respect to any timely filed request for slot exemptions must be filed by July 1.

As a final matter, we note that Midwest's currently allocated slot times for its nonstop DCA-Des Moines service are in the 1000 and 1700 hour periods. Section 41718(c)(2) does not allow us to assign more than three slot exemptions per one hour period. Almost all time periods were fully subscribed by the Department's Notice dated May 3, 2004, and, thus, we may not be able to accommodate carrier requests for alternative slot exemption times.

exemptions, the only available category within which they may be re-awarded is that for small hub or nonhub service.

³ Prior to the amendments made by Vision 100, section 41718(b) had also included as a criterion for all awards the promotion of air transportation by new entrant air carriers and limited incumbent air carriers. Vision 100 struck that as a criterion for the small hub and nonhub service category only; it remains in effect for the medium hub and smaller category, and the "without regard to size" category. Therefore, the Department will evaluate applications for these two available slot exemptions without regard to the new entrant/limited incumbent status of the applicant.

We shall serve a copy of this notice on all certificated air carriers, the Metropolitan Washington Airports Authority, and the Federal Aviation Administration's Slot Administration office.

By:

KARAN K. BHATIA
Assistant Secretary for Aviation
and International Affairs

Dated: June 3, 2004

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