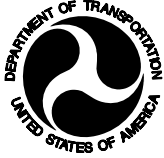


UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.



Served: October 16, 2009

Issued by the Department of Transportation
on the 16th day of October, 2009

Essential Air Service at

Alpena, Michigan
Hancock/Houghton, Michigan
Muskegon, Michigan
Sault Ste. Marie, Michigan,
Eau Claire, Wisconsin
International Falls, Minnesota
Paducah, Kentucky, and
Tupelo, Mississippi

Docket OST 2009-0160
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Under 49 U.S.C. 41731 *et seq.*

ORDER SELECTING CARRIER, AND REQUESTING PROPOSALS

Summary

By this order, the Department (DOT) is selecting SkyWest Airlines, Inc., d/b/a United Express, (SkyWest) to provide subsidized essential air service (EAS) at Hancock/Houghton and Muskegon, Michigan, Paducah, Kentucky, and Eau Claire, Wisconsin. DOT is also re-soliciting proposals at the remaining four communities -- Alpena and Sault Ste. Marie, Michigan, International Falls, Minnesota, and Tupelo, Mississippi. At this time DOT defers setting final rates¹ for the hold-in service provided by Mesaba Aviation, Inc., d/b/a Delta Connection (Mesaba), at all of these communities until after staff has discussed its costing of those proposals with the carrier. As a final matter, DOT will require Mesaba to continue to provide EAS at each community until replacement service is fully in place at each community.

¹ Such subsidy is calculated and distributed on a fiscal year basis, subject to the availability of appropriated funds.

Background

On July 14, 2009, Mesaba filed 90-day notices of intent to suspend its subsidy-free service at the eight aforementioned communities, effective October 12. By Order 2009-7-16, DOT prohibited Mesaba from terminating service and requested proposals at each of the eight communities. Several communities objected to that order, stating, among other things, that DOT had not included all carriers' traffic data and that, as a result, we had requested insufficient service levels. As a result, we issued Order 2009-8-10, revising Appendix B to include the historical traffic of all carriers serving the communities in the past three years, not just Mesaba's. As stated explicitly in that Order, the EAS program has certain minimum and maximum service requirements, including a program-wide maximum capacity level of 67 seats inbound and 67 seats outbound. Our original request for proposals fully comported with those requirements and, thus, Order 2009-8-10 affirmed the service levels originally requested, and those proposals are summarized below.

	Mesaba		SkyWest @ Eau Claire, Houghton, Muskegon, and Paducah; and Pacific Wings at Tupelo	
	<u>Weekly Service</u>	<u>Subsidy</u>	<u>Weekly Service</u>	<u>Subsidy</u>
Eau Claire, WI	19 nonstops (MSP)	\$2,307,744	14 nonstops (ORD)	\$1,732,372
Houghton, MI	A. 19 nonstops (MSP)	\$1,532,515	14 nonstops (ORD)	\$1,404,714
	OR			
	B. 21 nonstops MSP & DTW	\$2,085,022		
Muskegon, MI	14 nonstops (DTW)	\$1,343,794	14 nonstops (ORD)	\$660,720
Paducah, KY	14 nonstops (MEM)	\$1,023,933	14 nonstops (ORD)	\$569,923
Tupelo, MS	7 nonstops (MEM) & 7 nonstops (ATL)	\$1,061,069	A. 35 nonstops (MEM)	\$1,188,902
			OR	
			B. 56 nonstops (MEM)	\$1,997,275
International Falls, MN	14 nonstops (MSP)	\$1,998,849	XXXX	XXXX
Alpena	14 nonstops (DTW)	\$1,976,958	XXX	XXX
AND				
Sault Ste. Marie, MI	7 nonstops and 7 1-stops (DTW)		XXX	XXX

Mesaba filed proposals at all eight communities, SkyWest at four communities -- Eau Claire, Houghton, Muskegon, and Paducah -- and Pacific Wings at Tupelo. All of Mesaba's service

would be provided with 34-seat Saab 340 equipment; SkyWest's with 50-seat regional jets; and Pacific Wings' with 9-seat Cessna Caravan aircraft.

By letter dated September 4, 2009, DOT requested the communities to indicate which carrier and proposal they preferred. That letter made clear that Mesaba's proposal at Houghton contemplated more than 67 seats per day and therefore exceeded program guidelines for the level of service DOT could subsidize.² We received comments from each community.

Community Comments

The communities of Eau Claire, Muskegon, and Paducah recommended the selection of SkyWest. Eau Claire indicated it was grateful for the many years of service provided by Mesaba/Northwest. However, SkyWest's lower subsidy request and its proposed schedule with jet aircraft were very appealing. Also, Eau Claire noted that past concerns about the reliability of Chicago service were mitigated by the current and future addition of Chicago O'Hare infrastructure. Muskegon also valued its long-running partnership with Mesaba, but felt that SkyWest's proposal for twice daily regional jet service to Chicago O'Hare offered better worldwide connectivity and a greater opportunity for long-term success. The airport indicated it had a plan for easing the transition of service from Delta to United.³ Paducah favored SkyWest because of the greater number of seats the carrier proposed and the potential for enhanced revenue to the airport due to the superior connections offered by Chicago O'Hare. It also expressed confidence that SkyWest has the resources and capabilities to provide the level of service it proposed.

The communities of Alpena and Sault Ste. Marie supported Mesaba's proposal, the only carrier to submit a proposal. Alpena indicated that dedicated and reliable airline service is extremely important, and the level of service proposed by Mesaba,⁴ the same level of service currently offered, works well for Alpena. Sault Ste. Marie indicated that Mesaba has served the community for 11 years, and its experience with Mesaba is far superior to any previous airline, with larger aircraft than past operators, well-timed and reliable flights, and exemplary customer service. Sault Ste. Marie was also pleased that since the Delta/Northwest merger, its customers had access to all corners of the globe through both Delta and the SkyTeam alliance. It was concerned that selecting any provider other than Mesaba would produce confusion amongst customers accustomed to flying Northwest/Delta. The community did express concern that Mesaba operated only two round trips a day.

