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NORTHERN AIR CARGO, INC.
3900 W. INTERNATIONAL AIRPORT ROAD
ANCHORAGE, ALASKA 99502
(907) 243-3331

FEB 11 1987

NORTHERN AIR CARGO

February 6, 1987

Senator Arliss Sturgelewski
P.O. Box V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

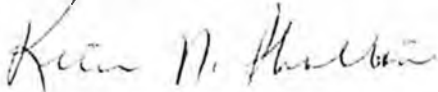
I would like to personally thank you and your staff for the time you spent with Lon Brugman, "Jorgie" Jorgensen and me during our recent visit to Juneau.

As we discussed, House Joint Resolution No. 11 is not a resolution without significant consequences. This resolution promotes noncompetitiveness in the market and could result in the elimination of a needed service to some 20 Bush communities.

Since we have returned to Anchorage, there have been some further considerations on the strategies of slowing this resolution. I would appreciate your input as we pursue our endeavors. Perhaps I can talk with you next week.

Again, thank you for your time.

Sincerely,



Rita N. Sholton
President

RNS/kkk

*We were most pleased to have been
introduced at the Senate - THANKS
RS.*

Rita Shelton

talk to Mitch

at making in new people -

Stately - drafted by own atty.

Mitch has a copy Cites reason

why mail the way it is. P.O.

has set up not per -

Cats 6 weeks from today -
Ray Sprung will buy & stop -

Bypass mail delivers Bush-bound cargoes

A MODERN PONY EXPRESS, AIR carriers deliver mail to Alaska's roadless areas. In all of the Lower 48, the U.S. Postal Service has 440 air stop points. Alaska's postal service network includes 249, with only 54 locations accessed solely by surface transportation.

Particularly since the proliferation of bypass mail, the service's winged steeds have carried shipments no single four-legged beast of burden could have hauled. Routing cargo by mail has grown in popularity as residents of and businesses serving rural Alaskan markets have discovered the benefits of an inexpensive shipping system that is widely acknowledged as improving standards of living.

The philosophy of postal service has been that every person is entitled to service regardless of cost. A few years ago, Sen. Ted Stevens and the postmaster general visited Little Diomedé, a small island situated close to the Soviet Union. Upon learning that the island's mail service only provided for delivery five months a year—when fixed-wing aircraft could land on ice—they decided the residents deserved better.

According to Charles Ryder, field director of operations support in the Anchorage division of the Postal Service, the once-a-week, five-month service by airplane cost \$17,000 in 1983. Subsequently using a helicopter to provide year-round service a minimum of two times weekly has raised the cost to \$161,000.

So reliable is Bush mail service that the Alaska Commercial Co. consigns fresh milk and even ice cream for delivery to its statewide network of stores. Says Linda Smith, director of traffic and distribution, "Customers—especially those in villages such as Emmonak on the west coast—benefit from lower costs of distribution when we're able to use the mail for delivery."

Although the Postal Service can't be held liable if food items spoil in transit, air carriers provide cold storage. Logically, it might seem carriers should charge a premium for such a service. But truth be told, they know a good deal when they see one.

Mail rates may be lower than those for general air cargo, but the lower cost of handling coupled with consistent volume and the absence of investment in sales and customer service increases the payloads' value. Mail is a primary source of revenue for Alaskan air carriers, account-

ing for as much as 60 percent of cargo volume.

Bypass mail is designed to reduce handling of large volumes of fourth-class mail, minimum 1,000 pounds, and literally bypasses post offices. Shipments are checked by a Postal Service agent when delivered to the air carrier that has been allocated the load. Although parcel post is limited to 70 pounds and 108 inches in length and girth, the system permits shippers to combine several units on a pallet.

A common cargo destined for the Bush is pallets of soda pop. Each unit is 65 pounds, consisting of 72 cans or three cases. The entire pallet weighs 1,950 pounds. Fourth-class postage from Anchorage to Point Hope is \$5.33 per 65-pound unit, or \$159.90 for the entire pallet—a shipper cost of about 7 cents per can.

With more people taking advantage of these large, low-cost mail shipments, the Postal Service reports the cost of handling Alaskan mail has increased. "We're seeing significantly less revenue within the last two years," says Ryder.

In fiscal year 1986, which ended Sept. 30, the Postal Service handled 147 million pounds of mail in intra-Alaska service at a cost of \$59.4 million in carrier payments. 1985 mail cargo by air totaled 140.4 million pounds, costing \$56 million, and 1984 volume was 127.7 million pounds at \$50.4 million.

Contributing to increased use of mail is the improved service Ryder attributes to a change in interline transfer. Formerly, cargo was consigned by the Postal Service to a mainline carrier—such as Wien—that was responsible for the eventual delivery to Bush locations using subcontractors.

Following a 1982 experiment called the Bethel Interline Transfer Study, the Postal Service decided to take responsibility for setting up the transfer system itself. The revised system eliminates middlemen, with the Postal Service paying each carrier for the tonnage it handles. One result, Ryder says, has been expansion by Bush carriers that now are responsible for their own business and can plan operations more efficiently.

Another is improved customer satisfaction, due largely to faster deliveries and reduced damage. In the former subcontractor system, village-bound mail often was unloaded and stored in warehouses

until the carrier found room for the cargo. Spoilage and damaged shipments occurred more frequently.

Today the Postal Service employs four mainline carriers—Alaska Airlines, MarkAir, Northern Air Cargo and Reeve Aleutian Airways—and 30 Bush carriers. The Alaskan postal air network utilizes 20 hub points, serving 194 Bush points.

Allocations are made by place and frequency of service offered. Last year, Neil Bergt, chairman of MarkAir, and other MarkAir officials led a group of passenger airlines in a lobbying campaign to alter the allocation system. Their proposal would delegate more mail to passenger airlines, largely at the expense of Northern Air Cargo. Stevens has supported the change, arguing that the state's passenger system will suffer reduced service and higher rates if new routes by the all-cargo carrier reduce the mail revenue of its competitors.

Says Ryder, "Sen. Stevens makes a good case for air carriers and essential air service points, but what has been proposed could only be accomplished at much higher cost to the Postal Service."

The problem with increasing allocations to passenger carriers is additional ton-miles added by their use of hub and interline flights. Notes Ryder, a pallet of mail for which consumer postage is \$159.90 to ship from Anchorage to Point Hope costs the Postal Service \$2,027 or \$805, depending on whether a direct flight or an interline or hub stop is used by the carrier contracted for the service.

The mainline movement to Kotzebue costs \$690 and the remaining leg to Point Hope \$1,337. For the alternative—a direct flight from Anchorage to Point Hope—the Postal Service pays only \$805. Put in other terms, each can that costs about 7 cents postage to ship costs the Postal Service 94 cents to ship via the passenger route or 37 cents via the direct cargo flight Northern Air Cargo offers once a week.

"It's good business to take the shorter route," says Ryder. Additionally, the off-loading in Kotzebue, transfer to a warehouse and rehandling to load again increase the potential for loss and damage.

Concludes Ryder, "The Postal Service by regulation must use the most economical, best service available. Our business responsibility is to cargo, not passengers."

ALASKA'S CARGO CARRIERS

Caught in the Crunch of Declining Revenues

BY JUDITH FUERST

POINTS OUT one air carrier executive, "Planes make no money on the ground, only in the air." The same holds true for parked trucks and delivery vans, docked tugs and barges and sidetracked railroad cars. To fly the planes, dispatch the trucks and vans, sail the tugs and barges and roll the railroad, payload is required. But as fewer dollars circulate in the Alaskan economy, payloads have decreased, reducing cargo carriers' earnings.

More reductions are expected in the year ahead. Haunted by the apparition of idle fleets, carriers are preparing for a year of shakeout, declining income and vigilant cost control. Although shippers can expect lower rates due to intense carrier competition for declining traffic, deterioration of the multi-carrier intrastate network also could result in fewer shipping options.

Trucking is the transportation segment suffering most from too much capacity. "There's no hope for economic stability until availability shrinks with the rest of the economy," says Robert Strong, president of Alaska-West Express. Not until the end of 1985 did it become apparent just how much competition there was. He adds, "Competition is relative. There had been a lot more traffic."

Mammoth of Alaska, a 12-year-old carrier and primary hauling firm for Totem Ocean Trailer Express, has seen volume shrink more than 25 percent in the last year. According to Richard Whitbeck, vice president and general manager, the firm used 34 long-haul drivers four years ago. By the end of 1986, it was using three.

He says a mass exodus of owner-operators in the fall of '86 probably reduced available equipment by 40 percent. Nonetheless, "lots of owner operators remain. The market is just not as disproportionately oversaturated," he adds.

Frontier Transportation Co., a subsidiary of Frontier Cos. of Alaska, was running 40 trucks at the start of 1986. By fall, 14 were operating out of Fairbanks and four out of Anchorage. Significantly, the firm's business has been 90 percent oil-related.

Says Paul Wilson, Anchorage terminal manager for Frontier, "It's never good to put all your eggs in one basket. But when times were good we were too busy and didn't heed projections. Now we're looking to mix our freight." The firm has landed a grocery haul from Anchorage to Prudhoe, but overall expects a slow year in '87.

Bulk carrier Alaska-West also is kicking its oil-industry dependence to soften the impact of declining volumes. Strong reports the company has extended its shipping lanes into the Lower 48 and has opened a new operation in Whitehorse.

