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May 19, 2021

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Essential Air Service &
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U.S. Department of Transportation
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Washington, DC 20590
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RE: Essential Air Service at Saint Paul Island, Alaska; Docket DOT-OST-2019-0038

Dear Mr. Paluvai:

The City of Saint Paul (CSP), working in concert with the main Community Organizations, the Aleut Community of Saint Paul Island (ACSPI - local Tribe), the Tanadgusix Corporation (TDX - local ANCSA Village Corporation), and the Central Bering Sea Fishermen's Association (CBSFA - local Community Development Quota Group), have reviewed the two proposals from air carriers interested in providing Essential Air Service (EAS) at Saint Paul Island (SPI). The anticipated award is for a new contract term beginning October 1, 2021.

We respectfully offer the following comments for your review and consideration. Additional comments by the individual Community Organizations may be forthcoming to supplement the comment record.

I. Summary of SPI Community Recommendations

The community of Saint Paul Island has been engaged in an exhaustive process relating to provision of Essential Air Service (EAS) for SPI since August 2017. This effort included monitoring and direct involvement during the earlier EAS process started in August 2017, and the bankruptcy proceedings for Peninsula Airways, Inc. (PenAir) to ensure provision of EAS services to SPI.

Our engagement continued since initiation of scheduled service by Ravn Air Group (Ravn), which effectively began in late 2018 after completion of its purchase of PenAir; followed by the EAS contract awarded in October 2019 and the determination by the U.S. Department of

Transportation (U.S. DOT) in November 2020 allowing the post-bankruptcy Corvus, owned by FLOAT Alaska, to continue performing its EAS obligations at St. Paul under the 2019 award.

On April 26, 2021, proposals were submitted by Alaska Central Express, Inc. (ACE) and Corvus Airlines DBA Ravn Alaska (Ravn). The CSP has reviewed both proposals in detail and submits the following summary of the recommendations by the community of SPI.

- Select the proposal by Ravn to provide Essential Air Service passenger and mail/cargo services for Saint Paul Island starting on October 1, 2021.
- Select Option 2 in Ravn’s proposal to provide a fourth weekly round-trip over 16 weeks between May and mid-September, or allow flexibility to spread out the 16 weeks of additional service working in concert with the community.
- Reject ACE’s proposal using the Beechcraft 1900C “combi” configured aircraft as nonresponsive in meeting requirements of 49 U.S.C. §41732 and other applicable EAS provisions.

II. Community of SPI supports selection of the EAS proposal by Ravn and requests four (4) round-trip flights per week for 16 weeks between Anchorage and SPI using the Bombardier Dash (DHC) 8-100 series aircraft

Ravn proposes to provide SPI with three round-trip flights per week on a year-round basis between Anchorage and SPI using the Bombardier Dash (DHC) 8-100 series aircraft, configured to carry a maximum of 29 passengers with four seats removed to accommodate life rafts. As a practical matter, these flights will carry a maximum load of up to 25 passengers, leaving additional load capacity to carry passenger baggage on the same flight, and some mail and cargo.

It is our understanding that a larger capacity aircraft with increased seating could be added in the future when Saint Paul Airport (SNP) is re-certified for Part 139 operations. Re-establishing Part 139 operations remains a goal for the community, which continues discussions with the State of Alaska to effect this change. Accomplishing this goal is essential if SPI can return to service levels more in line with the April 1998 *EAS Determination for Alaska Communities* which identified the “aircraft type” for St. Paul Island as “large” which is defined as an aircraft with “over 60 seats”.

A. Historical traffic data should be based on activity prior to COVID-19 pandemic

Appendix B of the EAS RFP issued April 2, 2021, depicts traffic data for St. Paul Island for all of 2020 and January and February 2021. Starting in March 2020, the CSP instituted stringent travel restrictions preventing virtually all but essential travel to the island because of the COVID-19 pandemic. Although many of these restrictions remain in place today, we are now seeing an increase in the number of passengers flying as more individuals other than essential workers can travel including those that are fully vaccinated. As a result, 2020 and the first part of 2021 does not reflect the typical historical level of traffic activity. Passenger traffic data for 2014 through

2018 is shown below. **The community of Saint Paul Island believes an annual average over the period of 2016-2018 more appropriately reflects traffic levels we can expect post-pandemic.**

B. Require four weekly flights for 16 weeks (modified Ravn Option 2)

The U.S. Department of Transportation issued Order 2018-4-5 providing the long awaited decision on its RFP issued in August 2017 regarding EAS for SPI.¹ The department decided to terminate the carrier selection process because of PenAir’s reversal in late October 2017, stating it (PenAir) would now serve the community without subsidy. The Order stated the following:

“The Department has determined that PenAir is fit, willing, and able to provide EAS at St. Paul Island as required by 49 U.S.C. §41738.”

