

Order 2004-4-23
Served: May 5, 2004



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

Issued by the Department of Transportation
on the 30th day of April, 2004

Essential air service at

**MINTO, ALASKA
MANLEY HOT SPRINGS, ALASKA**

under 49 U.S.C. 41731 *et seq.*

Docket OST-2004-17563

**ORDER ALLOWING TERMINATION OF SERVICE
AND GRANTING EXEMPTION**

Summary

By this order, the Department allows Tanana Air Service to terminate all scheduled air service at Minto and Manley Hot Springs, Alaska, and grants the carrier's request to terminate such service on less than 90 days' notice. Tanana Air Services' termination is contingent, however, upon the commencement of suitable replacement service operated by Warbelow's Air Ventures.

Background

On April 14, 2004, Bidzy Ta Hot Aana Corp. d/b/a Tanana Air Service, filed a 90-notice under 49 USC 41734 and 14 CFR 323.3(a)(5) of its intention to terminate all service at Minto and Manley Hot Springs, Alaska, effective on or before July 8, 2004. The carrier also stated that it was requesting a waiver of the 90-day notice requirement in order to terminate service on less than 90 days' notice.

The essential air service determinations for both communities were established by Civil Aeronautics Board Order 80-1-167, issued January 23, 1980. In accordance with that order, each community is guaranteed year round two round trips a week to Fairbanks with small aircraft.¹ Service may be provided with a maximum of two intermediate stops.

Tanana Air Service is the only carrier currently providing service at these communities and currently operates three flights a week (M-W-F) with small aircraft over a FAI-MLY-MNT-FAI routing.

¹ For the purpose of this order, "small aircraft" is defined as having up to 10 available seats.

In response to Tanana Air Service's notice to terminate service, Warbelow's Air Ventures of Fairbanks (Warbelow's) advised the Department that it was willing to offer replacement service at Minto and Manley Hot Springs starting May 1, 2004. Warbelow's stated that it would provide the communities with two weekly round trips over an identical (FAI-MLY-MNT-FAI) routing, with 8-seat Piper Navajo aircraft. According to Warbelow's, the service would initially be operated without subsidy assistance, but advised the Department that, after a review of the first few months' of operations, the carrier would reevaluate its need for subsidy.

The State of Alaska Department of Transportation and Public Facilities has advised the Department that it does not object to the transition of service from Tanana Air Service to Warbelow's.

The Village Councils of Minto and Manley Hot Springs have notified the Department that they are aware of the proposed transition from Tanana Air Service to Warbelow's and that they look forward to a smooth transition in service, and to a long and pleasant relationship with Warbelow's.

Decision

We have decided to allow Tanana Air Service to terminate its unsubsidized air service at Minto and Manley Hot Springs, and will further allow it to terminate such service before the end of its 90-day-notice period. This termination of service, however, is contingent upon the inauguration of replacement air service by Warbelow's. We note that we have previously found Warbelow's to be fit, willing and able to operate as a certificated air carrier at the near-by communities of Central and Circle, and we have no reason to believe that it cannot operate its proposed replacement service at Minto and Manley Hot Springs on a reliable basis. We base our decision on the fact that the Minto and Manley Hot Springs Village Councils and the State DOT support Tanana Air Service's early termination, and another reliable air carrier has indicated to the Department that it will inaugurate replacement service at the communities on May 3,² resulting in no hiatus of service for the communities.

Before Tanana Air Service terminates service, we expect it to contact all passengers holding reservations for travel after the termination date, to notify them of the termination of service and of the availability of Warbelow's services, and to assist them in making alternate travel arrangements.

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

ACCORDINGLY,

1. We will take no action to prohibit Bidzy Ta Hot Aana Corp. d/b/a Tanana Air Service, from terminating all air service at Minto and Manley Hot Springs, Alaska, *provided* Warbelow's Air Ventures has successfully inaugurated suitable replacement air service. Furthermore, we will allow the carrier to terminate such service before the end of its 90-day notice period, on

² The Department traditionally has been unwilling to permit any carrier to terminate essential air service at any community on less than 90 days' notice without the concurrence of the community officials. In this case, both communities and the State DOT support the transition of service.

April 30, 2004, again *provided* Warbelow's Air Ventures has successfully inaugurated suitable replacement air service;

2. This docket will remain open until further order of the Department; and

3. We will serve a copy of this order on the Village Councils of Minto and Manley Hot Springs, Alaska, the Alaska Department of Transportation and Public Facilities, Tanana Air Service and Warbelow's Air Ventures, at the addresses listed in Appendix A.

By:

KARAN K. BHATIA
Assistant Secretary for Aviation
and International Affairs

(SEAL)

*An electronic version of this document is available
on the World Wide Web at <http://dms.dot.gov>*

SERVICE LIST FOR DOCKET OST-2004-17563

Andy Jimmie
Village Council Chief
P.O. Box 58026
Minto, AK 99758

Frank Gurtler
Village Council Chief
Manley Hot Springs, AK 99756-0000

Kip Knudson
Deputy Commissioner for Aviation
Alaska Department of Transportation
and Public Facilities
P.O. Box 196900
Anchorage, AK 99519-6900

Harold Esmailka
President
Tanana Air Service
P.O. Box 60713
Fairbanks, AK 99706

Art Warbelow
President
Warbelow's Air Ventures
3758 University Avenue S.
Fairbanks, AK 99706

Hank Myers
President
MTC
P.O. Box 7341
Bellevue, WA 98008