Its parent company, Lynden Inc., saw earnings decline 58 percent from the 12-month period ending Sept. 30, 1985, to the same period ending Sept. 30, 1986. The firm blames the slowdown in the Alaskan economy. Particularly, overcapacity in the trucking industry has put severe pressure on rates and caused a decline in profit margins.

Another subsidiary, Lynden Transport, is one of the state's largest trucking firms and specializes in consolidating loads. Says David Neely, president, the firm has higher fixed costs than most carriers. "Being large is both an asset and a liability. It permits greater control of movement, and the quality of service is easier to maintain. But our operation is totally dependent on terminals."

He notes the carrier has cut substantial excess out of the system through early retirement and equipment sales. Yet it is buying more van-type equipment to accommodate the smaller ship-

ments that characterize a declining market.

John Snead, president of Air Land Transport, says, "When deciding what to pull down and what to keep up, we're looking for that magic ratio that gives us enough backup equipment. We need all combinations." The firm, which specializes in unloading Lower 48 vans and sorting goods for local cartage and air freight distribution, also reduced personnel 30 percent last year due to reduced traffic.

"Defining your scope of operations is important," says independent trucker Sam Little of Sam Little Trucking.





1987 David Predeger

"Transportation doesn't work without it. You need a sense of direction or you're lost."

Since 1979, Little has built his niche hauling groceries on lanes difficult to serve—such as Anchorage to Cordova and Tok. Although his company's growth will be stymied by declining volume, he expects to survive by watching his costs and holding onto his present routes. Little believes he'll profit someday by enduring the hard times: "A record of unbroken service can only help my credibility as a carrier."

Complicating volume decline is the increasing importance of price as a cri-

teria for carrier selection. In the early '80s, shippers didn't pay as much attention to pricing. Then, oil companies and construction firms had "the attitude they wanted to support a cadre of effective carriers," says Alaska-West's Strong. "Not so today; now everything is bottom-line oriented."

Therein lies the real hazard for the industry. Shippers shopping for price force carriers to hold costs to a minimum. Because rates affect ability to meet maintenance, insurance and labor expenses, the temptation to operate without proper attention to these safety essentials increases.

Noting that prices tend to increase the number of marginal operators, Mammoth's Whitbeck believes reregulation of Alaska's trucking industry may result. In particular, he expects deterioration of services and shipper problems with liability to create demand for enforcement of safety and insurance standards. Although the Alaska Legislature established statutes requiring truckers to carry liability insurance, it didn't fund an enforcement program.

Says Strong, "I suspect there are a lot of carriers running around without liability insurance. We would welcome

Mammoth's Whitbeck: "It's difficult to operate a transportation business in Alaska today, particularly after 10 years of prosperity and growth."

good common sense regulation in the safety aspect that would cause all of us to compete on an equal basis."

The larger, highly visible carriers such as Alaska-West are subjected to safety audits. It's the smaller carriers that give the industry a black eye, he adds.

Like other carriers, Alaska-West has been hit by rising insurance rates. Coverage for 1986 was 300 percent higher than 1985's "for 75 percent less coverage," says Strong. "With the economy as it is, we can't charge compensable rates for services performed."

With competition so fierce, the larger trucking firms say they still hope to win shippers based on service records. Says Whitbeck, "We hope to have established a reputation of reliability, outstanding service and being pragmatic about costs and rates. When we sit down to talk business, we expect the shipper to realize we are genuine."

Adds independent Little, "When rates get cut too low, the first thing that gives is service. Shippers will realize there's only so much blue sky out there. If rates fall too far, carriers aren't going to be able to handle the business."

Railroading in Alaska has little competition in moving bulk product, because of economy over distance. But even so, payloads declined so severely in 1986 that the Alaska Railroad Corp. reduced profit projections from \$10 million to \$1.5 million during the course of 1986.

Also contributing to the dismal earnings picture were a chemical contamination accident at Crown Point, two major derailments and the October flood. November projections showed a decline of \$10-13 million in revenue from 1985.

The fact that major cuts in expenses have been necessary to avoid year-end red ink puts the railroad in a dilemma

'If rates fall too far, carriers aren't going to be able to handle the business.'



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similar to that of truckers in which maintenance gets deferred. "The railroad still needs about half a billion to bring its lines up to rail safety standards," claims Mammoth's Whitbeck.

The maintenance deficiency was inherited by the state when it purchased the carrier from the federal government. A 1984 study estimated more than \$460 million in capital expenses would be required to bring the railroad up to standard over five years.

Predicts Whitbeck, one outcome of the freight shortage will be "some return to normalcy of the railroad, which has been running at substandard freight rates." Truckers have objected to competition from the state-owned railroad, particularly in the Alaska Railroad's pricing of its trailer-on-flatcar, or piggyback, service.

The all-piggyback rail service introduced by the railroad in May 1985 as the Arctic Fox was cancelled in early fall when the corporation chose to again combine truck trailers with other cargoes. Although truck trailer volume was considered sufficient to justify the service, shipments of sand and gravel, pipe, oil and construction materials had fallen off so severely that mixed trainloads were considered an economic necessity. The outlook for these cargoes is not expected to improve in 1987.

Barge operators also are planning conservatively for the year ahead. Fewer construction projects mean reduced traffic, especially charter services.

Although Lynden Inc. earnings declined, its Alaska Marine Lines, which delivers cargo in Southeast, had a strong year and helped compensate for declining trucking revenues. Alaska Marine Lines grew substantially in the fall of 1985 with the acquisition of Foss Alaska Line and Pacific Western Lines. The Lynden subsidiary faced tough

competition from other intrastate barge lines in Southeast, however, with the better part of its revenues collected from movements that originated in Seattle.

Foss Maritime continues to deliver petroleum products for Tesoro Alaska Petroleum Co., Union Oil and Chevron USA, but ceased common carrier service into Alaska in May 1985. It also contracts to deliver intrastate project cargoes, usually construction materials.

Steve Peterson, Anchorage general manager of Crowley Maritime Corp., says the company's Western Alaska service should be less dramatically affected than some metropolitan areas more dependent on oil-related activities. He argues residents still will require substantial tonnage in consumer goods. "Also, because many industries are on the upswing—particularly zinc and gold mining—the Western Alaska transportation curve tends to go opposite those of Fairbanks and Anchorage."

According to Linda Smith, director of traffic and distribution for Alaska Commercial Co., however, economic uncertainty makes barge shipments less attractive to the Bush retail merchandising firm. Goods shipped by barge for July arrival must be bought in March and shipped in June, tying up capital. More likely, Alaska Commercial will develop other means of shipping to help keep inventories down.

Smith reports that only 1 million tons were shipped by barge last year, down from a norm of 3 million tons. The primary reason for the change was an increase in barge rates. Also, air service to Western Alaska increased, reducing fares enough to steal barge traffic.

Air carriers face some of their stiffest competition in Western Alaska. The competition of Northern Air Cargo,

Alaska Airlines and MarkAir for cargo to Bethel, Nome and Kotzebue has lowered rates. According to Ed Rogers, director of cargo sales for MarkAir, movements to Kotzebue probably are the cheapest ever offered.

Dennis Gladwin, director of cargo sales for Northern Air Cargo, claims rates have held constant for the past three years. The carrier has added 30 percent more destinations in the last two years, increasing tonnage by 30 percent. It is researching other markets for entry if expansion becomes necessary to maintain the carrier's volume position.

Mail is 60 percent of Northern's scheduled cargo service, with 40 percent moving as general air cargo at almost three times the mail rate. Reeve Aleutian Airways also delivers a 60/40 mix of mail and other cargo. Says Dick Reeve, the carrier's president, "Mail volume is one of the biggest drivers of intrastate Alaskan air cargo volumes."

He expects reduced volumes overall in the coming years, aggravated by "substantial overcapacity in the airline industry in Alaska." Although scheduled air cargo service was off only 5 percent in 1986, he indicates that figure probably will increase. Also, charter business is "zip in the present-day economy," says Reeve. "With the collapse of the oil markets, those planes are underutilized."

FOR MARKAIR, which breaks cargo revenues down as 35 percent mail, 35 percent air freight and 30 percent charter, the decrease in charter traffic could have serious consequences. Noting intrastate Alaskan charter revenue has fallen by about 25 percent, Rogers says, "We'll have to make up lost revenue in Lower 48 and international movements."

The carrier's charter segment operates three L100 Hercules all-cargo freighters. Rogers estimates each rig move produced \$1 million in revenue for the carrier. This year, one Herc will remain in Detroit due to the shortage of charter payloads in the state.

New markets added by MarkAir in 1986 are credited with covering tonnage losses in other parts of the system and maintaining cargo volume. No growth is expected in 1987, but the carrier does hope to employ its Hercs in supplying the Red Dog zinc mine.

Using interline agents, Alaska Airlines serves 54 points from Anchorage, providing single airway bill convenience for shippers. According to Todd Wallace, Alaska manager of cargo marketing and contract services, the carrier also has lost charter tonnage and revenues. "In the present climate, freight does not exceed the scheduled lift available," he says.

