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

Issued by the Department of Transportation
on the 17th day of February, 2000

Served: February 22, 2000

Ninety-day Notice of

TAQUAN AIR SERVICE, INC.

under 49 U.S.C. 41731 *et seq.* to terminate
service at Port Alexander, Alaska

Docket OST-1999-6244 - 13

Ninety-day Notice of

TAQUAN AIR SERVICE, INC.

under 49 U.S.C. 41731 *et seq.* to terminate
service at Hydaburg, Alaska

Docket OST-1999-6245 - 7

ORDER EXTENDING SERVICE OBLIGATION

Summary

By this order, the Department is extending Taquan Air's service obligation at Port Alexander and Hydaburg, Alaska, for an additional 30 days, through March 20, 2000.

Background

On September 20, 1999, Taquan Air Service filed 90-day notices of its intention to suspend its subsidy-free service at Port Alexander and Hydaburg, Alaska. By Order 99-10-16, issued October 18, 1999, the Department prohibited Taquan Air from suspending service beyond the end of the 90-day period, through January 19, 2000, and requested proposals, with subsidy if necessary, to provide replacement service.

By Order 99-12-33, issued December 30, 1999, the Department established annual subsidy rates of \$124,444 for Port Alexander and \$52,895 for Hydaburg, effective December 21, 1999, until further Department action.

At Port Alexander, by Order 2000-2-19, issued February 15, 2000, the Department selected Harris Air to provide replacement essential air service. The carrier has advised the Department that it expects to begin service in the Port Alexander-Sitka market on or about March 1, 2000.

At Hydaburg, we have received a proposal from Taquan Air and are processing a carrier selection case. We will soon be contacting the civic officials for their views.

In view of the fact that Harris Air will not begin service at Port Alexander before the end of the current 30-day hold-in period, and because the carrier replacement case for Hydaburg has not yet been completed, under 49 U.S.C. 41734(c), we will extend Taquan Air's service obligation at Port Alexander and Hydaburg for an additional 30 days, through March 20, 2000, or until replacement service actually begins, whichever comes first.

This order is issued under authority delegated under 14 CFR 385.

ACCORDINGLY;

1. The Department requires Taquan Air Service to maintain essential air service at Port Alexander and Hydaburg, Alaska, through March 20, 2000, or until a carrier capable of providing reliable essential air service actually begins service, whichever comes first;¹
2. The Department directs Taquan Air Service 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. 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. These dockets will remain open until further order of the Department; and

¹ In accordance with 49 U.S.C. 41734(c), we will extend Taquan Air's service obligations for successive 30-day periods as necessary until replacement service actually begins.

4. The Department will serve a copy of this order on the communities of Port Alexander and Hydaburg, Alaska, the Alaska Department of Transportation and Public Facilities, and Taquan Air Service.

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 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:

RANDALL BENNETT
Acting Director
Office of Aviation Analysis

(SEAL)

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<http://dms.dot.gov>*