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Order 2000-9-19

Served: September 21, 2000



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

Issued by the Department of Transportation  
on the 18th day of September, 2000

INTRA-ALASKA BUSH  
SERVICE MAIL RATES

Docket OST-95-405 - 78

ORDER UPDATING QUARTERLY FUEL COSTS

**Summary**

By this order the Department is decreasing the linehaul portion of the Intra-Alaska bush mail rates by 1.60% from the current rate, effective October 1, 2000, to reflect recent changes in fuel expenses, consistent with the methodology established in Order 2000-5-30.

**Background**

By Order 2000-5-30 the Department established final mail rates for carriage of bush mail for the period beginning June 8, 2000, until further Department action. As more fully discussed in Order 99-12-15, December 17, 1999, the Department agreed to apply quarterly fuel cost updates to the mainline rates in view of the spike in fuel prices. Most recently, Order 2000-5-30 made the quarterly adjustments applicable to the bush rates as well, based on fourth quarter 1999 fuel costs.

Order 2000-5-30 stated that we would continue this quarterly update of fuel until further Department action. Since the carriers' traffic and financial data are to be reported 45 days after the end of the accounting period, we will continue to make quarterly adjustments with a one-quarter lag between the availability of the data and the effective date of the rate, but will not make any changes to non-fuel costs. Order 2000-6-15 updated the rate for quarterly fuel expenses for the preceding quarter, effective July 1 through September 30, 2000. The data in Appendix C show that fuel costs have decreased to \$76.69 per block hour from the \$83.56 rate Order 2000-6-15. This produces a 1.60% decrease in the overall linehaul mail rate as shown in Appendix A. The terminal portion of the mail rate is, of course, unaffected by our update of the linehaul for fuel costs. The next adjustment for fuel costs would be based on data for the quarter ended September 30, 2000, and would be effective for the period January 1, 2001, through March 31, 2001.

**ACCORDINGLY,**

- 1. We fix, determine, and publish the proposed final rate specified in Appendix A, to be effective for the period beginning October 1, 2000, until further Department action;

2. This docket shall remain open until further order of the Department; and
3. We will serve this order upon all parties on the Service List for this Docket.

By:

**Francisco J. Sanchez**  
Assistant Secretary for Aviation  
and International Affairs, X-3

(SEAL)

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