

Order 2006-9-3
Served: September 8, 2006



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

Issued by the Department of Transportation
on the 5th day of September, 2006

Essential Air Service at

**ELY, NEVADA
MERCED, CALIFORNIA
VISALIA, CALIFORNIA**

**DOCKET OST-1995-361
DOCKET OST-1998-3521
DOCKET OST-2004-19916**

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

ORDER EXTENDING SERVICE OBLIGATION

Summary

By this order, the Department of Transportation extends the service obligation of Scenic Airlines, Inc. (Scenic), at Ely, Nevada, and Merced and Visalia, California, for an additional 30 days, through October 16, 2006.¹

Background

On May 16, 2006, Scenic filed a 90-day notice of its intent to suspend its subsidized service at the communities as of August 15. By Order 2006-6-10, June 8, 2006, the Department prohibited the carrier from suspending service and requested proposals, with subsidy if necessary, from carriers interested in providing replacement service.

By Order 2006-8-29, August 30, 2006, the Department selected Air Midwest to provide essential air service at the communities for the two-year period beginning when Air Midwest inaugurates service. Scenic will continue to be compensated for its hold-in service until such time as Air Midwest takes over.

Since carrier transition will not have taken place by the end of the current hold-in period, and in accordance with 49 U.S.C. 41734(c), we will extend Scenic's service obligation at the communities for an additional 30 days, or until Air Midwest actually begins service, whichever occurs first.

¹ Since October 14th is a Saturday, this hold-in period will end on Monday, October 16th. (See 14 CFR 302.08.)

This order is issued under authority assigned in 14 CFR 385.12(k)(5).

ACCORDINGLY,

1. We require Scenic Airlines to maintain its current level of essential air service at Ely, Nevada, and Merced and Visalia, California, as described in Appendix D of Order 2006-6-10, for an additional 30 days, through October 16, 2006, or until Air Midwest actually begins service, whichever occurs first.²
2. We direct Scenic to retain all books, records, and other source and summary documentation 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. Dockets OST-1995-361, OST-1998-3521, and OST-2004-19916, will remain open until further order of the Department; and
4. We will serve copies of this order on the mayors and airport managers of Ely, Merced and Visalia, and on Scenic Airlines, Inc..

Persons entitled to petition the Department for review of this order under the Department's Regulations, 14 CFR 385.50, must file such petitions within ten (10) days after the date of service of this order.

This order will be effective immediately, and the filing of a petition for review shall not preclude its effectiveness.

By:

TODD M. HOMAN
Director
Office of Aviation Analysis

(SEAL)

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

² In accordance with 49 U.S.C. 41734(c), we will extend Scenic's service obligation for successive 30-day periods, as necessary, until Air Midwest actually begins service.