At Tupelo, two carriers, Pacific Wings and Mesaba submitted proposals. Tupelo did not directly address Pacific Wings' proposal, but, as noted in our letter to the community, Tupelo's EAS

² Mesaba proposed more than two round trips per day with Saab 340s at one other community, Eau Claire, but Mesaba indicated there would be upline service between Eau Claire and Rhinelander and that, because the two communities shared seats, its proposal was within the 67-seat ceiling.

³ We address this issue on page 9 under the heading "Service Transition."

⁴ Alpena receives 14 nonstop round trips per day to Detroit, and Sault Ste. Marie receives a total of 14 round trips – 7 one-stop over Alpena and 7 nonstop. Mesaba bases an aircraft in each community, making it possible for Mesaba to provide each community with a desirable early morning departure to the hub and a late evening arrival from the hub.

determination calls for service with 15-seat or larger aircraft. DOT would not likely select Pacific Wings' service with 9-seat Cessna Caravans unless the community waived its right to 15-seat aircraft, which it has not. Tupelo indicated that its air service has been poor, with steady capacity reductions, numerous cancellations, poor on-time performance, high ticket costs, and unreliable customer service. Regarding Mesaba's proposal, the community noted that its traffic has decreased greatly from prior years, and strongly urged the Department to request Mesaba to reconsider and revise its proposal to provide three nonstop round trips a day to Memphis.

At Hancock/Houghton, the community was divided between the selection of Mesaba's Option A, three round trips a day to Minneapolis, and Mesaba's Option B, two round trips a day to Minneapolis and one round trip per day to Detroit.⁵ However, the community was unanimous in its preference for Mesaba, with one of the prime considerations being the need for a minimum of three round trips per day. There was no support for SkyWest's proposal of two round trips per day to Chicago O'Hare. Three round trips per day were critical to the community because of local weather concerns -- the second flight of the day might be cancelled because of weather, but with three round trips a flight later in the day might still be completed. The community was also concerned about potential traffic delays at Chicago O'Hare. In the event of weather delays at Houghton, Mesaba has the greater ability to divert flights to nearby Marquette or Rhinelander due to its greater presence in the region. The community was concerned that passengers' frequent flier miles would be lost if service was transferred to United. Finally, there was concern about SkyWest because it was an unknown quantity and support for the local Mesaba employees who might lose their jobs if SkyWest were selected.

At International Falls, only Mesaba submitted a proposal. The community⁶ indicated

“We have not heard a single voice speaking in approval of the proposed schedule (and as of September 1, our current one), but we have had an overwhelming expression of dismay and disappointment from those who use the airport most often.”

Mesaba's schedule would not allow business travelers to conduct business in Minneapolis and fly back the same day. With the aircraft based in Minneapolis, the first flight departing the community arrives in Minneapolis at 1:40 in the afternoon, and the last flight of the day into the community leaves Minneapolis at 2:20 in the afternoon, only 40 minutes later. This would require all local Minneapolis passengers to incur added time and hotel expense from over-nighting in Minneapolis. In addition, because the last flight of the day leaves Minneapolis for International Falls at 2:20 in the afternoon, many west coast passengers would be unable to complete travel to International Falls in one day. The community requests that DOT either reject Mesaba's proposal or provide a delay so that the airport and community could explore funding options for securing a better schedule, and perhaps an additional frequency.

⁵ We also received a response from Jackie Hunton opposing SkyWest's proposal.

⁶ We also received a response from Strongman Travel opposing Mesaba's schedule.

Decision

The carrier selection decisions at three communities -- Eau Claire, Muskegon, and Paducah --are straightforward. The communities favor the selection of SkyWest. The subsidy it requests is significantly less than Mesaba, and it appears reasonable. (See chart on page two for a comparison of the level of subsidy requested.) Furthermore, SkyWest's code-share relationship with United Airlines at Chicago O'Hare will provide those three communities with excellent connections to the national air transportation system.

At Hancock/Houghton, the community unanimously endorses the selection of Mesaba Aviation, and is rather evenly split between either of Mesaba's two options, both of which offer three round trips per day. However, despite two Requests for Proposals that explicitly stated the service levels that DOT would be willing to subsidize, Mesaba, nonetheless, submitted two proposals that exceed these well-defined levels.⁷ On the other hand, SkyWest's proposal is fully responsive to the request for proposals and clearly meets the core objective of the EAS program, namely to keep communities and passengers connected to the national air transportation system. As mentioned earlier, SkyWest has a full code-share relationship with United Airlines at O'Hare, the second largest airport in the country. In addition, SkyWest requests \$255,602 less subsidy than Mesaba over the two-year contract period, and that level of subsidy appears reasonable for the service it proposes. The upside potential for traffic at Houghton is significant, and DOT anticipates SkyWest's subsidy need to significantly decrease when the two-year contract expires.

The hub of Chicago O'Hare, whose reliability Houghton questions, is the second largest airport in the U.S., offering twice as many nonstop departures and seats as either Minneapolis or Detroit. For the week of September 20-26, Chicago O'Hare had 7,882 nonstop jet departures, Minneapolis 3,317, and Detroit 3,642, while United by itself offered 3,946 nonstop departures at O'Hare, and Delta/Northwest offered 2,869 at Minneapolis and 3,167 at Detroit. As separately noted by the community of Eau Claire, on-time performance at O'Hare has improved significantly as the additional runway has been completed and is anticipated to continue to improve.⁸ However, as noted in our letter to the community, both of Mesaba's proposals exceed the maximum number of seats that DOT can guarantee and therefore cannot be selected.⁹

⁷ On October 15, 2009, Mesaba Airlines submitted a letter attempting to clarify the actual passenger-carrying ability of its Saab 340 aircraft. Mesaba's comments were directed at only the Hancock/Houghton market. Mesaba's letter discussed that the actual available capacity is dependent on a number of factors, such as weather, fuel reserves needed for an alternate airport, and the weight of baggage, e.g., golf clubs. While DOT appreciates the explanation, the purpose of such a letter is unclear, given that all aircraft are subject to the Federal Aviation Administration's weight and balance requirements. For example, even large jet aircraft can occasionally be weight limited, frequently on long-distance flights taking off from an elevated airport in hot weather. In its own proposal for all eight communities at issue here, including Hancock/Houghton, Mesaba portrayed its aircraft as 34 seaters, and in all or most of its EAS proposals for more than 15 years it has done the same. Moreover, in all of its official data filings with the department's Bureau of Transportation Statistics, Mesaba has consistently reported all of its Saabs as having 34 seats, and all of its ASM and load factor data are premised on 34-seat aircraft. We find nothing in Mesaba's letter that would lead us to conclude that the two round trips a day are not sufficient to meet the program guidelines.

