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Order 2002-4-13



**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 April, 2002

Served: April 17, 2002

Essential Air Service at

**CAPE YAKATAGA, ALASKA
ICY BAY, ALASKA**

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

Docket OST-1996-2009 - 8

ORDER REQUESTING PROPOSALS

Summary

By this order we are requesting proposals from carriers interested in providing scheduled air service at Cape Yakataga and Icy Bay, Alaska.

Background

By Order 2001-1-15 issued January 19, 2001, the Department selected Gulf Air Taxi, Inc., to provide scheduled air service under the Essential Air Service program at Cape Yataga and Icy Bay, Alaska. Subsidy was set at an annual rate of \$61,739 for the period November 1, 2000, through October 31, 2002, for three round trips each week during the six-month peak season routed Yakutat-Icy Bay-Cape Yakataga-Yakutat, and two round trips each week during the six-month off-peak season, one routed Yakutat-Icy Bay-Cape Yakataga-Yakutat, and one routed Yakutat-Icy Bay-Yakutat. Service was to be provided with Cessna 185 or 206 aircraft with 4 available passenger seats.



On March 27, 2002, Gulf Air Taxi filed a 90-day notice of its intent to terminate its subsidized scheduled air service at Cape Yakataga and Icy Bay. The carrier states that it is downsizing its operations to a single-plane, single-pilot operation, and that once this process has been completed, it will no longer be able to provide air service at Cape Yakataga and Icy Bay.

Essential Air Service Determination for Cape Yakataga and Icy Bay

Essential air service at Cape Yakataga and Icy Bay, as established by Order 90-5-20, requires service to either Cordova or Yakutat with a maximum of two intermediate stops. Icy Bay is to receive four round trips each week during the peak season and three round trips during the off-peak season. Cape Yakataga's service may be provided on a flagstop basis at a level of four round trips per week during the peak season and two round trips during the off-peak season.

Gulf Air Taxi proposed and the Department selected a lower service level than required by the determination, but noted that another air taxi operator was providing both communities with one subsidy-free round trip to Cordova each week. The order further noted that Gulf Air Taxi's service was in keeping with historical service and appeared to accommodate demand based on recent traffic levels.

Request for Proposals

We request that any carrier interested in providing essential air service at Cape Yakataga and Icy Bay file their proposals within 20 days of the service date of this order. We ask that carriers submit proposals for service to either Cordova or Yakutat, in accordance with the determination above. We will formally solicit the community's views on any service options we receive before making a long-term carrier selection decision. In order to assist carriers in making their traffic and revenue forecasts, we have included historical traffic data in Appendix A.

Procedures For Filing Proposals

For interested air carriers that are not familiar with our procedures and recommended form for supplying the necessary information, we have prepared two explanatory documents that we will make available upon request. The first describes the process for handling carrier replacement cases under 49 U.S.C. 41734(f) and discusses in detail the process of seeking proposals, conducting financial and operational audits of the applicant carriers and selecting a replacement carrier. The second is an evidence request containing an explanatory statement, and a copy of section 14 CFR 204.4 of the Department's regulations which deals with the information required of all applicants for authority to provide basic essential air service, and provides schedules giving our recommended form for submitting data required for determining the financial and operational ability of applicants to provide dependable air service.¹

Community and State Comments

The community and the State are welcome to submit comments on the proposals at any time.² Early in the proceeding, comments on the perceived strengths and weaknesses of

¹ Copies of these documents can be obtained from: EAS & Domestic Analysis Division, X-53, Office of Aviation Analysis, Room 6401, Department of Transportation, 400 7th Street, S.W., Washington, DC 20590. Telephone requests for these documents are accepted at (202) 366-1053.

² Civic parties should file an original and five copies of their comments in Docket OST-1996-2009. This filing should be addressed to: Docket Operations and Media Management Division, SVC-124, Office of the

the proposals would be particularly helpful to the Department. The civic parties may also express a preference for a particular carrier or proposal option at that time, if they choose. In any event, after we conclude rate conferences with all applicants, we will provide a summary of the conference results to the civic parties and ask them to file their final comments.³

Other Carrier Requirements

The Department is responsible for implementing various Federal statutes governing lobbying activities, drug-free workplaces, and nondiscrimination.⁴ Consequently, all carriers receiving Federal subsidy to support essential air service must certify that they are in compliance with Department regulations regarding drug-free workplaces and nondiscrimination, and those carriers whose subsidies exceed \$100,000 over the life of the rate term must also certify that they are in compliance with regulations governing lobbying activities. All carriers that plan to submit proposals involving subsidy should submit the required certifications along with their proposals.⁵ Interested carriers requiring more detailed information regarding these requirements as well as copies of the certifications should contact the Office of Aviation Analysis at (202) 366-1053. The Department is prohibited from paying subsidy to carriers that do not submit these documents.

