



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

Issued by the Department of Transportation
on the 3rd of March, 2010

Essential Air Service at

COLUMBIA/JEFFERSON CITY, MISSOURI

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

Docket DOT-OST-2006-23931

ORDER APPROVING CHANGE IN OPERATING CARRIER

Summary

By this order, we are approving the request of Delta Air Lines, Inc., on behalf of Mesaba Aviation, Inc. d/b/a Delta Connection (“Mesaba”) and Pinnacle Airlines, Inc. d/b/a Delta Connection (“Pinnacle”) to allow Pinnacle to provide essential air service (EAS) at Columbia/Jefferson City, Missouri, in addition to Mesaba.

Background

By Order 2008-5-2, May 5, 2008, the Department selected Mesaba (d/b/a Northwest Airlink) to provide subsidized EAS at Columbia/Jefferson City for a two-year period beginning when Mesaba inaugurated service through the end of the 24th month thereafter. Columbia/Jefferson City’s service was to consist of 20 nonstop round trips per week to Memphis using 34-passenger Saab 340 aircraft, at an annual subsidy amount is \$2,186,590. Mesaba inaugurated service to Columbia/Jefferson City on August 19, 2008. Since the date of the Order, Northwest Airlines, including Mesaba, a wholly-owned subsidiary, was acquired by Delta Air Lines, Inc. (“Delta”). Mesaba currently operates as Delta Connection.

Effective February 11, 2010, Pinnacle began operating one of three round trips each day in the Columbia/Jefferson City – Memphis market with 50-seat CRJ equipment. The remaining two round trips continue to be operated by Mesaba, using 34-seat Saab 340. Effective April 6, 2010, Pinnacle will operate all three round trips each day to Memphis utilizing 50-seat CRJ equipment.

Proposal

In a February 24 letter, Delta requests the flexibility to use either Pinnacle or Mesaba as the Delta Connection carrier to meet the EAS obligation at Columbia/Jefferson City. It states that the community is very pleased with the enhanced regional jet service and it anticipates that Pinnacle will continue to provide this service on a going forward basis.

Further, “Columbia has responded well to Delta Connection service, and the need for additional capacity together with the retirement of Saab 340 aircraft from Mesaba’s fleet prompted the change in operating carriers.”

Kathy Frerking, Manager of Columbia Regional Airport, enthusiastically supports the upgrade of flights to Memphis to regional jets.

Decision

We will approve the joint request of Mesaba and Pinnacle, allowing the change in operating carriers serving Columbia/Jefferson City’s EAS. Both carriers operate as Delta Connection and Delta coordinates schedules for both carriers. The number of flights of *both* carriers eligible for EAS subsidy will remain capped at 20 round trips per week, as outlined in Order 2008-5-2.

The weekly compensation ceiling and subsidy rate per flight amounts remain the same as issued in Order 2008-5-2 and detailed in Appendix C-7. That Appendix has been updated and is contained in this Order.

ACCORDINGLY,

1. We approve the change in operating carrier requested by Delta Air Lines, Inc. on behalf of Mesaba Aviation, Inc. d/b/a Delta Connection and Pinnacle Airlines, Inc. d/b/a Delta Connection to meet obligations under Order 2008-5-2 at Columbia/Jefferson City, Missouri;
2. This docket will remain open until further order of the Department; and

3. We will serve a copy of this order on the mayors of Columbia and Jefferson City, Missouri, the airport manager of Columbia Regional Airport, Mesaba Aviation, Inc., Pinnacle Airlines, Inc. and Delta Air Lines, Inc.

By:

SUSAN L. KURLAND
Assistant Secretary for Aviation
and International Affairs

(SEAL)

An electronic version of this document is available on the Internet at

<http://www.regulations.gov>

Mesaba Aviation, Inc. d/b/a Delta Connection *and/or*
Pinnacle Airlines, d/b/a Delta Connection
Essential Air Service To Be Provided at Columbia/Jefferson City, Missouri

<u>Effective Period:</u>	February 1, 2010 through August 31, 2010
<u>Scheduled Service:</u>	20 nonstop round trips to Memphis each week.
<u>Aircraft type:</u>	Saab 340 (34 passenger seats) or CRJ200 (50 passenger seats).
<u>Timing of flights:</u>	Flights must be well-timed and well-spaced in order to ensure full compensation.
<u>Annual compensation:</u>	\$2,186,590. This rate assumes an annual completion factor of 97 percent. A compensation ceiling is to be applied per calendar week such that service above that ceiling in one week cannot make up for service shortfalls in another week.
<u>Subsidy Rate per Flight:</u>	\$1,083.54 ¹
<u>Weekly Compensation Ceiling:</u>	\$43,341.60 ²

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 plan 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 this 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 assured 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 completely, 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 agreed amounts or at the agreed 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 parties to the agreement do not constitute a total or partial reduction or cessation of payment.

Funds are not presently available for performance under this Order beyond September 30, 2010. The Government's obligation for performance under this Order beyond September 30, 2010, is contingent upon 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 September 30, 2010, until funds are made available to the Department for performance. If funds are not made available for performance beyond September 30, 2010, the carrier will receive notice in writing by the Department.

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 \$2,186,590 divided by 2,018 annual departures (40 weekly flights x 52 weeks x 97 percent completion).

² 40 arrivals and departures per week multiplied by \$1,083.54 per flight.