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Correspondence



Docket OST-00-8556

DEPT. OF TRANSPORTATION
ROCKETS

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August 27, 2002

Ms. Read C Van De Water
Assistant Secretary for Aviation and International Affairs
EAS & Domestic Analysis Div., X-53
Office of Aviation Analysis, Room 6401
Department of Transportation
460 7th Street, S.W.
Washington, D.C. 20590

Essential Air Service (EAS)
Adak, Alaska
Docket OST-2000-8556-54

The Aleut Corporation (TAC) is the regional native corporation created pursuant to provisions of the Alaska Native Claims Settlement Act (1971). The corporation has more than 3,100 shareholders and owns a diverse mix of businesses located throughout the Aleutians, and in particular, Adak, Alaska. TAC will be a primary beneficiary of proposed federal legislation involving a three-way swap of land holdings between TAC, the U.S. Department of Defense, and the Department of Interior wherein the former Navy Base at Adak will revert to private ownership. Accordingly, TAC has a very sizeable economic interest in the future of Adak and the future of air transportation in our region.

The commitment of Evergreen International Airlines to establish passenger jet service to the community was not fulfilled, as committed. Commercial and community interests have missed opportunities from the failure of Evergreen International to meet the EAS commitment set forth in the order of naming Evergreen International the designated carrier.

The Department correctly notes that the very long distance involved and the notoriously difficult weather in the Aleutians practically dictates the use of jet aircraft. This practical consideration along with the Adak EAS definition of 60-seat or larger aircraft limits the number of companies qualified for consideration as the designated carriers.

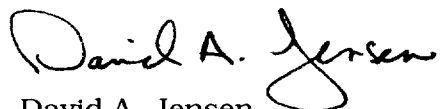
We note that there are four respondent carriers to the Order Requesting Proposals issued the 2nd of July 2002. Both Peninsula Airways and Scenic Airlines are not responsive. The aircraft types proposed for use with Peninsula Airways and Scenic Airlines fail to meet EAS defined service levels. Evergreen International is not responsive due to inability to carry passengers and, of course, a previous failure to perform as committed, as the designated EAS carrier.



The proposal from Alaska Airlines to implement service to Anchorage - Adak - Anchorage with an intermediate stop, using a B737-200 combination passenger and freight aircraft, is responsive to the Order Requesting Proposals. We believe the ability to move seafood and large parcels of freight and mail is essential.

Accordingly, we encourage the Department to name Alaska Airlines as the designated EAS carrier for Adak, Alaska.

Sincerely,
THE ALEUT CORPORATION

A handwritten signature in black ink that reads "David A. Jensen". The signature is written in a cursive style with a large, looping "J" at the end.

David A. Jensen
Chief Executive Officer