This order is issued under authority delegated in 49 CFR 1.56a(f).

ACCORDINGLY,

1. We request that carriers interested in providing essential air service at Cape Yakataga and Icy Bay, Alaska, submit their proposals, with or without requests for subsidy, within 20 days of the service date of this order. An original and five copies of the proposal should be sent to the EAS and Domestic Analysis Division, X-53, Office of Aviation Analysis, Room 6401, Department of Transportation, 400 7th Street, S.W., Washington,

Secretary, U.S. Department of Transportation, Room PL 401, 400 Seventh Street, S.W., Washington D.C. 20590.

³ In cases where a carrier proposes to provide essential air service without subsidy and we determine that service can be reliably provided without such compensation, we do not normally hold rate conferences. Instead, we rely on the carrier's subsidy-free service.

⁴ The regulations applicable to each of these areas are (1) 49 CFR Part 20, New Restrictions on Lobbying, Implementing title 31, United States Code, section 1352, entitled "Limitation on use of appropriated funds to influence certain Federal contracting and financial transactions"; (2) 49 CFR Part 29, Subpart F, Drug-Free Workplace Requirements (Grants) implementing the Drug-Free Workplace Act of 1988; (3) 49 CFR Part 21, Nondiscrimination in Federally-Assisted Programs for the Department of Transportation--Effectuation of Title VI of the Civil Rights Act of 1964; 49 CFR Part 27, Nondiscrimination on the basis for Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance; and 14 CFR Part 382, Nondiscrimination on the Basis of Handicap in Air Travel.

⁵ Blank certification forms can be found on the Office of Aviation Analysis official website at <http://ostpxweb.dot.gov/aviation/rural/ruralair.htm>

D.C. 20590, with the title: "Proposal to Provide Essential Air Service at Cape Yakataga and Icy Bay, Alaska, Docket OST-1996-2009; ⁶

2. This docket will remain open until further Department order; and
3. We will serve a copy of this order on the civic officials of Cape Yakataga and Icy Bay, the Alaska Department of Transportation and Public Facilities, Gulf Air Taxi, and the carriers listed in Appendix B.

By:

READ C. VAN DE WATER
Assistant Secretary for Aviation
and International Affairs

(SEAL)

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

⁶ After serving a copy of its proposal on the civic officials of Cape Yakataga and Icy Bay, the State of Alaska, and each of the other applicants, each applicant must then file a certification of service with the Department's Docket Operations and Media Management Division, SVC-124. Questions regarding filings in response to this order may be directed to John McCamant at (202) 366-1060.

**CAPE YAKATAGA AND ICY BAY
HISTORICAL TRAFFIC**

PASSENGERS

		<u>YAK-ICY</u>	<u>ICY-YAK</u>	<u>YAK-CYT</u>	<u>CYT-YAK</u>
1999	1Q	23	10	3	1
	2Q	38	22	3	1
	3Q	57	42	1	4
	4Q	<u>12</u>	<u>17</u>	<u>2</u>	<u>2</u>
		130	91	9	8
2000	1Q	32	8	1	2
	2Q	82	43	6	6
	3Q	82	45	3	3
	4Q	<u>37</u>	<u>44</u>	<u>1</u>	<u>4</u>
		233	140	11	15
2001	1Q	61	27	5	1
	2Q	274	197	8	12
	3Q	177	131	1	1
	4Q	<u>51</u>	<u>83</u>	<u>3</u>	<u>3</u>
		563	438	17	17

CARGO (LBS.)

		<u>YAK-ICY</u>	<u>ICY-YAK</u>	<u>YAK-CYT</u>	<u>CYT-YAK</u>
1999	1Q	4,945	0	0	0
	2Q	10,625	0	0	0
	3Q	5,299	0	0	0
	4Q	<u>4,548</u>	<u>0</u>	<u>0</u>	<u>0</u>
		25,417	0	0	0
2000	1Q	6,825	0	0	0
	2Q	7,498	350	0	0
	3Q	3,840	350	100	0
	4Q	<u>1,236</u>	<u>1,240</u>	<u>128</u>	<u>0</u>
		19,399	1,940	228	0
2001	1Q	1,674	317	100	560
	2Q	32,666	1,260	158	310
	3Q	21,465	4,270	800	300
	4Q	<u>7,808</u>	<u>4,862</u>	<u>0</u>	<u>800</u>
		63,613	10,709	1,058	1,970

