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**U.S. Department of  
Transportation**  
Office of the Secretary  
Of Transportation

DEPT. OF TRANSPORTATION  
DOCKETS

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1200 New Jersey Ave., S.E.  
Washington, DC 20590

July 2, 2007

**VIA FACSIMILE**

Docket OST-2002-12014-26

John Torgerson  
Director, Statewide Aviation  
Alaska Department of Transportation  
and Public Facilities

Dear Mr. Torgerson:

I would like to update you on the essential air service situation at Excursion Inlet, Alaska, and give you an opportunity to submit any comments, if you wish.

As you may know, by Order 2007-5-10, issued May 17, 2007, the Department solicited proposals from all air carriers interested in providing essential air service at the community in anticipation of the end of L.A.B. Flying Service's current contract on August 31, 2007. In response to that order, the incumbent was the only carrier to submit a proposal.

In addition to our brief description below, Order 2007-5-10, as well as the proposal, can be viewed online on the Department's Docket Management System website by doing a "Simple Search" on Docket 12014 at <http://dms.dot.gov/search/searchFormSimple.cfm>.

The carrier offers two options in its proposal. Option A proposes to operate three round trips per week during the work week throughout the 16-week peak season (Jun-Sep), with mail transport on each flight for an annual subsidy of \$10,323, and one round trip each week during the 36-week off-peak season (Oct-May), at an annual subsidy rate of \$22,564, for a grand total of \$32,887.

Option B is identical to Option A for the 36-week off-peak season, i.e., one round trip a week. For the 16-week peak season, the carrier also proposes to operate three round trips per week. However, unlike in Option A when all three round trips would be operated on weekdays, i.e., when the Post Office is open, under this option, one of the weekly round trips would be operated on Saturday or Sunday when the Post Office is closed. L.A.B. would provide this peak-season service subsidy free.

All proposed service will be provided between Excursion Inlet and Juneau. During the 16-week peak season, the carrier proposes to provide service using Piper PA-32 aircraft and Helio H-250 Courier aircraft during the 36-week off-peak season.

Please note that the schedules the carrier submitted are illustrative and the carrier may make schedule changes to reflect changing conditions.

My purpose in writing to you at this time is to request any final comments you might have on the carrier's subsidy proposal before we submit a recommendation to the Assistant Secretary on the carrier selection issue.

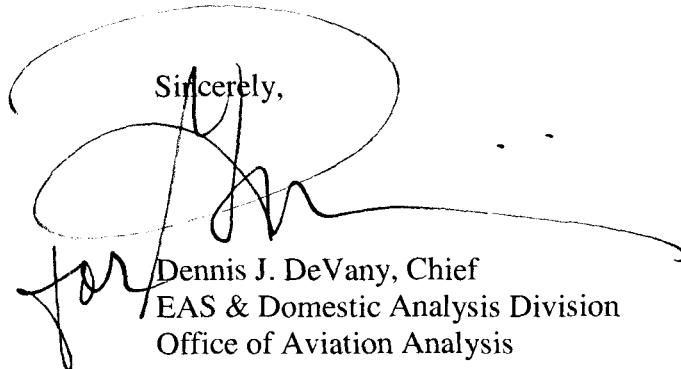
While we appreciate you have much to consider, we request that you review this information as expeditiously as possible and submit any comments you may have on the carrier selection case as soon as possible, but in any case no later than July 19, 2007. We will carefully consider your comments before we submit a recommendation to the Assistant Secretary for a decision. If you have questions, or if you find that you need additional time to draft your comments, please let us know.

Please send an original and one copy of your comments to my attention at the following address:

U.S. Department of Transportation  
Office of Aviation Analysis  
EAS & Domestic Analysis Division, X-53  
1200 New Jersey Avenue, S.E.  
West Bldg., W-86  
Washington, D.C. 20590

We would appreciate it if you would send an advance copy of your comments by fax to 202-366-7638, or by email to [dennis.devany@dot.gov](mailto:dennis.devany@dot.gov) and [renee.williams@dot.gov](mailto:renee.williams@dot.gov). You should also send a copy to L.A.B. Flying Service. If you have any questions, please feel free to contact me or Renée Williams of my staff at 202-366-1058.

Sincerely,



Dennis J. DeVany, Chief  
EAS & Domestic Analysis Division  
Office of Aviation Analysis