As air cargo volumes drop still lower,

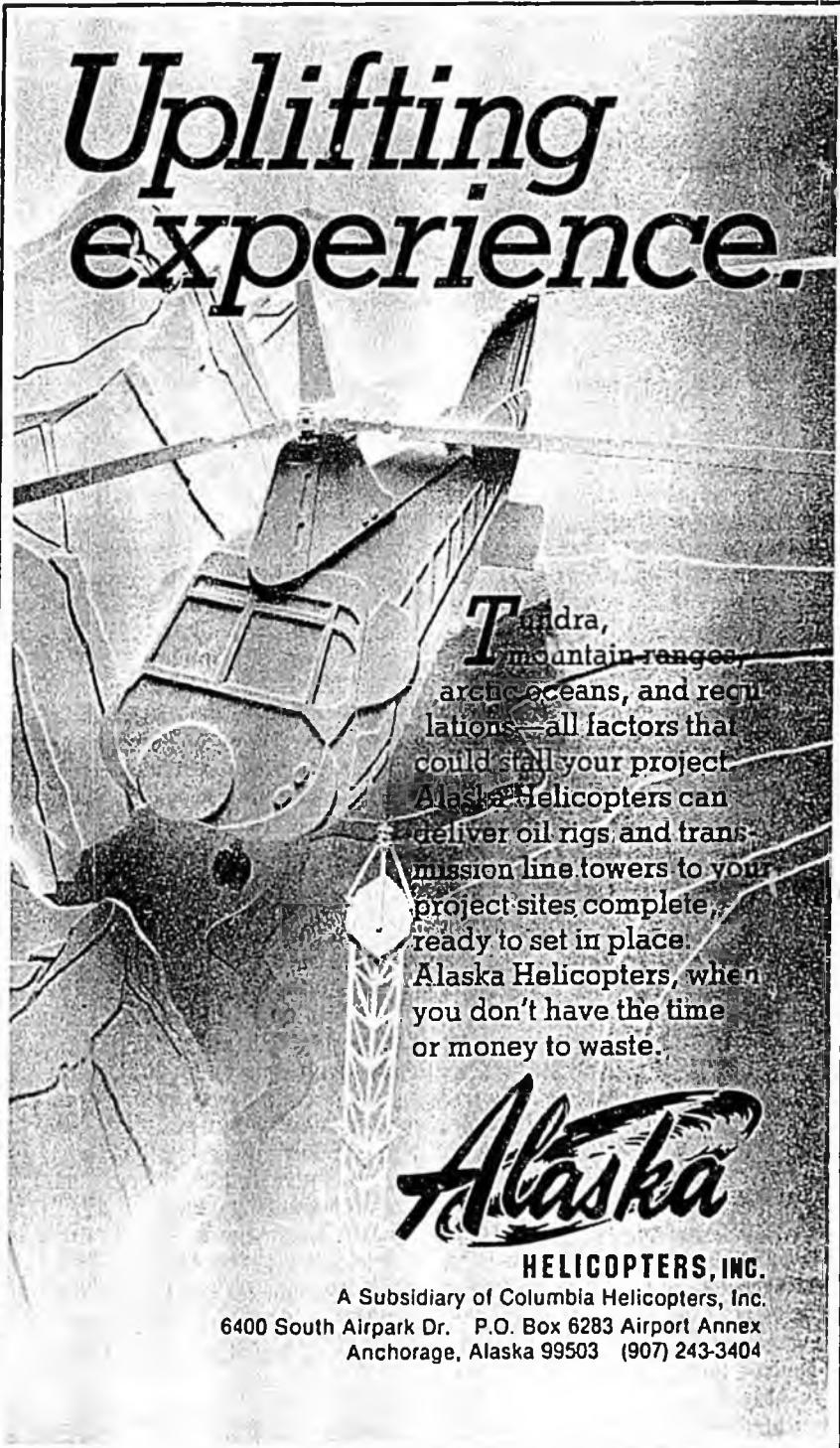
smaller commuter airlines are more likely to engage in price cutting wars and suffer shakeouts than the four large Alaskan carriers. Notes Alaska Commercial's Smith, "Air fares have stayed the same, except in isolated markets with a great deal of competition."

Alaska Commercial ships 80 percent of its goods by air. Last year between 10 and 12 million pounds of bypass mail left Anchorage for the company's Bush operations. Another 1.5 million pounds traveled as air freight — hazardous materials, furniture, appliances, motorized vehicles and other items the firm could not ship by mail.

Smith worries about the stability of smaller air carriers in the current market. But one thing competition has done is improve service, she notes. "That's a benefit I've noticed over the past year. Goods are arriving faster and in better condition. Carriers are paying more attention to handling the product."

She admits that shippers today are tempted to overemphasize price at the expense of service. Says Air Land's Sneed, "Shipper loyalty for good service in the past definitely is getting smaller. But carriers know exactly where they're coming from; carriers, too, must cut costs because of declining revenues." □

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Frank

1. City of Barrow Resolution No. 86-26 dated 12/4/86.
2. Barrow Chamber of Commerce Resolution No. 86-01 dated 12/1/86.
3. John C. Sackett, Alaska State Senator, letter dated 11/18/86.
4. Alaska Federation of Natives Resolution No. 86-43.
5. Alaska Air Carriers Association memorandum dated 11/7/86.
6. Bering Straits Regional Strategy letter dated 10/15/86.
7. Letter to Honorable Senator Ted Stevens dated 10/7/86.
8. George N. Ahmaogak, Sr., Mayor North Slope Borough, letter dated 10/3/86.
9. City of Dillingham Resolution No. 86-61 dated October 2, 1986.
10. Dillingham Chamber of Commerce Resolution 86-002 (Amended) dated September 23, 1986.
11. City of Unalaska Resolution No. 86-35 dated 6/12/86.
12. Senate Resolution No. 11am dated 5/6/86.
13. Reeve Aleutian Airways, Inc. letter dated 6/9/86.
14. Peninsula Airways, Inc. letter dated 6/2/86.
15. Arctic Circle Air letter dated 5/30/86.
16. Wright Air Service, Inc. letter dated 5/27/86.
17. Letter to Honorable Ted Stevens dated 5/21/86.
18. Armstrong Air Service, Inc. letter to the Honorable Ted Stevens.
19. Newspaper article regarding bush mail
20. Alaska Journal of Commerce article dated 5/5/86.

CITY OF BARROW

"farthest north incorporated city"

BOX 629

BARROW, ALASKA 99728

PHONE (907) 852-5211

RESOLUTION NO. 86-26

A RESOLUTION OF THE COUNCIL OF THE CITY OF BARROW, ALASKA,
CONCERNING TRANSPORTATION OF MAIL IN THE BARROW AREA.

WHEREAS, the City Council realizes that the methods and regulations affecting the distribution of mail to remote communities in the Barrow area may have a significant effect on the economy and community of Barrow in that mail service and vital air transportation are often inseparable, and

WHEREAS, the mail distribution methods affect the level, availability and cost of essential passenger service into and from the City of Barrow, and

WHEREAS, continuation of the existing regulations may severely impact essential transportation services, now

THEREFORE, BE IT RESOLVED that:

Section 1. The City Council requests that the following factors be considered in conjunction with any postal system serving the Barrow area:

- a. That carriers serving the bush villages should do so on a regular basis;
- b. Mail volumes should be equitably distributed so as to ensure continuation of vital air services in the Barrow areas;
- c. Carriers should not be permitted to circumvent mail regulations in such a manner as to reduce essential passenger service.

Section 2. That the City Council believes it is essential that the above concerns be made known to the U.S. Postal Service and those responsible for overseeing its operation.

Section 3. The City Council wishes to be notified and afforded a reasonable opportunity to be heard and participate in any proposed changes in order that the public concerns expressed above can be brought to the attention of the Postal Service and those responsible for its operation.

Resolution 86-26
Page Two

INTRODUCED: December 4, 1986

ADOPTED: December 4, 1986

Nath Olemann
Mayor Nathaniel Olemann, Jr.
City of Barrow

ATTEST:

Karen Bursnell
City Clerk

RESOLUTION NO. 86-01

A RESOLUTION OF THE BARROW CHAMBER OF COMMERCE CONCERNING TRANSPORTATION OF MAIL AND PASSENGERS INTO AND OUT OF THE BARROW HUB.

WHEREAS, the Barrow Chamber of Commerce realizes that the transportation of mail into Barrow and out of Barrow has a significant effect on the cost of transportation of passengers and will also effect the economy in the community of Barrow and the surrounding areas and mail service and vital transportation of passengers are often inseparable, and

WHEREAS, the mail distribution methods affect the level, availability and cost of essential passenger service into and from the Barrow Hub, and

WHEREAS, continuation of the existing regulation may severely impact essential transportation services in all of rural Alaska, Now,
THEREFORE, BE IT RESOLVED that:

Section 1. The Barrow Chamber of Commerce requests that the following factors be considered in conjunction with any postal system serving the Barrow Hub:

- a. The carriers serving the bush villages should do so on a regular scheduled basis;
- b. Mail volumes should be equitably distributed so as to ensure continuation of vital air services in the Barrow areas;
- c. Carriers should not be permitted to circumvent mail regulations in such a manner as to reduce essential passenger service;
- d. The larger all cargo mainline carriers should not be permitted to over-fly the "Hub" carrying only mail.

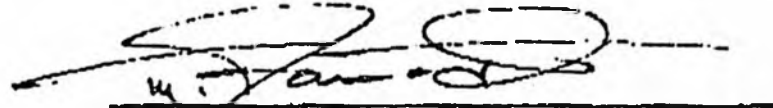
Section 2. That the Barrow Chamber of Commerce believes it is essential that the above concerns be made known to the U.S. Postal Service and those responsible for overseeing its operation.