In issuing its decision at that time, the following statement was included:

“The Department will rely on the current service of Peninsula Airways, Inc. to provide Essential Air Service at St. Paul Island Alaska.”²

When Order 2018-4-5 was issued, PenAir provided a total of four weekly round-trips to Anchorage. PenAir started the fourth flight on December 1, 2017. PenAir continued this level of service until its purchase by Ravn was completed in late December 2018. Order 2019-4-6, prohibiting termination of service by Ravn and issuing a Request for Proposals to provide EAS for Saint Paul Island, acknowledges in the Background section that PenAir was “providing up to four weekly round trips to Ted Stevens Anchorage International Airport (Anchorage) using 30-seat Saab 340 aircraft.”³

The community’s expectation once Ravn initiated operations earlier in 2019 was that the company would continue with four weekly round-trips to Anchorage with the Dash 8-100 aircraft. This was not the case prior to the outbreak of the COVID-19 pandemic, creating continued service problems for the community. In many cases, flights were completely booked. Community members had significant challenges finding seat availability, requiring them to make reservations up to a month in advance. This made it difficult to arrange medical appointments and conduct important business in Anchorage.

Obtaining four flights per week during critical periods (including portions of the summer/early fall months) provides numerous benefits. It ensures load demands are met better and that another flight is readily available if a particular flight cancels because of weather or mechanical reasons. Baggage and some mail and cargo handling is greatly enhanced with the 4 flights per week schedule. Another factor is Trident Seafoods (the largest crab processing plant in the United States) creates additional passenger load demands. Trident’s needs at the beginning and end of its processing activities, which occurs multiple times during the year, creates additional difficulty for community members to find seats because processor workers take up available space. While up to 50% of this activity is accomplished by charter, the total number of trips each direction by

¹ See pages 5 -7, Order 2018-4-5, U.S. Department of Transportation

² See #3, page 8, Order 2018-4-5, U.S. Department of Transportation

³ See page 1, Order 2019-4-6, U.S. Department of Transportation

Trident workers can exceed 300 people. Four weekly flights would spread this load around with minimal impact to local traffic for at least a portion of the year.

Summer is a time of year with increased travel demand from tourism traffic, business travelers and construction workers. In addition, we face frequent challenges due to fog and inclement weather during summer. Having the fourth weekly flight during this time period is particularly important. Increasing crab quotas with longer processing seasons, and increased tourism numbers in the two pre-pandemic years coupled with TDX's ongoing marketing efforts of the Saint Paul Tour, show significant demand exists to boost traffic numbers if an increased and consistent level of scheduled air passenger service is available. For example, TDX had record bookings for 2020 before the pandemic forced a cancellation of the season. Tour bookings for 2021 were higher still, but cancelled due to community concerns about the ongoing pandemic.

C. Minimum average load factor requirement supports four flights per week

The EAS RFP issued April 3, 2021, indicates “the Department expects proposals that meet basic EAS requirements and are consistent with what the community receives, which is three round trips per week to Anchorage using intermediate-sized aircraft”. The RFP further states that “proposals should provide **sufficient capacity** (emphasis added) to accommodate historical levels of traffic”.⁴ As demonstrated below, sufficient capacity means at least 4 times per week at least for portions of the year.

49 U.S.C. §41732(b) is titled “Minimum Requirements” for the EAS program. The provision states that basic essential air service of scheduled air transportation of passengers and cargo shall include at least a number of requirements including:

- (4) service accommodating the estimated passenger and property traffic at an average load factor, for each class of traffic considering seasonal demands for the service, of not more than—
 - (A) 50 percent; or
 - (B) 60 percent when service is provided by aircraft with more than 14 passenger seats.

Three weekly flights by Ravn with the Dash 8-100 with the 25-seat configuration results in a maximum total of 3,900 seats per year available for inbound to SPI (using 100% of seats), with another 3,900 seats available per year outbound from SPI. Applying the load factor of not more than 60% required by 49 U.S.C. §41732(b)(4)(B) results in not more than 2,340 seats availability in each direction. Relying on three weekly flights as proposed by Ravn to accommodate the likely traffic (based on an average of reported 2016-2018 traffic) results in a 75% load factor, which exceeds the requirement of a load factor of not more than 60%.