⁸ Not only has on-time performance at O'Hare improved, but it has improved relative to Minneapolis. In the first quarter of 2008, flights with delays exceeding 15 percent constituted 22.9 percent of Minneapolis and 43.8 percent of O'Hare; for the same quarter a year later, the corresponding numbers were 15.3 percent at Minneapolis and 24.1

DOT has various concerns about Mesaba's proposals at the remaining four communities -- Alpena and Sault Ste. Marie, Michigan, International Falls, Minnesota, and Tupelo, Mississippi.

At Tupelo, Mesaba provides one round trip a day to both Atlanta and Memphis, rather than the two round trips a day traditionally operated and called for under the EAS guidelines. Mesaba bases the aircraft in the community which allows for an early morning departure and late evening arrival. However, Mesaba's service to Memphis is not useful for same-day passengers, with Mesaba's flight arriving in Memphis at 7:49 in the morning and leaving Memphis for Tupelo at 9:15 in the morning, only 86 minutes later, virtually eliminating the likelihood of any local passengers. In addition, while that first flight of the day leaving Tupelo at 7:00 in the morning offers good connections at Memphis, the return flight, leaving Memphis at 9:15 am, makes it difficult for passengers to both leave and return from the same hub in the same day. The mayor has asked that DOT require three (nonstop) round trips a day to Memphis. As discussed, three nonstop turnaround round trips per day is more service than DOT can secure under the program guidelines. Because of its proximity to Memphis, Tupelo's service to that hub must be nonstop. However, if Mesaba linked Tupelo with an upline community, §398.6(c)(1) of our guidelines would permit us to subsidize three round trips per day: "The Department may guarantee an eligible place more than 67 seats a day if: (1) The number of stops between or beyond the eligible place and the hub results in available aircraft capacity being shared with passengers at those other places." The map in Appendix A-2 shows the communities with turboprop service to Memphis or Atlanta that could conceivably be integrated with Tupelo service. Although the mayor has requested service to Memphis, DOT will consider proposals serving Atlanta as well. Atlanta is both larger than Memphis and has significantly more connections than Memphis.

At International Falls, the community is very displeased with the schedule proposed by Mesaba. Because Mesaba proposes to base the aircraft in Minneapolis, the timing of its schedule is poor, as the community has demonstrated. This is surprising, because International Falls is one of the larger traffic generators in the EAS program, even if one excludes the peak season traffic carried by carriers other than Mesaba. The community has expressed a desire for a third round trip, and as noted at Houghton and Tupelo, three nonstop turnaround round trips per day exceeds the program guidelines, but if an intermediate stop or upline service were contemplated, a third round trip could then be subsidized, perhaps on a year round basis. DOT will therefore resolicit proposals at International Falls. DOT will not dictate any schedule, notwithstanding that §41732(b)(2) of the statute requires that schedules be at "...reasonable times considering the needs of passengers with connecting flights at the [hub]..." Carriers should consider basing an aircraft in International Falls, which would go most of the way to meeting the community's desire for a well-timed schedule.

percent at O'Hare. For July 2009, the latest time period available, the discrepancy had further improved, from 19.2 percent at Minneapolis to 21.3 percent at O'Hare.

⁹ See our discussion in Order 2009-8-10. SkyWest's proposal also exceeds 67 seats, the maximum number of seats we can guarantee per day, but the separate requirement of two round trips per day makes SkyWest's proposals acceptable.

At Alpena and Sault Ste. Marie, the communities are satisfied with Mesaba's proposal. However, before DOT selects a carrier, the proposal must be found to be reasonable in terms of the subsidy requested. DOT staff has reviewed Mesaba's proposals at Alpena and Sault Ste. Marie, as well as at the six other communities, and believe that the subsidies requested are not consistent with officially noticeable data filed by Mesaba, and are significantly overstated. Based on all of the above, DOT will request a new round of proposals from any interested carrier.

Request for Proposals

Carriers interested in filing proposals for Alpena and Sault Ste. Marie, Michigan; International Falls, Minnesota; and Tupelo, Mississippi -- with or without subsidy -- should e-mail them to our staff at EAS@dot.gov no later than November 18, 2009. Our staff will then 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, the staff will provide a summary of the proposals to the community officials and ask them to submit their final comments. DOT will give full consideration to all proposals filed in a timely manner.¹⁰

Interested carriers should prepare their proposals with every expectation that their initial proposals will also be their *final* and *only* proposals. DOT retains the discretion to negotiate proposals with carriers when DOT deems it desirable. In such cases, of course, DOT will give all applicants the same opportunity. DOT also retains the discretion to reject outright all unreasonable or unrealistic proposals and solicit a new round of proposals. However, DOT anticipates that negotiation or rejection will remain only occasional exceptions to the rule.

DOT is here providing interested carriers with some basic information to serve as guidance when they prepare their proposals, but will not prescribe a precise format for their proposals. DOT expects 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 and routings as well as supporting data for their subsidy requests, such as projected block hours, revenues and expenses. DOT strongly encourages clear, well-documented proposals that will facilitate their evaluation by the affected community and the Department.¹¹

¹⁰ Carriers should not expect the Department to accept late filings. 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.

¹¹ 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, The Consolidated Appropriations Act, 2008, Public Law 110-161, provides that when selecting a 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 our 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.

For carriers considering proposals, the communities' service needs outlined below are considered in isolation, i.e., assuming, unless otherwise noted, that service would be operated on a nonstop turnaround basis to the hub, i.e., with no seats available to the hub preempted by another community. If there were linkage, either upline or downline, DOT would consider subsidizing additional frequencies.

Tupelo, 67 seats per day.¹² Two round trips per day with 34-seat aircraft, three trips a day with 30-seat aircraft, or four trips a day with 19-seat aircraft. DOT may subsidize additional frequencies at Tupelo if another community is served in conjunction with Tupelo. Because of its proximity to Memphis, Tupelo's service to that hub should be nonstop. On the other hand, service to Atlanta may be on either a nonstop or one-stop basis. However, DOT recognizes the carrier's desire to have split-hub service and the effect this has on reasonable service schedules to Tupelo. As always, staff will work with the carrier to ensure service and subsidy is reasonable.