Section 3. The Barrow Chamber of Commerce wishes to be notified and afforded a reasonable opportunity to be heard and participate in any proposed changes in order that the public concerns expressed above can be brought to the attention of the Postal Service and those responsible for its operation.

Resolution 86-01
Page Two

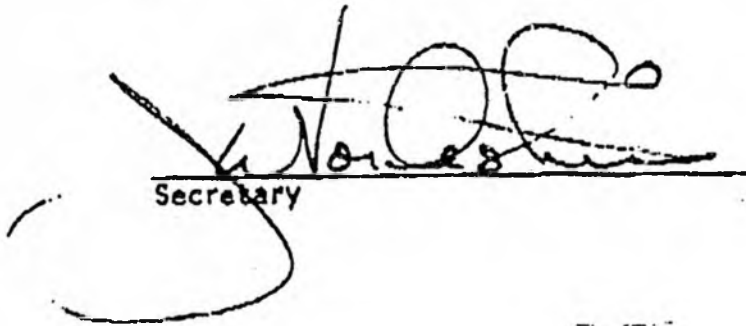
1
INTRODUCED: December 1 1986

ADOPTED: December 1 1986



President Mike Amott
Barrow Chamber of Commerce

ATTEST:



Secretary

Alaska State Legislature

SENATOR

John C. Sackett

CO-CHAIRMAN
SENATE FINANCE COMMITTEE

MEMBER
LABOR & COMMERCE COMMITTEE
BUDGET & AUDIT COMMITTEE
SENATE ADVISORY COUNCIL
COMMITTEE ON COMMITTEES



Senate

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TELEPHONE 465-3753

ANCHORAGE
TELEPHONE 272-3404

November 18, 1986

To the AFN Board Members:

This is to let you know that I fully support the passage of AFN Resolution No. 86-43, relating to Transportation of Mail to Alaskan Mainline and Bush Communities, introduced by Clare Charlie, Representative of MarkAir, Inc. I have also spoken with Senator Frank Ferguson, Representatives Al Adams, Adelheid Herrmann and Kay Wallis and they have also pledged their support.

I would like to take this opportunity to urge the AFN Board to pass this resolution as it would result in economic savings for all rural passengers and will maintain reliable and consistent frequency of flights to and from rural communities.

Kind regards,

A handwritten signature in cursive script that reads "John C. Sackett".

John C. Sackett
Alaska State Senator

ALASKA FEDERATION OF NATIVES, INC.
1986 ANNUAL CONVENTION

RESOLUTION NO. 86- 43

TITLE: IN SUPPORT OF SENATE RESOLUTION NO. 11

WHEREAS, The Alaska Federation of Natives realizes that methods of distributing U.S.P.S. mail to airlines does have a significant effect on vital air transportation; and

WHEREAS, mail distribution methods affect the cost and frequency of essential passenger air service throughout the State of Alaska, and

WHEREAS, the continuation of present mail regulations may severely impact essential air transportation services;

NOW THEREFORE BE IT RESOLVED by the delegates to the 1986 Annual Convention of the Alaska Federation of Natives, Inc., that AFN does hereby support Senate Resolution No 11am in the Legislature of the State of Alaska Fourteenth Legislature-Second Session relating to transportation of mail to Alaska mainline and bush communities.

RESOLUTIONS COMMITTEE RECOMMENDATION: Refer to Legislative Committee of the AFN Board

CONVENTION ACTION: Refer to Legislative Committee of the AFN Board

FULL BOARD ACTION: DO PASS





BOARD OF DIRECTORS

Bob Jacobson, Wings of Alaska
 Bob Engelbrecht, Temaco Helicopters, Inc.
 John Hajdukovich, Frontier Flying Service
 Steve Wilbur, Wilbur's Inc.
 Wilfred Ryan Jr., Ryan Air
 Dotty Hurd, Evergreen Helicopters
 Michael Searson, Ketchikan Air Service
 Ron Peck, Alaska Airlines
 Lynn MacDonald, Sunshine Copters
 Grant Thompson, Cape Smythe Air Service
 Hank Ruess, Ruess's Flying Service
 Mark Farbanks, Baker Aviation
 Thomas M. Hawkins III, Hageland Aviation Service, Inc.
 Cynthia R. Andrichcek, Executive Director

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 Ken Martin, Dornier Aviation (North America), Inc.
 Mel Furested, Aviation Financial Management
 Frank Hugin, McDonnell Douglas Helicopter Co.
 Jerry Dennis, Rollins, Burdick & Hunter of Alaska
 Hank Myers, Myers & Company

MEMORANDUM

DATE: NOVEMBER 7, 1986

TO: AACA SPECIAL SUBCOMMITTEE ON MAIL DISTRIBUTION METHODS

FROM: CINDY ANDRECHECK, EXECUTIVE DIRECTOR

The following is the motion made by Subcommittee member Bob Ensminger, MarkAir, and seconded by Grant Thompson, Cape Smythe Air, at the meeting on November 7, 1986.

I move that the AACA Subcommittee on Mail Distribution Methods recommend to the Board of Directors of the AACA to support the contents of the letter to Senator Stevens dated May 21, 1986, including Appendix A, pages 1 & 2, and Appendix B, providing specific recommendations to resolve the mail distribution issue in Alaska.

Chair called for a roll call vote:

	<u>YES</u>	<u>NO</u>
Bob Ensminger, MarkAir	X	
Wilfred Ryan, Ryan Air		X
John Hajdukovich, Frontier	X	
Marvin Van Horn, Alaska	X	
Grant Thompson, Cape Smythe	X	
Don Brugman, Northern Air		X

Copies of the full letter are enclosed for your information.

Bering Straits Regional Strategy

October 15, 1986

Dear Reviewer:

Enclosed is the cover page, summary page, table of contents, introduction and relevant sections of one or more components of the draft Bering Straits Regional Plan. At this time three draft volumes have been completed:

Volume 2	Community Development Strategy
Volume 4	Economic Strategy
Volume 7	Sociocultural Strategy

The Bering Straits Regional Plan, the region's first comprehensive plan, is the result of numerous community and regional meetings, involving the input and labor of literally hundreds of individuals. It is intended as a forum for the discussion of ideas, goals, and techniques of achieving a more integrated and secure economic and social environment and is far from being completed.

Each volume in the plan is a separate debate document and serves as a forum or template for initiating the discussion of alternatives. Each is an open document. This is not a plan written in concrete. On the contrary, the only way to make this plan truly responsive to the region's concerns is for residents to negotiate among themselves for what they want in the future. This volume simply gives you and others helping tools for making those decisions.

We hope to hold a conference in Nome the first week in December, at which time residents from throughout the region can debate the ideas suggested in this plan and redraft them accordingly.

We were unable to print more full copies for distribution due to insufficient funds. Most of these naturally were distributed to residents of the region for their discussion and approval. To help alleviate this problem, we have enclosed a list of those who have received 1 or more volumes.

We would especially appreciate your correction of any mistakes, both in terms of fact and proposed actions. If you could send your comments to me by December 1, I would appreciate it. Also, I look forward to talking with you at any time. My number is 443-2899

Sincerely,

Ellen C. Greenberg
Ellen C. Greenberg
Director/Regional Planner

4th - 5th

Population forecasts of the Bering Strait region indicate that even under the most expansive development scenarios, the region will not reach much more than 10,000 people by the year 2000. Even allowing for accelerated mineral or petroleum development, the region's population will never stabilize much beyond that, although, under a development scenario, rates would undoubtedly decrease at least during the development stage.

The fact is that the population of the region will, at least in the lifetime of those living now, never reach a point whereby economies of scale will be reached, at least for the major airlines bringing in cargo, mail and passengers from outside the region.

Under the circumstances, therefore, rates must either be subsidized or reduced in other ways. The following two actions assume that the only ways to reduce cost is through subsidies or other cost-saving measures within the region.

- Support aviation mail subsidies which assure adequate scheduling and cost of flights for both passengers and freight.

By law, the Postal Service must supply essential air service to rural Alaska, in this case, subsidize Alaskan mail service, because, otherwise, costs would be so high as to potentially eliminate such a communica-

However, there are other ramifications beyond simply cheaper freight and mail.

- o If more mail is carried by cargo planes, whether to regional centers or directly to communities, costs would be lowered for the Postal Service. But, this could reduce the amount of subsidies going to passenger airlines. If airlines are forced to reduce passenger services because of decreased demand, this could jeopardize the ability of local communities to respond to emergencies, as well as the normal transport of people for meetings, medical services, education, and pleasure.
- o On the other hand, if the distribution formula is changed so that more mail is carried by passenger airlines, this could increase the cost to the Postal Service. With measures such as Gramm-Rudman - taking a toll on every other program, there is no reason to suppose that eventually the subsidy - or at least some part of it - will be lost entirely.

~~o~~ Communities should assess the importance of lowered freight costs vis a vis the ability to take full advantage of the aviation system.

Lowered transportation costs is certainly one goal of the Regional Plan. But, so is emergency responsiveness. Communities with less expensive freight charges should make this determination while con-

October 7, 1986

Honorable Senator Ted Stevens
Senate Office Building
Washington, D.C. 20510

Dear Senator Stevens:

On February 20, 1986, ten passenger and mail air carriers wrote a letter to your office asking for your intervention as chairman of the Senate Postal Committee to review U.S.P.S. mail distribution methods in the State of Alaska.