A review of enplanement/deplanement data for SPI from 2014 through 2018 demonstrates three weekly flights using a load capacity of not more than 60% load factor is insufficient to handle SPI passenger traffic and does not comply with the load factor requirement under U.S.C. §41732(b)(4)(B) for service provided by aircraft with more than 14 passengers.

⁴ See pages 3-4, Order 2021-4-3, U.S. Department of Transportation

The table below shows the reported number of air passengers for SPI during 2014-2018 using the U.S. DOT Bureau of Transportation Statistics: Schedule T-100 database.⁵

Saint Paul Island Air Passenger Statistics

SPI Passengers	2014	2015	2016	2017	2018
Deplanements	3,218	3,165	2,994	2,945	2,895
Enplanements	3,173	3,149	3,212	2,981	2,878

The average of activity from 2016 through 2018 for SPI is approximately 2,940 passengers per year in each direction. To achieve handling this level of traffic under the EAS program means 4,900 seats per year in each direction is the minimum amount needed to meet the load factor requirement of not more than 60% (4,900 seats X 60% = 2,940 seats). **An increase of approximately 40 round-trip flights per year would be required to provide the additional availability of 1,000 seats in each direction per year to meet the 60% load factor requirement, versus the 3,900 seats provided in each direction with three weekly flights.**

D. Allow carrier flexibility to provide 16 weeks of one additional flight across entire year

The community of SPI supports an award of a modified version of Ravn’s Option 2 to provide a fourth flight per week over 16 weeks between May and mid-September. **Our suggestion is to allow 16 weeks of one additional flight per week, but give the carrier flexibility to work with the community to spread out those trips to align with periods of peak service demand.** Summer will certainly be one of the critical times, but historical traffic demand suggests a need to also provide extra flights during the weeks around the holiday season and busy commercial fishing periods.

III. Community of SPI opposes Alaska Central Express, Inc. (ACE) EAS Proposal/Urges proposal rejection as nonresponsive in meeting requirements of 49 U.S.C. §41732 and other applicable EAS provisions

49 U.S.C. §41732(b)(1)(B) provides that a place in Alaska is to receive “a level of service at least equal to that provided in 1976 or two round trips a week, whichever is greater, except that the Secretary of Transportation and the appropriate State authority of Alaska may agree to a different level of service after consulting with the affected community”.

49 U.S.C. §41732(b)(4) states that basic EAS of scheduled air transportation of passengers and cargo is

- (4) service accommodating the estimated passenger and property traffic at an average load factor, for each class of traffic considering seasonal demands for the service, of not more than—
 - (A) 50 percent; or
 - (B) 60 percent when service is provided by aircraft with more than 14 passenger seats.

⁵ Extraction of data from the BTS T-100 database was performed by downloading all reported passenger enplanements and deplanements for Alaska in a given year. This information was then sorted by carrier for St. Paul Island.

There are two principal issues to address in the case of the ACE EAS proposal dated April 26, 2021: (1) does it propose a level of service at least equal to that provided in 1976 or two round trips a week, whichever is greater; and (2) does the proposed service meet the required average load factor of not more than 50 percent for the estimated passenger and property traffic (for aircraft with less than 15 seats)? The City of Saint Paul is of the view that the ACE proposal fails, in varying degrees, to meet both criteria.

A. Level of Service Requirement

Air service to Saint Paul Island in 1976 was provided by Reeve Aleutians Airways, Inc. (RAA). This service was provided using the Lockheed L-188 Electra operating in a passenger/cargo “combi” configuration. The passenger seat capacity was approximately 60 seats. The cargo capacity was reduced because of fuel load requirements, but was still sizeable. This plane was rated for a maximum payload weight of approximately 26,000 pounds.

To the best of our knowledge, Saint Paul received between 2 and 3 round-trip flights per week between Anchorage and Saint Paul Island around the 1976 timeframe. In April 1998, the EAS & Domestic Analysis Division, Office of Aviation Analysis, U.S. DOT issued a report titled, *Essential Air Service Determinations for Alaska Communities*. **Saint Paul Island is listed in the 1998 document for three “peak season” round-trip flights to and from Anchorage and one “non-peak season” round-trip flight. Aircraft type is designated as “large” which is defined as an aircraft with over 60 seats.**

While we understand that frequency or the number of trips per week versus aircraft type is often relied on by U.S. DOT when seeking to meet EAS requirements, there are extenuating circumstances in favor of a larger aircraft type in serving Saint Paul Island, which lies nearly 800 air miles west of Anchorage with a total of 400 miles of the trip over open water with no emergency alternate airport other than Saint George Island (which is located about 40 air miles southeast of Saint Paul Island).

