



**Order 97-8-3**  
**Served: August 7, 1997**

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

Issued by the Department of Transportation  
on the 4<sup>th</sup> day of August, 1997

Ninety-day Notice of

LYNDEN AIR CARGO, LLC.  
d/b/a LOKEN AVIATION

under 49 U.S.C. 41731 *et seq.* to terminate  
service at Elfin Cove and Pelican, Alaska

**Docket OST-97-2733**

**ORDER REQUESTING PROPOSALS**

**Summary**

By this order, the Department is requesting proposals from all carriers interested in providing replacement essential air service at Elfin Cove and Pelican, Alaska

**Background**

On July, 16, 1997, Lynden Air Cargo, d/b/a Loken Aviation filed a 90-day notice of its intention to suspend its subsidy-free service at Elfin Cove and Pelican, Alaska, effective October 14, 1997. Loken Aviation currently provides three round trips a week in the Elfin Cove-Juneau market and six round trips a week in the Pelican-Juneau market.

Elfin Cove's essential air service definition, as set forth in Order 8-1-147, January 25, 1980, requires one scheduled round trip and five flag stop round trips a week to Juneau in the peak season and five flag stop round trips a week to Juneau during the off peak season. Service is limited to a maximum of two intermediate stops and may be provided with small equipment, i.e., 10 seats or smaller.

Pelican's essential air service definition, as set forth in Order 8-1-147, January 25, 1980, requires six round trips a week to Juneau year round. Service is limited to a maximum of two intermediate stops and may be provided with small equipment.

Flights meeting our essential air service guidelines at Alaskan communities may be operated with small equipment (10 for fewer passenger seats). Flights must provide sufficient capacity to accommodate both cargo and passenger demand. Essential air service must also be operated at reasonable times taking into account the needs of passengers with connecting flights at such airports and at rates, fares and charges which are not excessive when compared to the generally prevailing fares of other air carriers for like service between similar pairs of points.

### **Historical Traffic at Elfin Cove and Pelican**

Origin-destination traffic by quarter and carrier for the Elfin Cove and Pelican markets is set forth in Appendix B.

	<u>Psgs.</u>	<u>Cargo</u>	<u>Mail</u>
<u>1995</u>		(lbs.)	(lbs.)
Elfin Cove	1,095	96,096	69,632
Pelican	<u>2,351</u>	<u>121,745</u>	<u>142,690</u>
Total	3,446	217,841	212,322
<u>1996</u>			
Elfin Cove	817	46,727	87,946
Pelican	<u>2,173</u>	<u>107,974</u>	<u>120,976</u>
Total	2,990	154,701	208,922

### **Procedures for Filing Replacement Proposals**

For interested carriers unfamiliar 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 requesting proposals, conducting reviews of applicants, and selecting a replacement carrier. The second is an evidence request containing an explanatory statement, a copy of Part 204 of our regulations (14 CFR 204), and schedules setting forth our recommended form for submitting data required for calculating compensation and determining the financial and operational ability of applicants to provide reliable essential air service. (Section 204.4 describes the fitness information required of all applicants for authority to provide essential air service.) Applicant carriers that have already submitted this information in another case need only resubmit it if a substantial change has occurred. However, if there are more recent data or if there have been any changes to the information on file, carriers should provide updates of those information elements. Interested carriers that need to obtain copies of these documents may contact the Office of Aviation Analysis at (202) 366-1053.

### **Other Carrier Requirements**

The Department is responsible for implementing various Federal statutes governing lobbying activities, drug-free workplaces and nondiscrimination.<sup>1</sup> 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 the regulations governing lobbying activities. All carriers that plan to submit proposals involving subsidy should submit the required certifications along with their proposals. 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.

### **Community and State Comments**

If we receive competing proposals, the community and state are welcome to submit comments on the proposals at any time. Early in the proceeding, comments on the proposals' strengths and weaknesses would be particularly helpful, and the civic parties may also express a preference for a particular carrier, if they choose. In any event, after conducting 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.<sup>2</sup>

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

### **ACCORDINGLY;**

1. The Department requests that carriers interested in providing essential air service at Elfin Cove and Pelican, Alaska, submit their proposals, with subsidy if necessary, within 21 days after the date of service of this order. Proposals should include all the data required by section 204.4 of the Department's Regulations (14 CFR 204.4). An original and five copies of the proposal should be sent to the EAS & Domestic Analysis Division, X-53, Office of Aviation Analysis, Room 6401, Department of Transportation, 400 7th Street, S.W. Washington, D.C. 20590, with the title

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<sup>1</sup> The regulations applicable to each of these three areas are (1) 49 CFR Part 20, New Restrictions of 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; and (3) 49 CFR Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation -- Effectuation of Title VI of the Civil Rights Act of 1964; 49 CFR Part 27, Nondiscrimination on the Basis of 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.

<sup>2</sup> In cases where a carrier proposes to provide essential air service without subsidy and we determine that service can be provided reliably without such compensation, we do not normally hold rate conferences. Instead, we rely on the carrier's subsidy-free service as proposed.