On May 21, 1986, representatives of eight carriers met with you in Washington, D.C. to discuss problems with present U.S.P.S. mail distribution methods and their detrimental effect on the Alaskan passenger transportation system.

You requested the affected carriers to address possible resolutions to improve U.S.P.S. mail distribution problems. Attached are letters signed by the Alaskan carriers in May and June of 1986 specifically outlining corrective measures that should be adopted by the U.S.P.S. to resolve the problem.

Also attached are the following:

1. SENATE RESOLUTION NO. 11am IN THE LEGISLATURE OF THE STATE OF ALASKA FOURTEENTH LEGISLATURE - SECOND SESSION which expresses concern about the passenger transportation system in Alaska.
2. City Council Resolutions from Dillingham and Dutch Harbor asking for public meetings on U.S.P.S. mail procedures in Alaska.
3. Resolution initiated and approved by the Dillingham Chamber of Commerce asking for relief from present mail systems.
4. A letter from the North Slope Borough expressing concern about U.S.P.S. mail procedures that do not require safe handling of perishable foods destined for the residents of the North Slope Borough.

continued

We the undersigned carriers are requesting to know what actions you propose to take in order to make the U.S.P.S. responsible for a mail distribution system that recognizes its effect on the passenger transportation system into remote areas of Alaska and protects that passenger system from discriminatory mail distribution methods that currently favor all-cargo aircraft.

William D. H.
ALASKA AIRLINES

Charles L. Johnson No
ARCTIC CIRCLE AIR

Neil C. Armstrong
ARMSTRONG AIR SERVICE, INC.

Pat O'Leary
AULI AIR

M. A. Redington
BARROW AIR INC.

James D. Ross
BERING AIR, INC.

Grant Thompson
CAPE SMYTHE AIR SERVICE, INC.

ERA HELICOPTERS, INC.

FORTY MILE AIR LTD.

JP Godfrey
MONOKOTAK AIRWAYS

John Heidichheim
FRONTIER FLYING SERVICE, INC.

Harold S. Johnson
HAROLD'S AIR SERVICE, INC.

Herbert H. Hermens
HERMENS AIR, INC.

M. Edward Fry
KINGS AIR SERVICE

Larry Chenaille
LARRY'S FLYING SERVICE

Robert E. Eminger V.P. Postal Affairs
MARKAIR, INC.

PENINSULA AIRWAYS, INC.

D. J. Jensen
REEVE AIRWAYS, INC.

Kathy Meyer
TANANA AIR SERVICE

Bob Bunsiel
WRIGHT AIR SERVICE, INC. m

RE:avn
(0188T-47/48)

Attachments

NORTH SLOPE BOROUGH

OFFICE OF THE MAYOR

P.O. Box 69
Barrow, Alaska 99723

Phone: 907-852-2611

George N. Ahmaogak, Sr., Mayor



October 3, 1986

Mr. Robert J. Opinsky
District Manager/Postmaster
United States Postal Service
3201 C Street, Suite 500
Anchorage, Alaska 99503-3967

Dear Mr. Opinsky:

I am writing you in regards to my support of SENATE RESOLUTION NO. 11 am IN THE LEGISLATURE OF THE STATE OF ALASKA FOURTEENTH LEGISLATURE - SECOND SESSION relating to transportation of mail to Alaska mainline and bush communities.

I have many concerns regarding the present U.S.P.S. mail trends and their impact on the passenger and cargo service to the residents of the North Slope Borough. MarkAir Airlines, our local carrier, has flight frequencies, prices, and routings which are highly dependent on the revenues generated through the mail service. In restricting MarkAir's ability to carry its fair percentage (based on flight frequency) of the mail, you also inadvertently jeopardize the quality of service that North Slope residents have come to rightfully expect.

For example, I understand that Polar Alaska Airlines has started carrying mail to our community and that they adhere to USPS guidelines which mandate that freeze or chill items are to be shipped at "shipper's risk". While Polar Alaska has received a good amount of the perishable Bulk mail groceries targeted for local consumption - they have no freezers or coolers in Barrow to insure the necessary quality of these food products. Yet MarkAir has made significant financial investment to guarantee the safe handling of our local perishable food products.

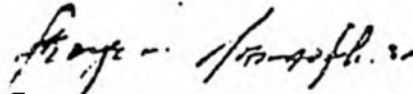
Mr. Robert W. Cassidy

October 3, 1986

Page 2

In closing, I respectfully request that for our region, you adopt a policy for the distribution of mail to airlines which will take into account the frequency and capacity of scheduled service offered by each airline serving a particular mainline or bush community.

Sincerely,



George N. Ahmaogak, Sr.
Mayor

cc: Senator Ted Stevens
Senator Frank Murkowski
~~Robert Ensminger, Markarr~~

CITY OF DILLINGHAM

Dillingham, Alaska

RESOLUTION NO. 86-61

A RESOLUTION OF THE COUNCIL OF THE CITY OF DILLINGHAM, ALASKA,
CONCERNING TRANSPORTATION OF MAIL IN THE DILLINGHAM AREA.

WHEREAS, the City Council realizes that the methods and regulations affecting the distribution of mail to remote communities in the Dillingham area may have a significant effect on the economy and community of Dillingham in that mail service and vital air transportation are often inseparable, and

WHEREAS, the mail distribution methods affect the level, availability and cost of essential passenger service into and from the City of Dillingham, and

WHEREAS, continuation of the existing regulations may severely impact essential transportation services, now

THEREFORE, BE IT RESOLVED that:

Section 1. The City Council requests that the following factors be considered in conjunction with any postal system serving the Dillingham area:

- a. That overflights of Dillingham as a regional hub for mail distribution may have a substantial adverse impact on the quality and availability of essential passenger and other air service to outlying areas;
- b. That carriers serving the bush villages should do so on a regular basis;
- c. Mail volumes should be equitably distributed so as to ensure continuation of vital air services in the Dillingham area;
- d. Carriers should not be permitted to circumvent mail regulations in such a manner as to reduce essential passenger service.

Section 2. That the City Council believes it is essential that the above concerns be made known to the U.S. Postal Service and those responsible for overseeing its operation.

Dillingham City Council
Resolution 86-61
Page two

Section 3. The City Council wishes to be notified and afforded a reasonable opportunity to be heard and participate in any proposed changes in order that the public concerns expressed above can be brought to the attention of the Postal Service and those responsible for its operation.

APPROVED AND ADOPTED this 2 day of Oct, 1986.

SEAL:

Leon C Braswell
Mayor

ATTEST:

Virginia M Braswell
City Clerk

DILLINGHAM CHAMBER OF COMMERCE
P.O. BOX 339
DILLINGHAM, ALASKA

RESOLUTION 86-002
(Amended)

WHEREAS: The Dillingham Chamber of Commerce realizes that the issue of mail distribution will significantly affect the businesses of the City of Dillingham; and


WHEREAS: The community of Dillingham recognizes that mail distribution methods affect the levels of passenger service and the economy of Dillingham; and

WHEREAS: The Dillingham Chamber of Commerce strongly recommends the importance of immediate action by the Postal Department;

NOW THEREFORE BE IT RESOLVED that the Dillingham Chamber of Commerce supports a revision of mail distribution methods and adopts the following mail distribution revisions:

1. Prohibit the overflying of regional hubs. Such regional hubs are: Nome, Kotzebue, Aniak, St. Mary's, McGrath, Unalakleet, Barrow, Ft. Yukon, Galena, Dillingham, and King Salmon;
2. At competitively serviced villages, an eligible carrier must serve the busy village on a scheduled basis at least three (3) times per week from the regional hub;
3. Mail volumes tendered on the bush sectors among eligible carriers shall be divided equally over a U.S. Postal period among those carriers operating scheduled service to the bush village from the regional hub;
4. The Postal Service shall impose meaningful penalties on carriers deviating from their published schedules; and
5. All mainline sector nonpriority mail be allocated among eligible carriers on the basis of scheduled weekly frequencies and capacity divided by the number of stops.

Passed by a majority vote of the Dillingham Chamber of Commerce, in concept, September 23, 1986, in Dillingham, Alaska.


Mark Hansen, President
Dillingham Chamber of Commerce

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 86-35

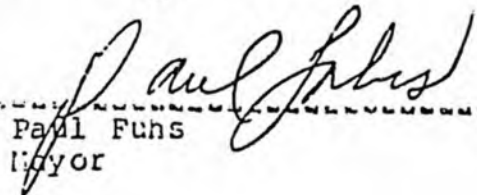
A RESOLUTION REGARDING MAIL DISTRIBUTION

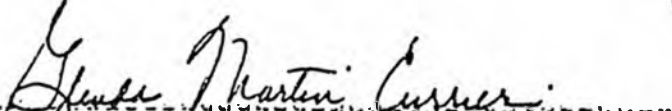
WHEREAS: the Unalaska City Council realizes that the issue of mail distribution in rural Alaska is extremely complex because the conditions around the state vary widely; and

WHEREAS: the delivery of mail in a timely fashion is of great importance to the community of Unalaska.

NOW THEREFORE BE IT RESOLVED THAT the Unalaska City Council supports public hearings in Alaska on the mail distribution system and that public participation be encouraged.

PASSED AND APPROVED THIS 12th DAY OF June, 1986 BY THE
UNALASKA CITY COUNCIL, UNALASKA, ALASKA.


