



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

Issued by the Department of Transportation  
on the 30<sup>th</sup> of May, 2023

Essential Air Service at

**OWENSBORO, KENTUCKY**

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

**DOT-OST-2000-7855**

**ORDER APPROVING ALTERNATE SERVICE PATTERN**

**Summary**

By this Order, the U.S. Department of Transportation (the Department) is approving the request of Corporate Flight Management, Inc. d/b/a Contour Airlines (Contour) to change its Essential Air Service (EAS) pattern at Owensboro, Kentucky, effective August 1, 2023. With this approval, Contour will provide Owensboro with service to/from Chicago O'Hare International Airport (ORD). There is no change to the annual subsidy, type of aircraft, number of weekly flights, or the contract end date of Contour's term at Owensboro.

**Background**

By Order 2023-4-8, issued on April 19, 2023, the Department selected Contour to provide EAS as public charter flights, in accordance with 14 CFR Part 380, at Owensboro<sup>1</sup> (OWB) with 12 nonstop round trips per week to Charlotte Douglas International Airport (CLT) for the three-year contract term from August 1, 2023, through July 31, 2026, for the following annual subsidy rates:

<u>Year</u>	<u>Annual Subsidy</u>
1	\$5,607,114
2	\$5,831,399
3	\$6,064,655

**Airline Proposal**

On May 3, 2023, Matthew Chaifetz, CEO at Contour stated to the Department via letter:

After consultation with the community, effective August 1, 2023, Contour seeks permission to shift *up to* 12 weekly round trips from [CLT] to [ORD] for the duration of the EAS award. The total number

<sup>1</sup> That Order also selected Contour to provide EAS at Kirksville, Missouri, and Marion, Illinois.

of weekly round trips and gauge of service provided by Contour at OWB (12) will not change and there is no resulting change in subsidy.

### **Community Comments**

The Department received a letter dated May 3, 2023, from the Mr. Douglas A. Hoyt, Board Chair of Owensboro Daviess County Regional Airport Board of Directors, stating:

The Owensboro Daviess County Regional Airport Board of Directors, on behalf of the Owensboro and Daviess County community, supports the change in service pattern request from Contour Airlines from all 12 flights weekly to ORD for the duration of the EAS contract starting on August 1, 2023. We believe this will be in the best interest of the community maximizing the benefits to the traveling public and will result in no change in subsidy.

### **Decision**

The Department approves Contour's request, which meets the three conditions necessary for approval under authority assigned under 14 CFR Part 385.12(h)(3) of the Department's Regulations: (1) the alternate service pattern is equal or greater than the level of service earlier determined to be essential for that place; (2) the communities affected do not object to the alternate service pattern; and (3) the alternate service pattern will not increase Contour's subsidy.

Because the Department is *allowing* the alternate service pattern and not *requiring* it, Contour may revert to the original service pattern at any time.

This Order is issued under authority delegated to the Director, Office of Aviation Analysis in 14 CFR Part 385.12(h)(3).

### **Accordingly,**

1. The Department hereby approves the alternate service pattern requested by Corporate Flight Management, Inc. d/b/a Contour Airlines to provide Essential Air Service at Owensboro, Kentucky, with service to Chicago O'Hare International Airport International Airport, effective August 1, 2023, through July 31, 2026;
2. This docket will remain open until further order of the Department; and
3. The Department will serve a copy of this Order on the Mayor of Owensboro, Kentucky, the Airport Director of Owensboro-Daviess County Regional Airport, and Corporate Flight Management, Inc. d/b/a Contour Airlines.

4. In accordance with the provisions of 14 CFR Part 385, Subpart (c), persons entitled to petition the Department for review of this Order may do so by filing a petition for review that meets the requirements of 14 CFR Section 385.31 within seven (7) 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)

**Corporate Flight Management, Inc. d/b/a Contour Airlines  
Essential Air Service to be provided at Owensboro, Kentucky  
DOT-OST-2000-7855**

Hubs: Chicago O'Hare International Airport *and/or*  
Charlotte Douglas International Airport  
Scheduled Service: 12 round trips per week  
Aircraft/Seats: 30-passenger EMB-135

**Compensation Schedule<sup>1</sup>**

<u>Year</u>	<u>Annual Subsidy</u>	<u>Rate per Flight<sup>2</sup></u>	<u>Weekly Ceiling<sup>3</sup></u>
1	\$5,607,114	\$4,585	\$110,040
2	\$5,831,399	\$4,768	\$114,432
3	\$6,064,655	\$4,959	\$119,016

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<sup>1</sup> Year 1 – August 1, 2023, through July 31, 2024; Year 2 – August 1, 2024, through July 31, 2025; Year 3 – August 1, 2025, through July 31, 2026.

<sup>2</sup> Annual compensation divided by 1,223 annual flights (1,248 multiplied by 98 percent completion).

<sup>3</sup> 24 flights per week multiplied by rate per flight.

**Note:**

The air 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 air 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 air 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 air 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 air carrier to provide service on these routes. The air 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 stipulated service amounts, the air 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 air 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 September 30, 2023. The Government's obligation for performance under this Order beyond September 30, 2023, 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 September 30, 2023, until funds are made available to the Department for performance. If sufficient funds are not made available for performance beyond September 30, 2023, the Department will provide notice in writing to the air 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 31; August claims must be submitted by November 30, and so on.