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Order 97-8-14



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

SERVED AUG 20 1997

Issued by the Department of Transportation
on the 14th day of August, 1997

Essential air service

PROGRAM-WIDE

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

Dockets ¹ OST-97-2802 - /

**ORDER AUTHORIZING SUBSIDY FOR INCREASED
SERVICE PROGRAM-WIDE**

Summary

By this order we are confirming the oral action announced informally by the Department on August 6 that authorizes the payment of subsidy under the essential air service (EAS) program for statutorily required weekend service beginning the weekend of August 9 and 10, 1997.

Background

In November 1995, the fiscal year 1996 appropriation for the essential air service program was reduced by one-third, with the expectation that no then-subsidized community would be denied continued subsidy eligibility. Accordingly, the Department effected the necessary savings through across-the-board cuts, eliminating subsidy for all second hubs and limiting subsidy support for any individual community to ten round trips a week, notwithstanding that the statutory minimum number of frequencies under the program is two round trips a day six days a week.

During this fiscal year, there has been a service hiatus at a number of EAS communities. Since under the EAS program the Department pays the airlines only for flights actually flown, no expenditures were made for service at any of those communities during the time they were not receiving air service. As a consequence, there is sufficient unused EAS funding remaining in the Department's current appropriation to enable a minor increase in subsidized service levels for the remainder of this fiscal year.

¹ See Appendix A for the list of all the subsidized essential air service communities program-wide, except those in Alaska, and their docket numbers.

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Decision

Beginning in fiscal year 1998 (effective October 1, 1997), Congress has provided an annual funding level of \$50 million for the EAS program. These funds are provided for by the Rural Air Service Survival Act, which was part of the Federal Aviation Administration reauthorization legislation enacted in 1996. The service cutbacks in November 1995 to 10 round trips a week have had a serious impact on many communities, and the Department is committed to restoring essential air service to viable levels throughout the program as promptly as possible. Thus the Department intends to use its fiscal year 1998 funds to restore full compliance with the statutory essential air service requirements established in the Airport and Airway Safety and Capacity Expansion Act of 1987. In that context the Department is now in the latter stages of negotiating and authorizing restoration of service to viable levels program-wide for effectiveness October 1, 1997.²

In addition, in view of the available balance remaining in the Department's fiscal year 1997 EAS appropriation, we are acting now, on our own initiative, to authorize subsidy for the statutorily required weekend service, effective Saturday August 9³--i.e., we are raising the number of subsidy-eligible round trips each week from 10 to 12 until further action by the Department becomes effective. We have informed all currently subsidized EAS carriers of this action and we are confirming it by this order. We note that this order does not obligate them to offer 12 round trips a week at any community; rather, if they choose to do so we will compensate them for such service at the subsidy rate per flight currently in effect.

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

ACCORDINGLY,

1. Effective beginning August 9, 1997, until further order of the Department, we authorize payment for weekend essential air service, up to a maximum of 12 round trips a week, at all communities listed in the Appendix (except Dickinson--see footnote 3), to be paid at the subsidy rates per departure that are authorized in the currently effective rate orders;
2. All other aspects of the service and subsidy levels including, but not limited to, designated hubs, aircraft types, and termination dates remain unchanged;

² 49 U.S.C. 41732(b)(1)(A) specifies that eligible communities are to receive at least two round trips a day, six days a week; moreover, the Department's program guidelines (14 CFR 398.5) contemplate service levels commensurate with a community's historical traffic and traffic-generating potential.

³ The lone exception to our across-the-board authorizing of subsidy for two more round trips a week is at Dickinson, North Dakota. That community receives subsidized air service under 49 U.S.C. 41736(b), a provision under which the community (or state or other entity) must pay 25 percent of the carrier's total subsidy rate. Thus, we may not unilaterally authorize additional service--and therefore subsidy--without first getting concurrence from the community.

3. The dockets listed in the Appendix shall remain open until further order of the Department; and
4. We will serve copies of this order on all parties to the dockets listed in the Appendix.

By:

CHARLES A. HUNNICUTT
Assistant Secretary for Aviation
and International Affairs

(SEAL)

*An electronic version of this document is available on the World Wide Web at
<http://www.dot.gov/general/orders/aviation.html>
The electronic version may not include some or all of the appendices.*

<u>States/ Communities</u>	<u>Docket #</u>
ARIZONA	
Kingman	OST 96-1899
Page	OST 97-2694
Prescott	OST 96-1899
ARKANSAS	
El Dorado/Camden	42566
Harrison	43481
Hot Springs	42460
Jonesboro	43777
CALIFORNIA	
Crescent City	OST-97-2649
Merced	OST-95-933
COLORADO	
Cortez	OST 96-1900
Lamar	OST 95-934
HAWAII	
Kamuela	48638
ILLINOIS	
Mattoon	OST-96-1955
Mt. Vernon	OST-96-1265
Sterling/Rock Falls	OST 96-1247
IOWA	
Ottumwa	OST 97-2075
KANSAS	
Dodge City	OST-96-1898
Garden City	OST-96-1953
Goodland	OST 95-934
Great Bend	OST-96-1898
Hays	OST-96-1898
Liberal/Guymon	OST-96-1953
Topeka	49505
MAINE	
Augusta/Waterville	OST 97-2784
Bar Harbor	OST 97-2784
Rockland	OST 97-2784

<u>States/ Communities</u>	<u>Docket #</u>
MICHIGAN	
Ironwood/Ashland	OST-96-1266
Alpena	OST-96-1714
Manistee	OST-96-1711
Sault Ste. Marie	OST-96-1713
MINNESOTA	
Fairmont	OST 97-2785
MISSOURI	
Cape Girardeau	OST 96-1559
Fort Leonard Wood	OST 96-1167
Kirkville	OST 97-2515
MONTANA	
Glasgow	OST 97-2605
Glendive	OST 97-2605
Havre	OST 97-2605
Lewistown	OST 97-2605
Miles City	OST 97-2605
Sidney	OST 97-2605
Wolf Point	OST 97-2605
NEBRASKA	
Alliance	42115
Chadron	42115
Hastings	OST 96-1715
Kearney	OST 96-1715
McCook	41291
Norfolk	OST 97-2785
NEVADA	
Ely	OST-95-361
NEW HAMPSHIRE	
Keene	OST 97-2784
NEW MEXICO	
Alamogordo/Holloman	OST 96-1901
Clovis	OST 96-1902
Silver City/Hurley/Deming	OST 96-1903
NEW YORK	
Massena	47439
Ogdensburg	47439
Watertown	47439

<u>States/ Communities</u>	<u>Docket #</u>
NORTH DAKOTA	
Devils Lake	OST 97-2785
Dickinson	OST 95-697
Jamestown	OST 97-2785
OKLAHOMA	
Enid	OST 97-2401
Ponca City	OST 97-2401
PENNSYLVANIA	
Oil City/Franklin	OST-97-2523
SOUTH DAKOTA	
Brookings	OST 97-2785
Yankton	OST 97-2785
TEXAS	
Brownwood	OST 97-2402
UTAH	
Cedar City	OST 97-2706
Moab	EAS-791
Vernal	OST 97-2706
VERMONT	
Rutland	OST 97-2784
WASHINGTON	
Ephrata/Moses Lake	41541
WEST VIRGINIA	
Beckley	OST 97-2761
Princeton/Bluefield	OST 97-2761
WYOMING	
Worland	OST 96-1904