Paul Fuhs
Mayor


Glendia Martin Currier
City Clerk

Introduced By Nathann H.K. Galgo

Failed to pass on

CITY OF UNALASKA
UNALASKA, ALASKA

6/12/86

RESOLUTION 86-35

A RESOLUTION REGARDING BYPASS MAIL

WHEREAS: the Unalaska City Council realizes that the issue of bypass mail in rural Alaska is extremely complex because the conditions around the state vary widely; and

WHEREAS: the delivery of mail in a timely fashion is of great importance to the community of Unalaska; and

WHEREAS: the level of mail service to the community at the present time is satisfactory.

NOW THEREFORE BE IT RESOLVED THAT the Unalaska City Council wishes to make it known that the present U.S. Postal Service policy which provides this community with satisfactory service is acceptable.

PASSED AND APPROVED THIS _____ DAY OF _____, 1986 BY THE UNALASKA CITY COUNCIL, UNALASKA, ALASKA.

Paul Fuhs
Mayor

Glenda Martin Currier
City Clerk

Introduced: 5/6/86
Referred: Rules

1 IN THE SENATE BY THE TRANSPORTATION COMMITTEE
2 SENATE RESOLUTION NO. 11 am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 Relating to transportation of mail to
6 Alaska mainline and bush communities.

7 BE IT RESOLVED BY THE SENATE:

8 WHEREAS both the mainline and bush communities in the state must be
9 assured of reliable, year-round scheduled passenger air service at reason-
10 able rates in order to meet the transportation needs of their residents and
11 visitors; and

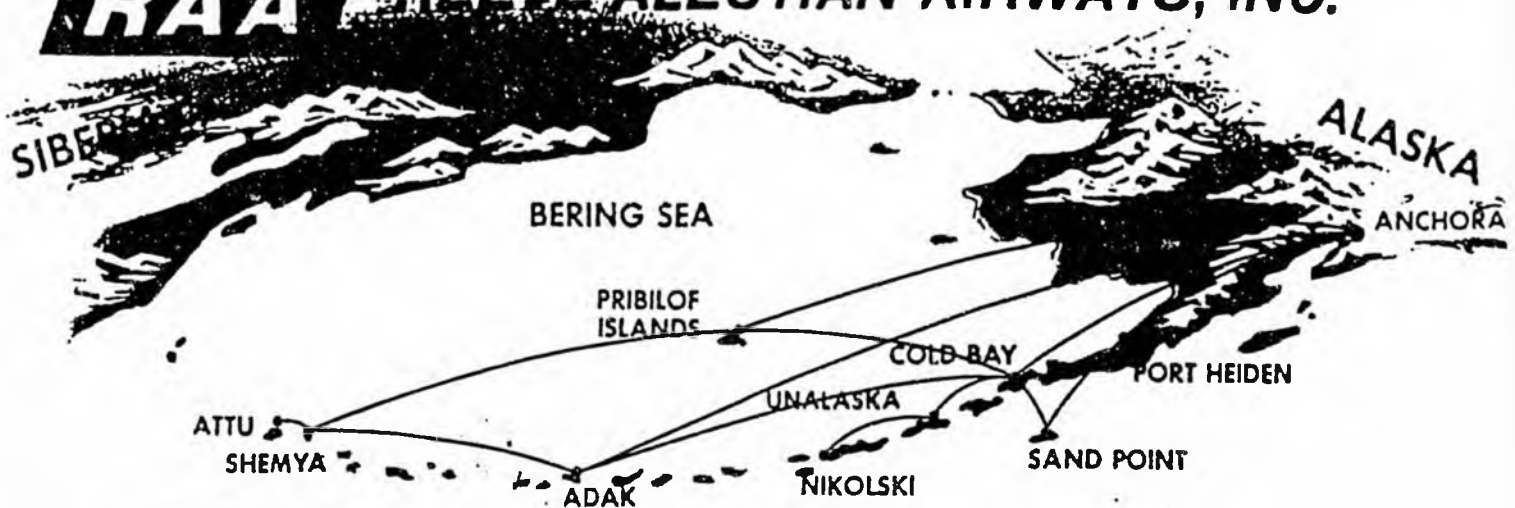
12 WHEREAS the provision of scheduled passenger air service in the state
13 is uniquely affected by climatic conditions, pronounced seasonal traffic,
14 and high operating costs; and

15 WHEREAS revenue from the carriage of mail to Alaska mainline and bush
16 communities makes a vital contribution to the ability of the scheduled
17 passenger airlines to sustain adequate, year-round scheduled operations;
18 and

19 WHEREAS it is critical to the preservation and development of sched-
20 uled passenger air service in the state that the opportunity for the car-
21 riage of mail to mainline and bush communities be made available by the
22 U.S. Postal Service on a fair and equitable basis, recognizing both the
23 level and quality of scheduled service being offered to each affected
24 community; and

25 WHEREAS it is critical to the residents in the bush communities to
26 have the mail and goods delivered in a timely manner, this must be a basis
27 for consideration;

28 BE IT RESOLVED that the Senate respectfully requests the U.S. Postal
29 Service adopt a policy for the distribution of mail to airlines that serve

RAA**REEVE ALEUTIAN AIRWAYS, INC.**

June 9, 1986

Honorable Paul Fuhs
Mayor
City of Unalaska
Unalaska, AK

Dear Mayor Fuhs:

Reeve Aleutian Airways respectfully requests that the City Council set aside consideration of Resolution 86-35 entitled A RESOLUTION REGARDING BYPASS MAIL.

Reeve Aleutian Airways desires that Alaskan Air Carriers, the U.S. Postal Service, the U.S. Dept. of Transportation and representatives of Congress collectively address the issue of air transportation as a whole as the issues affect all of Alaska in all areas ie. passenger service, mail and freight.

The issue is, that policies of the U.S. Post Office must adjust and be sensitive to other agencies, policies and economic influences so that scheduled air service is available to all on a frequent and reasonably priced basis. By in large, Reeve Aleutian Airways endorses a policy favoring frequency of service.

I would be pleased to meet with you and the city council to discuss the issue before you. I know that representatives of Mark Air would also appreciate the opportunity to be heard. Enclosed you will find other materials which will lend a different perspective to the issue at hand.

Sincerely,

David A. Jensen
Administrative Vice President

DAJ/bcm

Peninsula Airways, Inc.

6231 COLLINS WAY
ANCHORAGE, ALASKA 99502
TELEPHONE: (907) 243-7701

BRISTOL BAY — KODIAK ISLAND — ALEUTIAN & PRIBILOF ISLANDS

June 2, 1986

Honorable Ted Stevens
522 Hart Senate Office Bldg.
Washington, D. C. 20510

Dear Senator Stevens:

Regarding the Postal Service mail distribution policy for Alaskan air carriers.

I have always been an avid proponent of the basic philosophy that the long term best interest of the traveling public is served by maintaining a healthy, profitable air carrier system. So if they have to pay a little more in fares and if there are less competing, fuller carriers operating the public benefits in the long run because those carriers will be able to provide better, safer, more reliable transportation.

So I was basically opposed to de-regulation. Ironically, my company has prospered under de-regulation while some others have not survived.

But I do sympathize with the mainline passenger carriers, (Alaska, Markair, and Reeve), along the same lines, ie the more profitable they are helps guarantee better passenger service. So I would agree that those carriers should be given a preference in allocation of mail.

It only seems fair that mail be distributed to eligible carriers in a direct ratio to number of flights performed to a given point, with an eligible carrier being one with a minimum of three flights weekly.

So if Alaska Airlines goes to Nome 30 times a week, and Northern Air Cargo 10 times, Alaska would get 75% of the dispatch. If the Postal Service wants morning dispatch, it might all go on the first few flights, but the frequency performance would be the determining factor.

The same formula should apply to the bush carriers. Obviously there would have to be penalties to prevent frivolous schedule filings which are not operated. One way would be to look at the previous months actual performance and use that ratio each month.



Peninsula Airways, Inc.

BRISTOL BAY — KODIAK ISLAND — ALEUTIAN & PRIBILOF ISLANDS

8231 COLLINS WAY
ANCHORAGE, ALASKA 99502
TELEPHONE: (907) 243-7701

page 2

Each point, whether bush or mainline, needs to be considered on its own level of service. Any attempt to dictate routing of bush mail through "Regional Hubs" can all too easily be circumvented. For instance the large aircraft service to a bush community would simply file his schedule through the hub. If he did not have the volume to go more than once a week he could sub-contract an air-taxi to fulfill the other two flights.

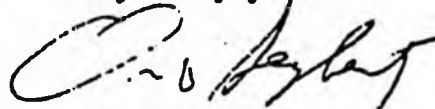
One problem I have is why the Postal Service will hold mail for up to six days to ship on the NAC flight to bush points such as Gambell, Savoonga and St. George.

For instance at St. George Peninsula has an EAS subsidized flight that connects to and from Reeve weekly, at St. Paul. When Northern Air started direct St. George service from Anchorage our mail dispatch went to zero, even though our combination is on a different day of the week.

Most recently, the NAC flight goes on Thursday and our flight is Friday, but it would seem there would be at least a little first class accumulated over 24 hours. At other times there have been two day gaps, but the mail is all held, evidently because of the direct flight, when we could have gotten it there a day or two earlier.

Ted, I do appreciate and share your concern that we maintain a strong, stable air transportation network throughout the state. The distribution and routing of mail is an integral part of helping that system operate.

