

Served: November 1, 1999

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

**PETITION OF NORTHERN AIR CARGO, INC.,
FOR AD HOC MAIL RATE ADJUSTMENT
DOCKET 95-429**

NOTICE

On October 6, 1999, Northern Air Cargo (NAC) filed a petition for an ad hoc adjustment of currently effective mainline Alaska mail rates in response to sizeable fuel cost increases it and Alaska Airlines, Inc., have experienced in the second and third quarters of 1999. The final mail rates currently in effect were established by Order 99-9-13, Docket OST-95-429, for the period October 1, 1999, through September 30, 2000.

In order to develop an adequate base of information for this petition, we are directing NAC and Alaska Airlines, the two carriers comprising the base on which the costs and rate calculations were made in Order 99-9-13, to submit separate information for the second and third quarters of 1999 for each aircraft type used in Intra-Alaska service: Domestic Fuel Expense, Account #5145; Intra-Alaska Scheduled Block Hours; Domestic Total Block Hours; and Intra-Alaska Available Ton-Miles (ATMs). These data correspond to those used in Appendix C of Order 99-7-16 to calculate average fuel cost per available ton-mile for the YE 3/31/99 of \$.101259. Because NAC has already submitted its second quarter data, it need only submit its third quarter data.

After examining the data, the Department will determine whether to take any action based on the claimed fuel cost increases. If we decide to make an adjustment based on increased unit costs of fuel, it may be made effective from the date of the petition, October 6, 1999. We direct the carriers to supply the information described above by November 5, 1999.

By:

A. Bradley Mims
Acting Assistant Secretary for Aviation
and International Affairs

Date: October 27, 1999

(SEAL)

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