Alpena, 22 seats per day, and Sault Ste. Marie, 25 seats per day. Service to either of those two communities may be met with two round trips per day with either a 19- or 30-seat aircraft,¹³ three 19-seaters per day when linked together, or two 30-seat or larger aircraft a day on a one-stop basis.¹⁴

International Falls, 67-seats peak, 45 seats off-peak. During the peak period, International Falls' service should correspond to that of Tupelo's, except that one-stop service is permitted because of the community's distance from the hub. Off-peak service may have reduced frequency, down to the two-round-trip-per-day minimum, although DOT recognizes that it may be difficult for carriers to reduce service between the peak and off-peak periods. As noted, Mesaba's proposal for International Falls was acceptable in terms of number of seats and frequency, but not in terms of timing of the flights or level of subsidy. If carriers or communities have questions about whether the proposed service would be acceptable, they may either contact the staff or submit that service as one of several options for consideration. DOT encourages any proposal that would simultaneously satisfy the community's needs and minimize taxpayer expenditures. Carriers need not limit themselves to the current service pattern if they envision other, potentially more attractive service possibilities, such as different hubs or seasonal service, with subsidy requirements that remain competitive.

Given that DOT is requesting service to a total of four communities, carriers are advised to make clear whether the service they propose should be considered on an all-or-nothing basis, i.e., whether they would accept being selected for individual cities or for a package of two or more cities.

¹² 67 seats each day each way is the maximum capacity called for in the EAS program guidelines. See 14 CFR 398.6, Guidelines for Individual determinations of Basic Essential Air Service.

¹³ The guidelines are for carriers to provide a minimum of two round trips a day, independent of aircraft size or number of seats required.

¹⁴ As we have noted, Mesaba's proposal was acceptable in terms of service levels -- timing of flights, frequency, intermediate stops, and number of seats -- but we request that the carrier review its projected subsidy request for providing that service.

In order to assist carriers in making their passenger and revenue forecasts, historical passenger data are included in Appendix D. Even though passenger levels have fallen from the prior years, these communities are still strong traffic-generators by EAS standards.

Other Carrier Requirements

The Department is responsible for implementing various Federal statutes governing lobbying activities, drug-free workplaces and nondiscrimination.¹⁵ 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 the regulations governing lobbying activities. 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) 366-5903. The Department is prohibited from paying subsidy to carriers that do not submit these documents.¹⁶

Community Comments

The communities and States are welcome to submit comments on the proposals at any time. As noted earlier, EAS staff will provide a summary of the proposals to the civic parties and States and ask them to submit their final comments shortly after November 18, the due date for carrier proposals.

Carrier Fitness

49 U.S.C. 41737(b) requires that DOT find an air carrier fit, willing, and able to provide reliable service before DOT may subsidize it to provide essential air service. SkyWest Airlines, Inc., is subject to the Department's continuing fitness requirements, and no information has come to our attention that would cause us to question the carrier's fitness at this time. DOT has contacted the Federal Aviation Administration, and it has raised no concerns that would negatively affect our fitness finding. DOT therefore concludes that the carrier remains fit to conduct the operations proposed here.

Service Transition

Before Mesaba suspends its Eau Claire, Houghton, Muskegon, and Paducah service, DOT expects it to notify any passengers holding reservations for travel after the suspension date, to assist those passengers in making alternate air transportation arrangements, or to provide a refund of the ticket price, without penalty, if requested.

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

¹⁵ 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).

¹⁶ The certifications are also available on the web at <http://ostpxweb.dot.gov/aviation/index.html>.

ACCORDINGLY;

1. The Department requests proposals from carriers interested in providing essential air service at Alpena and Sault Ste. Marie, Michigan; International Falls, Minnesota; and Tupelo, Mississippi. Carriers should submit their proposals, with subsidy if necessary, by November 18, 2009. Proposals should include all the data required by section 204.4 of the Department's Regulations (14 CFR 204.4). Proposals should be emailed to EAS@dot.gov, with the title "Proposal(s) to Provide Essential Air Service at Alpena, Michigan; Sault Ste. Marie, Michigan; International Falls, Minnesota; and/or Tupelo, Mississippi; Docket DOT-OST-2009-0160.";¹⁷
2. The Department directs Mesaba Airlines, Inc., 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, whichever comes first. 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;
3. The Department selects SkyWest Airlines, Inc., to provide essential air service at Eau Claire, Wisconsin, Hancock/Houghton, Michigan, Muskegon, Michigan, and Paducah, Kentucky, as described in Appendix C;
4. The Department directs SkyWest Airlines, Inc., to retain all books, records, and other source and summary documentation to support 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, whichever comes first. 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;
5. The Department finds that SkyWest Airlines, Inc., continues to be fit, willing and able to operate as a certificated carrier and capable of providing reliable essential air service at Eau Claire, Wisconsin; Hancock/Houghton, Michigan; Muskegon, Michigan; and Paducah, Kentucky;
6. This docket will remain open until further order of the Department; and

¹⁷ Questions regarding this order should be directed to Kevin Adams at kevin.adams@dot.gov or 202-366-1047.

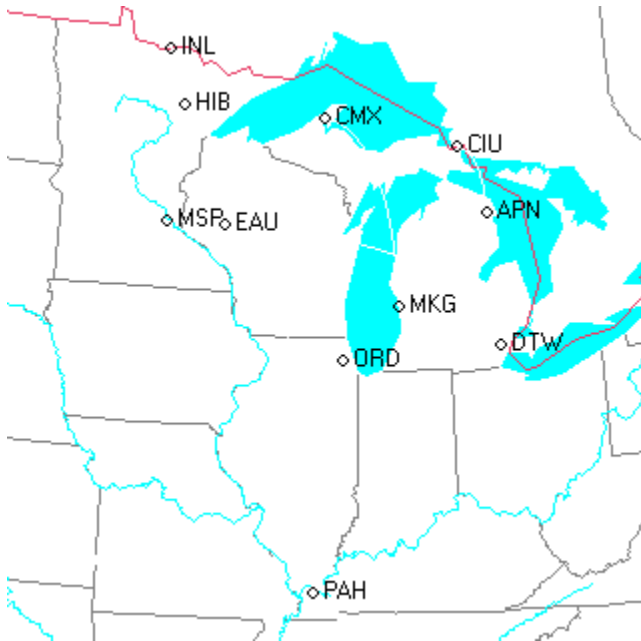
7. The Department will serve copies of this order on the communities of Alpena, Hancock/Houghton, Muskegon, and Sault Ste. Marie, Michigan; Eau Claire, Wisconsin; International Falls, Minnesota; Paducah, Kentucky; and Tupelo, Mississippi, Mesaba Airlines, Inc., SkyWest Airlines, Inc., Pacific wings, Inc., and the carriers on our service list.