Very truly yours



Orin D Seybert
President



ARCTIC CIRCLE AIR

A Subsidiary of the Conquestair Zee Corporation



P.O. Box 60049
Fairbanks, Alaska 99706
Phone (907) 456-1112

May 30, 1986

The Honorable Ted Stevens
United States Senator
522 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Stevens:

Arctic Circle Air does not have a major problem in signing this letter to you along side of the other Air Carriers who have done so; however Arctic Circle Air does feel very strongly that there is perhaps more stated in the letter by certain Air Carriers in-between the lines of the letter than has been put down in print on the pages. Quite frankly, this sets off definite warning bells in our minds every time we go through the contents of the letter to you. Within the letter to you, there is perhaps even more potential to do harm to certain Alaskan Air Carriers and the Postal system within this State than has or is being done at this time with the awkward and biased system that is in place at this time. What the letter to you represents, in Arctic Circle Air's mind, is a very sharp double edged sword as compared to what is more representative of the system now.....a very unwieldy, heavy club.

Arctic Circle Air strongly agrees with one condition of the letter to you and that is to prohibit the overflying of regional hubs. The hub and spoke system which the majority of the Air Carriers in Alaska use to service the Interior, or for that matter, most of Alaska is very critical to the overall health of the route structure of scheduled Air Service in Alaska and for that matter the health of the economy of Alaska as a whole. If a great portion of the revenues are taken away from this hub and spoke system the system will fall apart which in turn will mean very drastic consequences on transportation in Alaska.

There are some very strong truths concerning scheduled Air Service in Alaska that one will not find elsewhere in the United States. The first being: that for the vast majority of the State, air travel is the only possible way of transportation of any kind. Secondly the cost of operations for an Air Carrier in Alaska is extremely expensive and increases daily due mainly to absolutely insane insurance costs and over inflated prices from vendors. Third, the year round Alaskan resident from a "Bush" Community has a very limited income which is a point that an Air Carrier must take into consideration when structuring airfares. The fourth and final point is that except for two or three major hubs in the Alaskan market, Air Carriers are faced with providing year round service in a market place which is really only profitable on a seasonal basis while the rest of the year a Carrier may find itself at only "break-even" at best.

The four points offered above are only to stress to you why the carriage of the U.S. Mail is so important to the Air Carriers as it offers some stability in an otherwise fickle market, it generally pays well and with

some regularity which helps an Air Carriers with cash flow considerations.

The U.S. Postal Service is a very great boon to the Alaskan Air Carrier, however this is not without penalty and this is what Arctic Circle Air wishes to touch upon at this time.

The U.S. Postal Service, although it employs many excellent and conscientious people who do an outstanding job for the Post Office, is a gigantic and cumbersome bureaucracy which appears to be very multi-leveled. This bureaucracy is extremely difficult to deal with and is very slow moving when it comes to decision and policy making. The Postal Regulations for the distribution of the mail to Air Carriers, although seemingly straightforward, seems to be interpreted differently on each bureaucratic level one is dealing with at the moment.... National, Regional, or Local.

The Air Carriers generally have most contact with the Post Office through their local Post Office dispatch facility and this is where most of the problems of how the dispatch between Air Carriers is made and how the Postal Regulations are interpreted.....often without any rhyme or reason, it would seem.

The Post Office, being such a multi-layered bureaucracy, it is easy to understand the frustration of Postal employees on the local basis being thwarted by the system as well as the Air Carriers. The local Postal employee has the job of making sure that the mail is moved as expeditiously as possible and if it is not moved properly then they themselves are going to take the heat for it. This is where the system breaks down and causes some very serious problems for the Air Carriers.

The one problem which most Air Carriers will talk about freely and generally complain the most about is how the mail is split on a daily basis. The Post Office calls this an equitable split...it is not an equal split. What the Air Carriers wish to know is, "what does equitable mean? and "when does this equibility take place...a week...a month...quarterly...or yearly?" This question is still to be answered properly by the Post Office. The local Post office used to compile mail distribution statistics per mail pay period for each Air Carrier but this apparently caused more problems for the local Post Office than it cured. This was, however, a very useful tool and Arctic Circle Air is in hopes that the Post Office will continue this in the future.

There are several much more serious problems concerning the Post Office and the Air Carriers which again come from the local level. The Post Office plays a very dangerous game with the Air Carriers and this usually comes into play when there happens to be a considerable amount of rather bad weather, usually in the Spring and Fall months, which has canceled or delayed flights into the villages. This means that the mail is not being moved at all on these days or it is not being moved expeditiously; this worries the Post Office and so they tend to start to pit one Air Carrier against another into trying to get an Air carrier to fly to destination even though it is against the FAR's and any consideration of safety of flight. What the local Post Office will do is simply state to one Air Carrier that the mail will no longer be dispatched to it because Air Carrier "B" always seems to go and fly no matter what the weather or we never seem to have these "weather problems" with the other Carriers, only with your Company. These "tactics" are of course used on all the Air Carriers and at times this gets downright nasty. The Air Carriers are put under tremendous pressure to bow to the Post Office's will and eventually someone usually gives in to the pressure and goes at least to take a look see even if it means bending the FAR's a bit.

Another phenomenon which is directly related to Postal Dispatch policies of the mail is the "Early Morning Departure". What has happened and is still going on is the Post Office, locally, tells the Air Carrier that the early flight

"always" receives the majority of the mail to be dispatched to a certain point. Of course what this does is make the Air Carriers want to schedule their morning departures earlier and earlier to accommodate the Post Office and in order to grab the larger piece of the mail dispatch "pie". In effect the Carriers schedules are no longer set up for the convenience of the traveling public, no longer take into considerations connections with other airlines, cause ramp congestion at the airports, and tend to cause considerable ATC delays especially on days where IFR departures and arrivals are needed. Apparently the Air Carriers are setting their schedules as per Post Office needs and requirements rather than for the Public they are serving.

The Post Office also seems to be very keen on the idea of "empire" building. It is no secret that the Post Office Department has its favored Carriers and will do it's best to see that those favored few will succeed. This is perhaps why the Post Office would very much like to go with a contract system for mail dipatch. Of course this is not entirely just to accuse the Post Office of favoritism on this basis alone as there is no question that this would indeed would be much less of an accounting nightmare and also be less expensive to them than the system is at this time. However, there are very definite undertones of favoritism mixed in with these other realities, although they are very hard to pin down with strong evidence. It is very frightening to an Air Carrier to realize that the Post Office dispatcher at the local level has the power to make or break a "Bush" Air Carrier.

The U.S. Postal Service is an old, overencumbered entity which needs a great deal of modifing and streamlining and it is to the credit of the Postal employee in general that the system works as well as it does at this time. Arctic Circle Air does understand and agrees with the principle that the Post Office, no matter how cumbersome the system is now, has a job to do and that is to move the U.S. mail in a secure, expeditious, and yet cost conscious manner. The Post office pays the Air Carriers well to provide this service to them and so it expects and demands a certain quality of service for their money and this is only right; however the Post Office must recognize that although the mail pay is so important to the Air Carrier it is not the reason why the Air Carrier is in business. Air Carriers are in business to serve the public and their needs and although the mail service is also part of the public need the Post Office has no right to set an Air Carrier's schedule, jeopardize safety of a flight or play one Carrier against another. The Postal system needs some reworking and Arctic Circle Air suggests that perhaps some of the following thoughts be taken into consideration.

- 1.) A standardization of Postal Regulations concerning the dispatch of the mail to the Air Carriers and a strict adherence to these regulations by the Post Office, even down to the local level which includes even the smallest "Bush" Post Office.
- 2.) A Postal policy which provides for an equal or equitable tender of the mail from the Post Office to an Air Carrier set up not on the "first flight in the morning" basis but dispatched on the format that it will arrive during the regular working hours of the destination Post Office. This will allow the Air Carriers to set up their schedules more for the convenience of the passenger and allow connecting flights at hub points with other Carriers. This would solve many other problems as well as greatly contributing to the air route structure of the State of Alaska.
- 3.) This third consideration will be considered by many to be extremely controversial especially in light of many Air Carriers demands to increase the mail pay rate to the Air Carriers. Arctic Circle Air feels very strongly that the Mainline rate and the Bush rate should be abolished and that there should be only one rate of mail pay established...which would perhaps similar more to the Mainline rate, perhaps a cent or two more per pound. The consequences of this one act would be startling and a bit harsh on most Air Carriers operating on the Bush rate, Arctic Circle

...operates small aircraft and does receive the Bush rate.
There is no doubt that passenger fares and freight tariffs would have to be increased somewhat, but they are artificially too low in general now.

Arctic Circle Air believes that this one act would do more for Air Transportation in Alaska as a whole than anything else could. Almost anything else is only a short fix to patch up a problem and this industry does not need anymore patches and neither does the economy of Alaska.

The effect of cutting back the mail rate would stabilize the whole industry, prevent cut-throat tactics by Air Carriers, wean the small Air Carriers away from being subsidized by the Post Office and therefore strengthen the industry as a whole; not to mention the savings for the tax payer and the U.S. Government. Arctic Circle Air sincerely believes that if you would into this one consideration and project it out the benefits far outweigh the short term hardships on the Air Carriers as a whole.

The problems of the Alaskan Air Carriers and the Postal System of mail dispatch in Alaska needs careful consideration and some harsh measures, Arctic Circle Air sincerely hopes that careful consideration to the Air Carrier's Letter and to what Arctic Circle Air has presented herein be given.

