



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

Issued by the Department of Transportation
on the 24th day of February, 2020

Essential Air Service at:

ALTOONA, PENNSYLVANIA

Under 49 U.S.C. § 47131 *et seq.*

DOT-OST-2002-11446

ORDER REQUESTING PROPOSALS

Summary

By this Order, the U.S. Department of Transportation (the Department) is requesting proposals from air carriers interested in providing Essential Air Service (EAS) at Altoona, Pennsylvania, for a new contract term beginning October 1, 2020, with or without subsidy. Air carriers should file their proposals no later than 11:59pm Eastern Standard Time, March 24, 2020.

Background

By Order 2018-8-23 (August 28, 2018), the Department selected Southern Airways Express (Southern) to provide EAS at Altoona, for a two-year term, from October 1, 2018, through September 30, 2020. Under the terms of that Order, Southern provides 26 weekly nonstop round trips to Pittsburgh International Airport (PIT) and Baltimore Washington International Thurgood Marshall Airport (BWI) using 9-seat Cessna Caravan aircraft at an annual subsidy rate of \$2,544,280.

Request for Proposals

As the end of the current contract approaches, the Department is requesting proposals from air carriers interested in providing EAS at Altoona, with or without subsidy, for a new contract period beginning October 1, 2020. Air carriers should file their proposals no later than March 24, 2020. Staff will then docket the proposals, thereby making them public, and direct each air carrier to serve a copy of its proposal on the civic parties and other applicants. Shortly afterwards, the Department will provide a summary of the proposals to the community and ask them to submit their final comments. The Department will give full consideration to all proposals that are timely filed.¹

¹ Air carriers should not expect the Department to accept late filings.

The Department expects clear, well-documented proposals that will facilitate their evaluation by the community and the EAS team.² Air carrier proposals should be submitted to the Department with all materials merged into a single document. In addition, proposals should be formatted to be viewed online. In order to evaluate air carrier proposals, the Department requires that air carriers adequately describe the service being proposed and the annual amount of subsidy being requested. The Department requests that proposals include information concerning proposed schedules, projected block hours, and financial data supporting subsidy requests including information on their projected expenses and revenues. In cases where an air carrier proposes to provide EAS without subsidy and we determine that service can be reliably provided without such compensation, we typically do not proceed with the carrier-selection case. Instead, we simply rely on that air carrier's subsidy-free service as proposed. Lastly, the Department expects that air carriers will have completed due diligence regarding any community-specific operational requirements. Air carriers should prepare their proposals with every expectation that, should they be selected by the Department, they will be able to commence full EAS as described in their proposal on the first day of the new contract term.

Proposals should provide sufficient capacity to accommodate historical levels of traffic, with service to a large- or medium-hub airport that provides numerous connecting opportunities to the national air transportation system. In order to assist air carriers in developing traffic and revenue projections for their proposals, the Department has provided a summary of historical passengers in Appendix B. The Department expects proposals that are consistent with what the community currently receives, 26 weekly round trips with 8-to 9-seat aircraft. If 30- to 50-seat aircraft are contemplated, the Department will consider 12 weekly round trips.

Air carriers are also welcome to propose more than one service option, if they choose. They also need not limit themselves to these requirements if they envision other, potentially more attractive service possibilities -- different hubs or length of contract, for example -- with subsidy requirements that remain competitive.

Air carriers should note that it is a Federal crime to knowingly and willfully make materially false, fictitious, or fraudulent statements, entries, or representations in an EAS proposal submitted to the Department. 18 U.S.C. § 1001.

Community Comments

The community and the Commonwealth of Pennsylvania are welcome to submit comments at any time. The Department encourages prospective applicants to contact the community before they submit their proposals so that they can tailor them to the community's needs, as they will

² In selecting an air carrier to provide subsidized EAS for an eligible place not in Alaska, 49 U.S.C. § 41733(c)(1) directs the Department to consider five factors: (a) service reliability; (b) contractual and marketing arrangements with a larger carrier at the hub; (c) interline arrangements with a larger carrier at the hub; (d) the preferences of the actual and potential users of the EAS, giving substantial weight to the views of the elected officials representing the users; and (e) whether the carrier has included a plan in its proposal to market its service to the community. In addition, the Further Consolidated Appropriations Act, 2020, Pub. L. 116-94, provides that when selecting an air carrier to provide EAS, the Department may consider the relative subsidy requirements, thus codifying a factor that we have considered since the inception of the program. Interested carriers should also be aware that the general provisions governing Essential Air Service will be included in the selection Order as part of our authorization of subsidy for the selected service. Appendix C of this Order contains those general provisions.

not be able to amend them after the due date. As noted earlier, the Department will provide a summary of the proposals to the civic parties and ask them to submit their final comments shortly after March 24, 2020, the deadline for carrier proposals.