Susan Kurland
Assistant Secretary for
Aviation and International Affairs

(SEAL)

An electronic version of this document is available on the World Wide Web at
<http://www.regulations.gov>

Appendix A-1



International Falls (INL)

Hibbing (HIB)	85
Eau Claire (EAU)	271
Chicago (ORD)	528
Minneapolis (MSP)	254

Alpena (APN)

Sault Ste. Marie (CIU)	91
Muskegon (MKG)	188
Detroit (DTW)	198
Chicago (ORD)	306

Sault Ste. Marie (CIU)

Alpena (APN)	91
Muskegon (MKG)	229
Detroit (DTW)	283
Chicago (ORD)	340

Eau Claire (EAU)

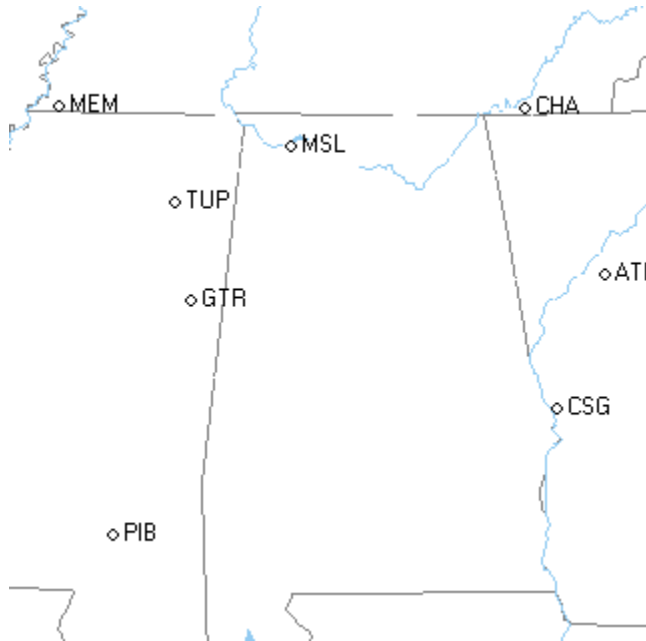
Minneapolis (MSP)	85
Chicago (ORD)	269

Muskegon (MKG)

Chicago (ORD)	118
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Paducah (PAH)

Chicago (ORD)	342
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Tupelo

Columbus, MS (GTR)	57
Columbus, GA (CSG)	252
Muscle Shoals (MSL)	74
Hattiesburg (PIB)	195
Chattanooga (CHA)	210
Memphis (MEM)	88
Atlanta (ATL)	253

Memphis

Hattiesburg (PIB)	250
Columbus, MS (GTR)	136
Muscle Shoals (MSL)	136

Atlanta (ATL)

Tupelo (TUP)	253
Chattanooga (CHA)	106
Columbus, MS (GTR)	241
Columbus, GA (CSG)	83

Appendix B

Proposals of SkyWest Airlines at Eau Claire, Houghton, Muskegon, and Paducah

	<u>Eau Claire</u>	<u>Houghton</u>	<u>Muskegon</u>	<u>Paducah</u>
Weekly Service	14 nonstops	14 nonstops	14 nonstops	14 nonstops
Hub	Chicago O'Hare	Chicago O'Hare	Chicago O'Hare	Chicago O'Hare
Aircraft Type	CRJ-200	CRJ-200	CRJ-200	CRJ-200
Passengers	30,000	30,000	35,000	37,500
Fares	\$85	\$107	\$69	\$105
Departures 1/ Block Hours	1,427 1,641	1,427 1,760	1,427 1,094	1,427 1,712
Passenger Revenue	\$2,550,000	\$3,210,000	\$2,415,000	\$3,937,500
Direct Oper. Exp.	\$3,193,611	\$3,425,032	\$2,194,710	\$3,332,463
<u>Indirect Oper. Exp.</u>	<u>\$884,839</u>	<u>\$653,418</u>	<u>\$1,883,740</u>	<u>\$745,987</u>
Total Oper. Exp.	\$4,078,450	\$4,394,966	\$2,929,257	\$4,292,784
Profit @ 5 %	\$203,923	\$219,748	\$146,463	\$214,639
Economic Cost	\$4,282,373	\$4,614,714	\$3,075,720	\$4,507,423
Annual Subsidy	\$1,732,373	\$1,404,714	\$660,720	\$569,923

1/ 28 nonstop flights per week x 52 weeks x .98 completion

SkyWest Airlines, Inc., Essential Air Service to be Provided to
Eau Claire, Wisconsin

Effective Period: Start of service through December 31, 2011

Scheduled Service: 14 nonstop round trips per week to Chicago O'Hare

Aircraft: CRJ-200, 50-seats

Rate per Eligible Flight: \$1,214 ¹

Weekly Ceiling: \$33,992 ²

General Terms and Conditions for Essential Air Service

Note: 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 this rate, 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.

Funds are not currently available for performance under this order beyond October 31, 2009. The Government's obligation for performance under this order beyond October 31, 2009, is subject to the availability of appropriated 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 October 31, 2009, until funds are made available to the Department for performance. If funds are not made available for performance beyond October 31, 2009, the Department will provide notice in writing to the carrier.

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.

All claims for payment must be submitted within 60 days of the last day of service provided under this order.

¹ Annual compensation of \$1,732,372 ÷ 1,427 annual flights = \$1,214.
28 flights/week x 52 weeks x 98 percent completion = 1,427 departures per year.

