

**BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.**

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PENINSULA AIRWAYS, INC.)	
d/b/a PENAIR)	Docket OST-2000-_____
)	
under 49 U.S.C. § 41734 and 14 C.F.R. Part 323)	
of intent to terminate essential air service)	
(Akutan - Dutch Harbor, Alaska))	
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**90-DAY NOTICE OF PENINSULA AIRWAYS, INC.,
d/b/a PENAIR, OF INTENT TO TERMINATE ESSENTIAL AIR SERVICE**

Communications with respect to this document should be addressed to:

Orin Seybert
President
Richard Harding
General Manager and
Director of Operations
PENINSULA AIRWAYS, INC.
6100 Boeing Avenue
Anchorage, Alaska 99502
(907) 243-2485

Robert E. Cohn
Sheryl R. Israel
SHAW PITTMAN
2300 N Street, N.W.
Washington, D.C. 20037
(202) 663-8060

Attorneys for
PENINSULA AIRWAYS, INC.

March 10, 2000

**NOTE: Objections to this notice of intent to terminate service must be filed
on or before March 30, 2000.**

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**90-DAY NOTICE OF PENINSULA AIRWAYS, INC.,
d/b/a PENAIR, OF INTENT TO TERMINATE ESSENTIAL AIR SERVICE**

Peninsula Airways, Inc., d/b/a PenAir ("PenAir"), hereby gives 90 days' notice, pursuant to 49 U.S.C. § 41734 and 14 C.F.R. Part 323, of its intent to terminate essential air service ("EAS") between Akutan and Dutch Harbor, Alaska. PenAir is unable to operate this service economically without a subsidy, and therefore, is filing this notice to advise the Department and the affected communities that it plans to terminate service to Akutan in 90 days. PenAir is not aware of any other certificated Alaskan air carrier that would implement replacement service to Akutan.

In support of this notice, PenAir states as follows:

1. PenAir's principal place of business is 6100 Boeing Avenue, Anchorage, Alaska 99502.

2. PenAir holds a certificate of public convenience and necessity, authorizing it to engage in scheduled air transportation of persons, property, and mail.

3. No other air carrier currently serves Akutan.

4. PenAir currently provides daily roundtrip service between Akutan and Dutch Harbor, using Grumman G-21A “Goose” aircraft configured with 9 seats and a maximum takeoff weight of 8,920 lbs., according to the following schedule:¹

<u>FLIGHT</u>	<u>DEPART</u>	<u>ARRIVE</u>
<i>KS 322</i>	Dutch Harbor 10:30 am	Akutan 10:50 am
<i>KS 323</i>	Akutan 11:00am	Dutch Harbor 11:20am
<i>KS 324</i>	Dutch Harbor 3:30 pm	Akutan 3:50pm
<i>KS 325</i>	Akutan 4:00pm	Dutch Harbor 4:20pm

5. The Department made the most recent EAS determination for Akutan by Order 87-11-14, requiring at least two round trips per week to either Cold Bay or Dutch Harbor. PenAir has been operating twice daily roundtrip service between Dutch Harbor and Akutan, on a year-round basis. As stated in Order 87-11-14, the Department has relied on PenAir to provide subsidy-free service to Akutan.

¹ As reported in the March 15, 2000 Official Airline Guide, North America Edition.

6. PenAir has determined that it cannot continue to operate this service economically without a subsidy, particularly in light of the extremely high costs associated with operating and maintaining the Grumman Goose aircraft. Since Akutan does not have a land runway, it must be served by an aircraft capable of landing on the water. The twin-engine Goose is a “flying boat,” which is uniquely able to provide safe operations to connect Akutan to Dutch Harbor and other communities in Alaska. Unfortunately, PenAir cannot continue to sustain the losses associated with operating this service to Akutan absent a subsidy, and therefore, has reached the difficult but necessary decision to terminate service to the Akutan.

Respectfully submitted,

Robert E. Cohn
Sheryl R. Israel
SHAW PITTMAN
2300 N Street, N.W.
Washington, D.C. 20037
(202) 663-8060

Attorneys for
PENINSULA AIRWAYS, INC.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing 90-Day Notice of Peninsula Airways, Inc., d/b/a PenAir, of Intent to Terminate Service, has been served this 10th day of March, 2000, upon each of the following persons:

Kevin Adams
Office of Aviation Analysis
EAS & Domestic Analysis Division
U.S. Department of Transportation
400 Seventh Street, S.W., Room 6401
Washington, D.C. 20590
(by hand delivery)

Michael Vandamm
Assistant General Counsel
Transportation Division
U.S. Postal Service
475 L'Enfant Plaza West, S.W.
Washington, DC 20260-7136
(by first class mail)

John D. Horn
Regional Director
Alaska Department of Transportation
Central Region
4111 Aviation Avenue
P.O. Box 196900
Anchorage, AK 99519-6900
(by registered mail)

Jacob Steptin
President of the Native Village
of Akutan
P.O. Box 89
Akutan, AK 99553-0089
(by registered mail)

Mayor Joe Bereskin
City of Akutan
1600 A Street, Suite 103
Anchorage, AK 99501
(by registered mail)

Erica Tritremell
City Administrator, City of Akutan
1600 A Street, Suite 103
Anchorage, AK 99501
(by registered mail)

Helena Richardson