Other Air Carrier Requirements

The Department is responsible for implementing various federal statutes governing lobbying activities, drug-free workplaces and nondiscrimination.³ Consequently, all air carriers receiving federal subsidy to support EAS must certify that they are in compliance with Department regulations regarding drug-free workplaces and nondiscrimination, and those air 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. All air carriers that plan to submit proposals involving subsidy should submit the required certifications along with their proposals. Interested air carriers requiring more detailed information regarding these requirements, as well as copies of the certifications, should contact the Office of Aviation Analysis at (202) 366-5903. The Department is prohibited from paying subsidy to air carriers that do not submit these documents.⁴

This Order is issued under authority delegated in 49 CFR 1.25a(b)(6)(ii)(D) and re-delegated to the Director, Office of Aviation Analysis.

ACCORDINGLY,

1. The Department requests that air carriers interested in providing Essential Air Service at Altoona, Pennsylvania, submit their proposals, with or without subsidy, no later than March 24, 2020. The proposals should be e-mailed to EAS@dot.gov and michael.gormas@dot.gov with the title “Proposal to provide EAS at Altoona, Pennsylvania”;⁵
2. This docket will remain open until further Order of the Department; and

³ 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; (3) 49 CFR Part 32 – Governmentwide requirements for drug free workplace; and (4) 2 CFR Part 1200 – Government-wide debarment and suspension (non-procurement).

⁴ The certifications are available on the web at <https://www.transportation.gov/office-policy/aviation-policy/essential-air-service-reports>.

⁵ Questions regarding filings in response to this Order may be directed to Mr. Michael Gormas at (202) 366-1853 or michael.gormas@dot.gov.

3. The Department will serve this Order on the mayor of Altoona, Pennsylvania, the manager of Altoona-Blair County Airport, and the courtesy distribution list for requests for proposals for EAS communities.

By:

TODD M. HOMAN
Director
Office of Aviation Analysis

(SEAL)

*An electronic version of this document is available
online at www.regulations.gov.*

AREA MAP



Map generated by the [Great Circle Mapper](#) - copyright © [Karl L. Swartz](#).

Passenger Traffic at Altoona¹

CityMarketName_1 Altoona, PA					
Sum of T110_Rpax		Direction			
Year	Month	Enplanements	Deplanements	Grand Total	
2018	1	191	191	382	
	2	162	210	372	
	3	217	219	436	
	4	243	261	504	
	5	271	282	553	
	6	294	345	639	
	7	396	424	820	
	8	490	498	988	
	9	378	449	827	
	10	391	414	805	
	11	383	401	784	
	12	353	389	742	
2018 Total		3769	4083	7852	
2019	1	215	215	430	
	2	147	152	299	
	3	225	235	460	
	4	221	235	456	
	5	286	299	585	
	6	281	303	584	
	7	373	374	747	
	8	420	428	848	
	9	284	294	578	
	10	357	400	757	
	11	314	351	665	
2019 Total		3123	3286	6409	

¹ Source: Bureau of Transportation Statistics: Schedule T-100 Market data.

Example of General Terms and Conditions for Essential Air Service

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 plans 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 the 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 ensured 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 complete, 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 stipulated amounts or at the stipulated 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 Department and carrier 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.

Funds may not be available for performance under this Order beyond [DATE]. The Government's obligation for performance under this Order beyond [DATE], is subject to the availability of funds from which payment for services can be made. No legal liability on the part of the Government for any payment may arise for performance under this Order beyond [DATE], until funds are made available to the Department for performance. If sufficient funds are not made available for performance beyond [DATE], the Department will provide notice in writing to the carrier.

All claims for payment, including any amended claims, must be submitted within 90 days of the last day of the month for which compensation is being claimed. For example, claims for service provided in July must be filed by October 31st; August claims must be submitted by November 30th, and so on.