² 28 flights per week x \$1,214 = \$33,992.

SkyWest Airlines, Inc., Essential Air Service to be Provided to
Hancock/Houghton, Michigan

Effective Period: Start of service through December 31, 2011

Scheduled Service: 14 nonstop round trips per week to Chicago O'Hare

Aircraft: CRJ-200, 50-seats

Rate per Eligible Flight: \$984 ¹

Weekly Ceiling: \$27,552 ²

General Terms and Conditions for Essential Air Service

Note: 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 this rate, 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.

Funds are not currently available for performance under this order beyond October 31, 2009. The Government's obligation for performance under this order beyond October 31, 2009, is subject to the availability of appropriated 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 October 31, 2009, until funds are made available to the Department for performance. If funds are not made available for performance beyond October 31, 2009, the Department will provide notice in writing to the carrier.

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.

All claims for payment must be submitted within 60 days of the last day of service provided under this order.

¹ Annual compensation of \$1,404,714 ÷ 1,427 annual flights = \$984.

28 flights/week x 52 weeks x 98 percent completion = 1,427 departures per year.

² 28 flights per week x \$984 = \$27,552.

SkyWest Airlines, Inc., Essential Air Service to be Provided to
Muskegon, Michigan

Effective Period: Start of service through December 31, 2011

Scheduled Service: 14 nonstop round trips per week to Chicago O'Hare

Aircraft: CRJ-200, 50-seats

Rate per Eligible Flight: \$463 ¹

Weekly Ceiling: \$12,964 ²

General Terms and Conditions for Essential Air Service

Note: 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 this rate, 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.

Funds are not currently available for performance under this order beyond October 31, 2009. The Government's obligation for performance under this order beyond October 31, 2009, is subject to the availability of appropriated 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 October 31, 2009, until funds are made available to the Department for performance. If funds are not made available for performance beyond October 31, 2009, the Department will provide notice in writing to the carrier.

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.

All claims for payment must be submitted within 60 days of the last day of service provided under this order.

¹ Annual compensation of \$660,720 ÷ 1,427 annual flights = \$463.

28 flights/week x 52 weeks x 98 percent completion = 1,427 departures per year.

² 28 flights per week x \$463 = \$12,964.

SkyWest Airlines, Inc., Essential Air Service to be Provided to
Paducah, Kentucky

Effective Period: Start of service through December 31, 2011

Scheduled Service: 14 nonstop round trips per week to Chicago O'Hare

Aircraft: CRJ-200, 50-seats

Rate per Eligible Flight: \$399 ¹

Weekly Ceiling: \$11,172 ²

General Terms and Conditions for Essential Air Service

Note: 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 this rate, 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.

Funds are not currently available for performance under this order beyond October 31, 2009. The Government's obligation for performance under this order beyond October 31, 2009, is subject to the availability of appropriated 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 October 31, 2009, until funds are made available to the Department for performance. If funds are not made available for performance beyond October 31, 2009, the Department will provide notice in writing to the carrier.

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.

All claims for payment must be submitted within 60 days of the last day of service provided under this order.

¹ Annual compensation of \$569,923 ÷ 1,427 annual flights = \$399.

28 flights/week x 52 weeks x 98 percent completion = 1,427 departures per year.

² 28 flights per week x \$399 = \$11,172.

T-100 On-Flight Market Report

<u>Year</u>	<u>Month</u>	<u>Alpena (APN)</u>			<u>Sault Ste. Marie (CIU)</u>		
		<u>Origin</u>	<u>Dest</u>	<u>O&D</u>	<u>Origin</u>	<u>Dest</u>	<u>O&D</u>
2006	8	800	695	1,495	1,396	1,243	2,639
2006	9	753	686	1,439	1,237	1,049	2,286
2006	10	703	671	1,374	1,235	1,199	2,434
2006	11	622	594	1,216	1,104	1,084	2,188
2006	12	526	564	1,090	998	1,003	2,001
2007	1	511	468	979	1,009	889	1,898
2007	2	451	463	914	975	838	1,813
2007	3	532	557	1,089	974	978	1,952
2007	4	509	606	1,115	855	876	1,731
2007	5	624	663	1,287	1,168	1,229	2,397
2007	6	669	673	1,342	1,166	1,208	2,374
<u>2007</u>	<u>7</u>	<u>682</u>	<u>690</u>	<u>1,372</u>	<u>1,332</u>	<u>1,372</u>	<u>2,704</u>
YE July 31, 2007		7,382	7,330	14,712	13,449	12,968	26,417
2007	8	741	715	1,456	1,475	1,296	2,771
2007	9	685	609	1,294	1,261	1,124	2,385
2007	10	798	747	1,545	1,208	1,147	2,355
2007	11	708	743	1,451	1,169	1,082	2,251
2007	12	685	749	1,434	1,130	1,091	2,221
2008	1	670	587	1,257	1,175	885	2,060
2008	2	558	551	1,109	1,189	1,055	2,244
2008	3	715	691	1,406	1,260	1,251	2,511
2008	4	551	609	1,160	1,047	1,186	2,233
2008	5	579	646	1,225	1,124	1,193	2,317
2008	6	716	720	1,436	1,105	1,126	2,231
<u>2008</u>	<u>7</u>	<u>714</u>	<u>676</u>	<u>1,390</u>	<u>1,175</u>	<u>1,219</u>	<u>2,394</u>
YE July 31, 2008		8,120	8,043	16,163	14,318	13,655	27,973
2008	8	639	675	1,314	1,331	1,189	2,520
2008	9	649	540	1,189	1,071	928	1,999
2008	10	532	553	1,085	960	927	1,887
2008	11	571	507	1,078	801	830	1,631
2008	12	522	561	1,083	950	900	1,850
2009	1	511	447	958	938	737	1,675
2009	2	493	470	963	976	893	1,869
2009	3	620	549	1,169	1,157	1,123	2,280
2009	4	443	494	937	873	1,043	1,916
2009	5	588	564	1,152	1,006	1,035	2,041
2009	6	671	707	1,378	1,040	1,150	2,190
<u>2009</u>	<u>7</u>	<u>830</u>	<u>849</u>	<u>1,679</u>	<u>1,357</u>	<u>1,370</u>	<u>2,727</u>
YE July 31, 2008		7,069	6,916	13,985	12,460	12,125	24,585