ALASKA SERVICE LIST

Aaron Air
 Aero Tech Flight Service, Inc.
 Air Excursions
 Air Lift Alaska
 Air Madura
 Alaska Airlines, Inc.
 Alaska Bush Carrier, Inc.
 Alaska Central Express, Inc.
 Alaska Coastal Airlines, Inc.
 Alaska Fly'N Fish Charters
 Alaska Flyers
 Alaska Helicopters, Inc.
 Alaska Island Air, Inc.
 Alaska Seair Adventures
 Alaska West Air, Inc.
 Aleutian Air, Ltd.
 Aleutian Specialty Aviation
 Allegheny Commuter airlines, Inc.
 Amerijet International, Inc.
 Arctic Air Alaska, Inc.
 Arctic Circle Air Service, Inc.
 Baker Aviation, Inc.
 Bellair, inc.
 Beluga Lake Float Plane Service
 Bering Air, Inc.
 Bran-Air & Branham Adventures
 Camai Air
 Canning Air Service
 Cape Smythe Air Service, Inc.
 Cassaron Turbo Helicopters
 Chugiak Aviation
 Clearwater Air, Inc.
 Coastal Helicopters, Inc.
 Cordova Air Service, Inc.
 CPA Air Service
 Customized Alaskan Adventures
 Delta Connection
 Denali air
 Egli Air Haul, Inc.
 Ellis Air Taxi, Inc.
 Ellison Air, Inc.
 ERA Aviation, Inc.
 F.S. Air Service, Inc.
 Fishing and Flying
 Fiskehawk Aero Service
 Forty (40)-Mile Air, Ltd.
 Frontier Flying Service, Inc.
 Golden Plover Air
 Grant Aviation, Inc.
 Great Northern Air Guides
 Gulf Air Taxi, Inc.
 Gulf Aviation, Inc.
 Gulkana Air Service, Inc.
 Hageland Aviation Services, Inc.
 Haines Airways, Inc.
 Heli-Lift, Inc.
 Homer Air
 Hudson Air Service, Inc.
 Iliamna Air Taxi, Inc.
 Island Air Service
 Island Wings Air Service
 Jim Air, Inc.
 K2 Aviation
 Kachemak Air Service, Inc.
 Kachemak Bay Flying Service, Inc.
 Katmai Air
 Kenai Air Alaska, Inc.
 Kenai Fjords Outfitters, Inc.
 Kenair
 Ketchikan Air Service, Inc.
 Ketchum Air Service, Inc.
 Kodiak Air Service
 Koyukon Air, Inc.
 Kupreanof Flying Service
 Kusko Aviation, Inc.
 L.A.B. Flying Service, Inc.
 Larry's Flying Service, Inc.
 Loken Aviation, Inc.
 Lone Star Airlines, Inc.
 Lone Wolf Aero Services, Inc.
 Maritime Helicopters, Inc.
 MarkAir, Inc.
 Metroflight, Inc.
 Midway Airlines, Inc.
 Midwest Express Airlines, Inc.
 Misty Fjords Air & Outfitting
 Mountain Aviation
 Mountain Helicopters
 Nash West Aviation, Ltd.
 Natron Air
 Nordic Air
 North Star Air Cargo, Inc.
 Northern Air Cargo, Inc.
 Northwest Airlink
 Olson Air Service, Inc.
 Pacific Wing, Inc.
 Peninsula Airways, Inc.
 Precision Valley Aviation, Inc.
 Promech, Inc.
 Ram Air, Inc.
 Ray Atkins Registered Guide
 Rediske Air, Inc.
 Reeve Aleutian Airways, Inc.
 Regal Air
 Reid Air
 Rust's Flying Service, Inc.
 Ryan Air Service, Inc.
 Scenic Mountain Air, Inc.
 Seaside Air Service
 Security Aviation, Inc.
 Seward Flying Service, Inc.
 Silver Bay Logging, Inc.
 Skagway Air Service, Inc.
 Soloy Helicopters, Inc.
 Southcentral Air, Inc.
 Specialized Air Service
 Spemak Airways
 Sunrise Aviation, Inc.
 Tamarack Air, Ltd.
 Tanana Air Service
 Taquan Air Service, Inc.
 Tatonduk Outfitters, Inc.
 Temsco Helicopters, Inc.
 Totem Air
 Trans-Alaska Helicopters, Inc.
 Trans-Porter Alaska, Inc.
 Tundra Copters, Inc.
 Umiat Enterprises, Inc.
 Uyak Air Service
 Vemair
 Warbelow's Air Ventures, Inc.
 Ward Air
 Wings of Alaska
 Woods Air Service, Inc.
 Wrangell Mountain Air, Inc.
 Wright Air Service, Inc.
 Yukon Helicopters
 Yutana Airlines, Inc.
 Yute Air Alaska, Inc.
 Alaska Juneau Aeronautics, Inc.
 Ken Bannon
 E. B. Freeman
 A. Edward Jenner
 John McFarlane
 Kevin Thomas
 Pat Dempsey
 P. Richard Steinman III