ACE proposes 3 trips per week between Saint Paul and Anchorage using the Beechcraft 1900C “combi” aircraft configured for nine passenger seats. ACE’s proposal further states that ACE is proposing “54 round trip seats per week in the Anchorage-St. Paul market that is more than sufficient to serve the passenger segment of the market while the pandemic is raging”. **Three weekly flights with nine seats per flight by ACE results in a total of 27 round trip seats per week, not 54 round-trip seats. Contrast this with Ravn’s proposal of three weekly flights with 25 seats per flight which results in 75 round-trip seats per week, or approximately three times the amount offered by ACE.**

ACE’s proposal provides a weekly total of 27 seats in one direction, or 1,404 seats annually. Based on the U.S. DOT Bureau of Transportation Statistics T-100 Air Carrier database, enplanements (or flights out-bound) at Saint Paul were 3,212 passengers for 2016, 2,981 passengers for 2017, and 2,878 passengers for 2018, for an annual average of 3,024 enplanements. Deplanements (or flights in-bound) were at a comparable level each year. **Assuming 100% load factors for all flights, the passenger service component of ACE’s**

proposal for Saint Paul results in a shortfall of more than 1,600 seats annually in each direction.

While there are additional community concerns about the comfort problems relying on a small aircraft such as the Beechcraft 1900C with no lavatory facilities on flights that will last 3.5 hours or longer (discussed below), **the above analysis demonstrating the shortage of available seats compared to historical, pre-pandemic passenger traffic levels substantiates a conclusion that ACE is not proposing to provide anywhere near the required level of EAS.** Nor does this analysis factor in the load requirement of 50% specified in 49 U.S.C. §41732 (b)(4)(A) and how this consideration exacerbates the seat shortfall problem. This will be discussed below.

ACE indicates once the pandemic is brought under control and **the need for additional passenger capacity is demonstrated** (emphasis added), ACE “will have the capability to add more frequency to meet the needs of the market drawing on its existing fleet of 12 ‘combi’ passenger aircraft”. It is unclear how the additional demand will manifest itself if there are not additional seats available, nor does ACE’s subsidy request discuss provision of additional EAS funds to support the added service. ACE’s proposal contains no information to determine how the requested subsidy amounts were determined and what will be the economic impact of trying to provide additional flights.

The City of Saint Paul recommends no consideration for the possibility of added service on an “as needed” basis – the proposal should be evaluated only on what ACE is prepared to commit to provide.

B. Average Load Factor Requirements

A plain reading of the pertinent statutory requirement confirms that ACE’s proposal fails to meet the passenger requirement of an average load factor of not more than 50 percent for service by aircraft with less than 15 seats. Based on the analysis presented above, **achieving a load factor of 100% for passenger flights to and from Saint Paul Island is insufficient to meet demand using an average of historical traffic data between 2016 and 2018.**

Using the average of activity from 2016 through 2018 for SPI of 2,940 passengers per year inbound or outbound described earlier in section II, means a total of 5,880 seats per year in each direction is the minimum amount needed to meet the load factor requirement of not more than 50% (5,880 seats X 50% = 2,940 seats). A maximum load factor of not more than 50% applies to aircraft in Alaska with less than 15 seats. **An increase of approximately 494 round-trip flights per year would be required to provide the additional 4,476 seats in each direction per year (to meet the 50% load factor requirement), versus the 1,404 seats provided in each direction with three weekly flights using the Beechcraft 1900 C aircraft.**

This means ACE would need to offer approximately 12.5 flights per week in each direction to achieve a load factor of not more than 50% - not the proposed three weekly flights. 12.5 flights per week X 9 passengers per flight X 52 weeks results in a total of 5,850 available seats.

C. No Onboard Lavatory/Significant Baggage Restrictions

The Beechcraft 1900C operates with no onboard lavatory for a one-way flight that can last 3.5 hours (or longer if an emergency or weather requires a flight to return to its origin or to divert to an airport on the mainland). It is a smaller aircraft with few amenities compared to current service. Many residents of Saint Paul Island are elderly. Flying under such conditions is uncomfortable and stressful. Most residents have personal experience with these problems on flights using this aircraft or something similar. In the inevitable event a passenger must relieve him or herself, it creates a potential health hazard for all passengers.