T-100 On-flight Market Report, Intremational Falls, Minnesota (INL)

		<u>Enplaned Passengers</u>			<u>Deplaned Passengers</u>			<u>Origin and Destination</u>		
<u>Year</u>	<u>Month</u>	<u>Mesaba</u>	<u>Pinnacle</u>	<u>Total</u>	<u>Mesaba</u>	<u>Pinnacle</u>	<u>Total</u>	<u>Mesaba</u>	<u>Pinnacle</u>	<u>Total</u>
2006	8	1,439	1,333	2,772	1,266	1,088	2,354	2,705	2,421	5,126
2006	9	1,798		1,798	1,650		1,650	3,448	0	3,448
2006	10	1,017	56	1,073	958	25	983	1,975	81	2,056
2006	11	950		950	816		816	1,766	0	1,766
2006	12	946		946	912		912	1,858	0	1,858
2007	1	1,020		1,020	963		963	1,983	0	1,983
2007	2	972		972	914		914	1,886	0	1,886
2007	3	938		938	970		970	1,908	0	1,908
2007	4	813		813	844		844	1,657	0	1,657
2007	5	1,106		1,106	1,449		1,449	2,555	0	2,555
2007	6	1,085	1,417	2,502	970	1,769	2,739	2,055	3,186	5,241
<u>2007</u>	<u>7</u>	<u>804</u>	<u>1,985</u>	<u>2,789</u>	<u>668</u>	<u>1,997</u>	<u>2,665</u>	<u>1,472</u>	<u>3,982</u>	<u>5,454</u>
YE 7/31/07		12,888	4,791	17,679	12,380	4,879	17,259	25,268	9,670	34,938
2007	8	695	1,484	2,179	664	1,379	2,043	1,359	2,863	4,222
2007	9	1,130	674	1,804	773	793	1,566	1,903	1,467	3,370
2007	10	778	342	1,120	492	511	1,003	1,270	853	2,123
2007	11	1,015	20	1,035	880	83	963	1,895	103	1,998
2007	12	993		993	883		883	1,876	0	1,876
2008	1	984		984	919		919	1,903	0	1,903
2008	2	1,113		1,113	1,067		1,067	2,180	0	2,180
2008	3	952		952	937		937	1,889	0	1,889
2008	4	707		707	762		762	1,469	0	1,469
2008	5	1,057		1,057	1,291		1,291	2,348	0	2,348
2008	6	1,819	583	2,402	1,863	677	2,540	3,682	1,260	4,942
<u>2008</u>	<u>7</u>	<u>1,697</u>	<u>658</u>	<u>2,355</u>	<u>1,750</u>	<u>788</u>	<u>2,538</u>	<u>3,447</u>	<u>1,446</u>	<u>4,893</u>
YE 7/31/08		12,940	3,761	16,701	12,281	4,231	16,512	25,221	7,992	33,213
2008	8	1,944	590	2,534	1,847	385	2,232	3,791	975	4,766
2008	9	1,522		1,522	1,221		1,221	2,743	0	2,743
2008	10	936		936	906		906	1,842	0	1,842
2008	11	773		773	683		683	1,456	0	1,456
2008	12	746		746	773		773	1,519	0	1,519
2009	1	900		900	746		746	1,646	0	1,646
2009	2	966		966	922		922	1,888	0	1,888
2009	3	847		847	945		945	1,792	0	1,792
2009	4	761		761	855		855	1,616	0	1,616
2009	5	1,121		1,121	1,374		1,374	2,495	0	2,495
2009	6	2,248		2,248	2,435		2,435	4,683	0	4,683
<u>2009</u>	<u>7</u>	<u>2,639</u>		<u>2,639</u>	<u>2,722</u>		<u>2,722</u>	<u>5,361</u>	<u>0</u>	<u>5,361</u>
YE 7/31/09		15,403	590	15,993	15,429	385	15,814	30,832	975	31,807

T-100 On-flight Market Report, Tupelo, Mississippi (TUP)