“Proposal to Provide Essential Air Service at Elfin Cove and Pelican, Alaska, Docket OST 97-2733;<sup>3</sup>

2. The Department prohibits Lynden Air Cargo d/b/a/ Loken Aviation from suspending service at Elfin Cove and Pelican at the end of its 90-day notice period and require it to maintain historical service levels at each community through November 13, 1997, or until a carrier capable of providing reliable essential air service actually begins service, whichever comes first;<sup>4</sup> and

3. The Department will serve a copy of this order on the Cities of Elfin Cove and Pelican, the Governor of Alaska, the Alaska Department of Transportation and Public Facilities, Loken Aviation Inc. Lynden Air Cargo and the carriers listed in Appendix C.

By:

**CHARLES A. HUNNICUTT**  
Assistant Secretary for Aviation  
and International Affairs

(SEAL)

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<sup>3</sup> After the proposals have been docketed, Department staff will contact each applicant and direct it to serve a copy of its proposal on the civic officials of the community, the state, and the other applicants. All applicants must then file a certificate of service with the Department’s Documentary Services.

<sup>4</sup> In accordance with 49 U.S.C. 41734(c), we will extend Lynden Air Cargo d/b/a/ Loken Aviation’s service obligation for successive 30-day periods as necessary until replacement service actually begins.

**EAS MAP FOR COMMUNITIES WILL  
BE SUPPLIED UPON REQUEST  
(202) 366 1055**

C/Y 1995  
Origin-Destination Traffic  
Elfin Cove-Juneau & Pelican-Juneau

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<u>Carrier</u>		<u>1stQ 95</u>	<u>2ndQ 95</u>	<u>3rdQ 95</u>	<u>4thQ 95</u>	<u>Total</u>
<u>Elfin Cove-Juneau</u>						
Psgs.	Loken	7	260	336	49	598
Psgs.	Wings	<u>45</u>	<u>176</u>	<u>222</u>	<u>0</u>	<u>443</u>
Total		52	382	558	49	1,041
Cargo (lbs)	Loken	580	8,802	7,841	2,808	20,031
Cargo (lbs)	Wings	<u>3,234</u>	<u>21,398</u>	<u>14,331</u>	<u>1,102</u>	<u>40,065</u>
Total		3,814	30,200	22,172	3,910	60,096
Mail (lbs)	Loken	10	8,188	10,351	9,631	28,180
Mail (lbs)	Wings	<u>10,280</u>	<u>15,243</u>	<u>13,545</u>	<u>2,384</u>	<u>41,452</u>
Total		10,290	23,431	23,896	12,015	69,632
<u>Pelican-Juneau</u>						
Psgs.	Loken	105	390	449	241	1,185
Psgs.	Wings	<u>248</u>	<u>320</u>	<u>387</u>	<u>211</u>	<u>1,166</u>
Total		353	710	836	452	2,351
Cargo (lbs)	Loken	7,280	21,609	18,160	16,870	63,919
Cargo (lbs)	Wings	<u>11,936</u>	<u>17,720</u>	<u>14,776</u>	<u>13,394</u>	<u>57,826</u>
Total		19,216	39,329	32,936	30,264	121,745
Mail (lbs)	Loken	6,791	16,851	17,938	12,372	53,951
Mail (lbs)	Wings	<u>26,256</u>	<u>19,027</u>	<u>20,496</u>	<u>22,959</u>	<u>88,738</u>
Total		33,047	35,878	38,434	35,331	142,689

Source: Carrier Form 298-C, Schd. T-1

C/Y 1996  
Origin-Destination Traffic  
Elfin Cove-Juneau & Pelican-Juneau

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<u>Carrier</u>		<u>1stQ 96</u>	<u>2ndQ 96</u>	<u>3rdQ 96</u>	<u>4thQ 96</u>	<u>Total</u>
<u>Elfin Cove-Juneau</u>						
Psgs.	Loken	50	253	324	62	689
Psgs.	Wings	<u>0</u>	<u>49</u>	<u>79</u>	<u>0</u>	<u>128</u>
Total		50	302	403	62	817
Cargo (lbs)	Loken	3,335	11,635	9,650	7,984	32,604
Cargo (lbs)	Wings	<u>0</u>	<u>3,073</u>	<u>11,050</u>	<u>0</u>	<u>14,123</u>
Total		3,335	14,708	20,700	7,984	46,727
Mail (lbs)	Loken	10,167	18,660	16,532	14,513	59,872
Mail (lbs)	Wings	<u>0</u>	<u>8,182</u>	<u>19,892</u>	<u>0</u>	<u>28,074</u>
Total		10,167	26,842	36,424	14,513	87,946
<u>Pelican-Juneau</u>						
Psgs.	Loken	126	607	595	420	1,748
Psgs.	Wings	<u>173</u>	<u>138</u>	<u>114</u>	<u>0</u>	<u>425</u>
Total		299	745	709	420	2,173
Cargo (lbs)	Loken	8,472	26,640	30,899	19,666	85,677
Cargo (lbs)	Wings	<u>9,383</u>	<u>8,517</u>	<u>4,397</u>	<u>0</u>	<u>22,297</u>
Total		17,855	35,157	35,296	19,666	107,974
Mail (lbs)	Loken	6,195	16,910	19,288	33,010	75,403
Mail (lbs)	Wings	<u>21,281</u>	<u>11,354</u>	<u>12,938</u>	<u>0</u>	<u>45,573</u>
Total		27,476	28,264	32,226	33,010	120,976

Source: Carrier Form 298-C, Schd. T-1

**SERVICE LIST WILL BE SUPPLIED  
UPON REQUEST  
(202) 366 1055**