Passengers are allowed two checked bags not exceeding 50 pounds each under current service provided by Ravn using the Dash 8-100 aircraft. On most occasions, passengers are accompanied by checked luggage on the same flight. This level of service has been a marked improvement compared to the service by old PenAir using the Saab 340B. **In our experience, the normal allowance by ACE using the Beechcraft 1900C “combi” is one piece of checked luggage not exceeding 35 pounds.** Such baggage restriction unfairly penalizes passengers. This an insufficient amount of baggage for longer trips, and citizens shop while in Anchorage to offset the restricted availability of goods on the island.

Both of these considerations are important to residents of Saint Paul Island and further inform our decision to support selection of Ravn to continue providing EAS service to SPI.

D. ACE Proposal Comments Conclusion

The CSP and entire community of Saint Paul Island are quite troubled by the prospect of a decision to select ACE’s EAS proposal. The passenger services component of this proposal will have dire consequences for the community. ACE’s proposal will result in a significant reduction in scheduled passenger services – particularly as the community returns to historical traffic demand in a post-pandemic environment. **A decrease from 75 seats available weekly in each direction to 27 seats per week is a 65% reduction in seat availability.**

As previously discussed, the April 2021 EAS RFP calls for service using an “intermediate-sized aircraft”. The April 1998 *EAS Determination for Alaska Communities* defines an “Intermediate Aircraft” as one providing between 30-60 seats. A “Medium Aircraft” is defined as one with between 11 to 30 seats. A “Small Aircraft” has up to 10 seats, which is the category for the Beechcraft 1900C. **ACE’s proposed aircraft fails to meet the type of aircraft needed, while the Bombardier Dash (DHC) 8-100 series aircraft can be configured to accommodate more than 30 seats, which qualifies it as an intermediate-sized aircraft.**

For these reasons as summarized in this section, the CSP requests rejection of the ACE proposal as nonresponsive to the EAS RFP requirements.

IV. Award Term

Reliable, safe and affordable aviation services is critical to the community’s well-being and economic health. Ravn’s proposal indicates it will accept a term for a period of two or four years

if selected. The current RFP process is the third EAS RFP for Saint Paul Island over a period of less about 4 years. While the initial RFP process started in August 2017 did not result in an EAS award, the current EAS held by Ravn required two US DOT Orders (Order 2019-10-2; Order 2020-11-8). **The community of SPI supports an award to Ravn under Option 1 or Option 2 for a four-year term.** As we enter the post-pandemic era and the community returns to normal economic and transportation activity, an EAS award to Ravn for four years will provide needed stability to the community's aviation services.

IV. Summary

While the community supports selection of Ravn to continue providing EAS, we respectfully request the U.S. Department of Transportation select a modified version of Option 2 adding a fourth round trip flight for 16 weeks each year. We believe such a decision provides the basic essential air service needed for Saint Paul Island. The community also supports a term of four years.

The Department must consider, in deciding this request for EAS, “the preferences of the actual and potential users of air transportation at the eligible place, **giving substantial weight to the views of the elected officials representing the users**” (emphasis added; 49 U.S.C. 41733 (c)(1)(D)). We have in this letter and the enclosed resolution by the City of Saint Paul expressed these views in clear terms justified by the needs of the users of this critical air service and consistent with applicable statutory requirements.

The City has consulted with the other local community organizations that have signed this letter below. Thank you for your attention to this matter.

Sincerely,



Jacob Mercurief, Mayor
City of Saint Paul



Amos Philemonoff, President
Aleut Community of Saint Paul Island



Phillip Lestenkof, President
Central Bering Sea Fishermen's Association



Christopher Mandregan, President & CEO
Tanadgusix Corporation

cc. Saint Paul City Council
Tribal Council of St. Paul
CBSFA Board
TDX Corporation Board
Governor Dunleavy
Lt. Governor Meyer
Lyman Hoffman, Alaska State Senator
Bryce Edgmon, Alaska House Speaker
DOT/PF Commissioner MacKinnon
DOT/PF Deputy Commissioner Binder

Congressman Young
Senator Murkowski
Senator Sullivan
Todd M. Homan, Director, US DOT Office of Aviation Analysis
Shelly Larson, Regional Administrator, Alaska Region, Federal Aviation Administration
Phillip A. Zavadil, City Manager, City of Saint Paul
Patrick Baker, Executive Director, Pribilof Islands Aleut Community of Saint Paul Island
Chris Arnim and Dean Fasnacht, Trident Seafoods