		<u>Deplaned Passengers</u>				<u>Enplaned Passengers</u>				<u>Origin and Destination</u>			
<u>Year</u>	<u>Month</u>	<u>Atlanta</u>	<u>Memphis</u>	<u>Other</u>	<u>Total</u>	<u>Atlanta</u>	<u>Memphis</u>	<u>Other</u>	<u>Total</u>	<u>Atlanta</u>	<u>Memphis</u>	<u>Other</u>	<u>Total</u>
2006	8	1,242	1,538	4	2,784	1,032	1,636	1	2,669	2,274	3,174	5	5,453
2006	9	776	1,334	2	2,112	763	1,511	0	2,274	1,539	2,845	2	4,386
2006	10	935	1,451	6	2,392	888	1,656	9	2,553	1,823	3,107	15	4,945
2006	11	1,013	1,485	14	2,512	1,006	1,533	3	2,542	2,019	3,018	17	5,054
2006	12	1,108	1,430	3	2,541	1,084	1,441	5	2,530	2,192	2,871	8	5,071
2007	1	864	1,240	3	2,107	814	1,397	4	2,215	1,678	2,637	7	4,322
2007	2	761	1,121	14	1,896	725	1,220	0	1,945	1,486	2,341	14	3,841
2007	3	986	1,250	1	2,237	911	1,467	1	2,379	1,897	2,717	2	4,616
2007	4	879	1,253	2	2,134	850	1,405	2	2,257	1,729	2,658	4	4,391
2007	5	1,087	1,387	2	2,476	1,046	1,613	2	2,661	2,133	3,000	4	5,137
2007	6	961	1,295	0	2,256	947	1,463	2	2,412	1,908	2,758	2	4,668
<u>2007</u>	<u>7</u>	<u>616</u>	<u>1,381</u>	<u>2</u>	<u>1,999</u>	<u>590</u>	<u>1,486</u>	<u>3</u>	<u>2,079</u>	<u>1,206</u>	<u>2,867</u>	<u>5</u>	<u>4,078</u>
YE 7/31/07		11,228	16,165	53	27,446	10,656	17,828	32	28,516	21,884	33,993	85	55,962
2007	8	759	1,424	2	2,185	686	1,440	34	2,160	1,445	2,864	36	4,345
2007	9	750	1,266	0	2,016	869	1,494	0	2,363	1,619	2,760	0	4,379
2007	10	969	1,432	0	2,401	870	1,472	1	2,343	1,839	2,904	1	4,744
2007	11	917	1,453	0	2,370	945	1,500	0	2,445	1,862	2,953	0	4,815
2007	12	767	1,491	1	2,259	807	1,610	1	2,418	1,574	3,101	2	4,677
2008	1	151	1,384	10	1,545	142	1,486	0	1,628	293	2,870	10	3,173
2008	2		1,180	50	1,230		1,285	9	1,294	0	2,465	59	2,524
2008	3		1,303	0	1,303		1,400	0	1,400	0	2,703	0	2,703
2008	4		1,063	37	1,100		1,163	0	1,163	0	2,226	37	2,263
2008	5		1,280	5	1,285		1,372	2	1,374	0	2,652	7	2,659
2008	6		1,271	10	1,281		1,281	8	1,289	0	2,552	18	2,570
<u>2008</u>	<u>7</u>		<u>1,297</u>	<u>0</u>	<u>1,297</u>		<u>1,318</u>	<u>3</u>	<u>1,321</u>	<u>0</u>	<u>2,615</u>	<u>3</u>	<u>2,618</u>
YE 7/31/08		4,313	15,844	115	20,272	4,319	16,821	58	21,198	8,632	32,665	173	41,470
2008	8		1,208	0	1,208		1,167	0	1,167	0	2,375	0	2,375
2008	9		1,080	8	1,088		1,120	0	1,120	0	2,200	8	2,208
2008	10		1,283	0	1,283		1,257	0	1,257	0	2,540	0	2,540
2008	11		1,086	25	1,111		1,110	0	1,110	0	2,196	25	2,221
2008	12		1,136	62	1,198		1,276	1	1,277	0	2,412	63	2,475
2009	1		1,144	0	1,144		1,069	0	1,069	0	2,213	0	2,213
2009	2		887	1	888		896	0	896	0	1,783	1	1,784
2009	3		1,133	6	1,139		1,113	0	1,113	0	2,246	6	2,252
2009	4		1,119	2	1,121		1,205	0	1,205	0	2,324	2	2,326
2009	5		1,260	7	1,267		1,253	0	1,253	0	2,513	7	2,520
2009	6		1,185	0	1,185		1,195	2	1,197	0	2,380	2	2,382
2009	7	611	418	46	1,075	551	500	0	1,051	1,162	918	46	2,126
YE 7/31/09		611	12,939	157	13,707	551	13,161	3	13,715	1,162	26,100	160	27,422

Distribution List Name, Scheduled Air Carriers, Contiguous US and Puerto Rico

Air Sunshine, Inc.
Air Sunshine, Mirmohammad Adili
Air West, Inc., John Raatz
Air Wisconsin, Annette Daly
Airline Associates, Bill Mishk
Alaska Airlines, Jeff Cole
Alaska Airlines, Sandy Sinick
Allegiant Air, Robert Ashcroft
American Airlines, Carl Nelson
American Eagle, Jeffrey Hartz
Bemidji Aviation, Cori Rude
Bemidji Aviation, Arlen Rinkenberger
Cape Air, Andrew Bonney
Cape Air, Dan Wolf
Cape Air, J.Flaherty
Classic Aviation, Tony Henderson
Colgan Air, Mike Colgan
CommutAir, Andy Price
CommutAir, Joel Raymond
Consultant, Robert Silverberg
Continental, Bruce Keiner
Continental, Dan Weiss
Continental, Lorry Holloway
Delta, Amy Martin
Delta, Dan Shuman
Delta, Jeff Morgan
Delta, Joe Esposito
Delta, Karen Zachary
Delta, Sascha Vanderbellen
Dorato Jets
Dorato Jets, Mark McKenna
Executive Airlines, Kate Soled
Gem Air, JoAnn Wolters
Great Lakes, Chuck Howell
Great Lakes, Doug Voss
Great Lakes, Greg Stephens
Gulfstream, Dave Hackett
Gulfstream, Mickey Bowman
Gulfstream, T. Cooper
Homeland Security, David Bernier
Homeland Security, Randy Webb
Horizon Airlines, Dan Russo
Horizon Airlines, Jennifer Thompson
Horizon, Jeff Cole
ICEPR, Luis Irizarry
Island Air Charters, Linda House
Jet Air, Daniel Wolford

Distribution List Name, Scheduled Air Carriers, Contiguous US and Puerto Rico

Kenmore Air, Tim Brooks
McCall Aviation, Dan Scott
McCall Aviation, Michelle
Mesa Air, Jonathan Ornstein
Mesa Air, Michael Lotz
Mesa Air, Mike Holcomb
Mesaba, John Spanjers
Mesaba, Max Shemesh
Midstar Airlines, Jeffrey Fonner
Midwest Airlines, Anthony Intravia
Midwest Airlines, Greg Aretakis
Midwest Airlines, J.C. Augustson
MN Aviation, Jose Maldonado
Multi Aero, Darnea
Multi Aero, Shane Storz
Northwest, Tim McDonald
NYDC, Henok Araya
Pacific Wings, Frank Ford
Pacific Wings, Greg Kahlstorf
Pinnacle Airlines, Joe Williams
Pinnacle Airlines, Phil Reed
Public Charters, Jim Gallagher
Salmon Air, Dan Schroeder
Salmon Air, JoAnn Wolters
Scenic, Mary Schneider
Scenic, Mitzi Daines
Seaborne Airlines, Wayne D'Amico
SeaPort Airlines, Rob McKinney
Shuttle America, Jerry Balsano
SkyWest, Eric Christensen
SkyWest, Michael Thompson
Sovereign Air, Bob Karns
Sovereign Air, Lois R. Barton
Tradewind, Eric Zipkin
TransStates, Fred Oxley
Transtates, Gerry Wigmore
United, Alicia Gabriel
United, James Starnes
US Airways, Benjamin Slocum
US Airways, Howard Kass
US Airways, Jason Reisinger
Wings Air (Air Greco), Aaron Goerlich
Wings of Alaska, Bob Jacobsen
Wings of Alaska, Michelle Donohue