Respectfully,

Joseph C. Cochran D/c

Joseph C. Cochran
Director of Operations
Arctic Circle Air

Wright Air Service, Inc.

Post Office Box 60142 • Fairbanks, Alaska 99706
(907) 458-5502

6-2-86

May 27, 1986

Senator Ted Stevens

Dear Senator Stevens:

I believe that any 401 certificated air carrier should be allowed to overfly the regional hubs only if it is providing a frequency of at least 4 times per week and is providing passenger service also.

Sincerely,



Bob Bursiel
President

BB/cd

May 21, 1986

Honorable Ted Stevens
United States Senator
522 Hart Senate Office Building
Washington, D. C. 20510

Dear Senator Stevens:

The following undersigned are submitting this letter to the Honorable Ted Stevens to urge that Senator Stevens promptly reevaluate and direct that there be significant revisions in the procedures now used by the U. S. Postal Service in tendering mail at Anchorage destined for regional hubs within the State as well as destined to the outlying bush villages. The situation has deteriorated to the point where revisions have to be made. The undersigned carriers urge that the U. S. Postal Service's Regulations be amended to incorporate those parameters set forth in Appendix A.

The long-term survival of a stable scheduled service passenger, freight and mail network is precisely what is at stake and a number of factors are at work which are threatening the future of Alaska's basic transportation network. The Senator is certainly aware of the critical role our scheduled air transportation system plays in the everyday lives of interior Alaska residents. The bottom line is that those portions of the system which are controlled by governmental entities -- be it the U. S. Postal Service, the U. S. Department of Transportation or some other entity -- must be adjusted to maximize the volume of scheduled service available to carry passengers as well as freight and mail. The continuation of frequent and reasonably priced scheduled service to the bush villages as well as to the regional hubs is being threatened by the present mail distribution policies which must be changed.

In fact, it was less than two years ago that the Senator during the course of the debate on the 1984 CAB Sunset Bill took the necessary steps to see to it that the U. S. Postal Service would be permitted to extend its mail contracting system to the intra-Alaska markets. The rationale for not extending the "one bidder takes all mail contracting system" to the intra-Alaska markets was the recognition that the mail distribution system for those markets must be operated in the manner most likely to assure a stable air transportation network. That need has not changed, but once again the system is not working.

Mail revenue has always been the principal driving force in the intra-Alaska markets because of the relative magnitude of that pool of revenue when compared to freight and passenger revenues. Mail revenues in the intra-Alaska markets in question range anywhere from 40-60 percent of total revenue. When freight revenue is added, it is obvious that passenger revenues represent a relatively small portion of the total revenue pool available to carriers.

This fact pattern has been in existence for years. But a number of external changes have occurred which have created the critical situation we are now facing. These factors are highlighted in the attached Appendix B, and their combined effect has been particularly severe.

It is beyond dispute that the mail distribution policies pursued by the U. S. Postal Service in Anchorage have a critical effect on whether there can continue to be a reliable network of scheduled air transportation in the interior Alaska markets addressing the needs of passengers, shippers and the Postal Service. The current mail distribution policies have in the short term worked to the advantage of only one or two carriers and to the enormous disadvantage of a large number of carriers as well as to various regional hubs. Over the long term, these policies will almost certainly all but destroy the stable air transportation network. A decision not to remedy this serious problem based on short term considerations voiced by a few would be extremely unfortunate. The time is now for a decision that adjustments have to be made to the mail distribution procedures currently followed by the U. S. Postal Service in Anchorage.

Respectfully submitted,

Dick & John Armstrong

Armstrong Air Service Inc. D/g.

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Respectfully submitted,

Jim A. Pederson

BARROW AIR INC.

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Respectfully submitted,

Bob Benschel

Wright Air Service, Inc.

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Respectfully submitted,

John Hajdukovich
[Signature]

Frontier Flying Service, Inc
40-Mile Air LTD

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Respectfully submitted,

Harold's Air Service, Inc

Harold's Air Service, Inc. President 5-23/86

Arctic Circle Air Service, Inc

Joseph C. Pichon Director of Operations 5-30-

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Respectfully submitted,

HAROLD'S AIR SERVICE INC. [Signature] 5-23-86
PRESIDENT

TANANA Air Service M U - Hett D/O 5/27/86

. APPENDIX A
(Page 1)

Essential Conditions To Assure the Equitable Allocation
of Bush Sector Nonpriority Mail

1. Prohibit the overflying of regional hubs. Such regional hubs are: Nome, Kotzebue, Bethel, Aniak, St. Mary's, McGrath, Unalakleet, Barrow, Ft. Yukon, Galena, Dillingham, King Salmon.

2. At competitively severed bush villages, an eligible carrier must serve the bush village on a scheduled basis at least three times per week from the regional hub.

3. Mail volumes tendered on the bush sectors among eligible carriers shall be divided equally over a U. S. Postal Service pay period among those carriers operating scheduled service to the bush village from the regional hub.

APPENDIX A
(Page 2)

Essential Conditions To Assure the Equitable Allocation
of Bush Sector Nonpriority Mail

1. A carrier shall operate a minimum of three weekly flights from Anchorage or Fairbanks to the regional hubs to be eligible for the tender of nonpriority mail at Anchorage or Fairbanks.
2. All mainline sector nonpriority mail shall be allocated among eligible carriers on the basis of scheduled weekly frequencies and capacity divided by the number of stops.*
3. The Postal Service shall impose meaningful penalties on carriers deviating from their published schedules.
4. The minimum size shipment for by-pass mail shall be reestablished at 4,000 pounds.

* / Alaska Airlines, Inc. and Reeve Aleutian Airways, Inc. would find acceptable a formula based solely on frequency.

APPENDIX B

The Principal Reasons Why the Current USPS Mail Distribution Policy is Creating Severe Damage

First, there has been a proliferation of service carrying large volumes of mail to certain bush villages which overflies the regional hubs. That has removed critical mail revenues from Anchorage/ regional hub segments as well as from the regional hub/bush village segments where the smaller bush carriers are critically dependent on such mail revenue. Second, the loss of critical mail revenue has forced many carriers to compensate by reducing service or by raising passenger fares or by a combination of both. Neither one of those results is in either the short-term or long-term interest of the residents of interior Alaska. Third, it must also be considered that the State of Alaska only a few years ago received in excess of ten million dollars in federal subsidy and that amount has been decreased to less than three million dollars today. At least several million dollars of the former subsidy pool was previously allocated to support scheduled service in the Bethel, Nome, Kotzebue bush areas which today do not receive even one dime in federal subsidy. That loss of revenue has had the effect of significantly increasing the overall importance to the bush carriers of Postal Service mail revenues. It has

therefore made the bush segment mail distribution policies absolutely critical. Fourth, the "Bethel mail experiment" with its policy of equitably tendering mail to any number of qualified bush carriers was designed to provide a major stimulus to the development of bush carriers and their respective fleets. As a result of that policy, a number of bush carriers expanded and acquired new aircraft. Many of those carriers are suddenly finding themselves without significant mail revenues which they have been previously receiving and which they had every right to expect to continue. Fifth, even on the routes served by jet aircraft such as Anchorage-Bethel, Anchorage-Nome, Anchorage-Kotzebue, the multiple frequency combination service provided to these communities is also extremely dependent on mail revenue. Alaska Airlines, for example, has seen its mail revenues drop by almost fifty percent between Anchorage and Nome and between Anchorage and Kotzebue in just the past few months. That leaves Alaska with only two choices -- dramatically reduce service or dramatically increase passenger fares. This is particularly unfortunate since the State of Alaska has already had to witness the loss of jet service at Aniak, Galena, Homer, McGrath, St. Mary's and Unalakleet when the federal subsidy program was dramatically curtailed a few years ago. Sixth, the latest aggravating factor is the Department of Transportation's proposed 8.1 percent decrease in intra-Alaska mail rates further the already reduced mail revenue pool available to the intra-Alaska carriers.

decision that adjustments have to be made to the mail distribution procedures currently followed by the U.S. Postal Service in Anchorage.

Respectfully submitted,

<u>Larry Churchill</u>	<u>Larry Flying Service</u>
<u>Grant Thompson</u>	<u>Cape Smythek</u>
<u>James D. Ross</u>	<u>Beving Air, Inc.</u>
<u>Paul Daniels</u>	<u>EKA Helicopters, Inc.</u>
<u>Bob H. Hume</u>	<u>Hercules Air Inc.</u>
<u>Markus Hein</u>	<u>Alaska Airlines, Inc.</u>
<u>W.D. Hill</u>	<u>Alaska Airlines, Inc.</u>
<u>Robert E. Egan</u>	<u>Alaska Airlines, Inc.</u>

B. ENSMINGER

Armstrong Air Service, Inc.

RD



BOX 204

DILLINGHAM, ALASKA 99576

842-5361

FLOATS • WHEELS • SKIS
HUNTING • FISHING • CHARTERS

Honorable Ted Stevens
U.S. Senate
522 Hart Building
Washington, D.C. 20510

Dear Senator Stevens,

We appreciate your support of essential air service to rural Alaska villages. Our small air service, in business for forty three years - many as an air taxi and for the past year as a commuter - supports you.

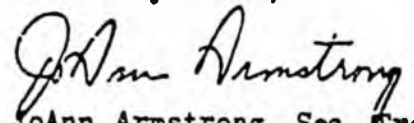
A recent article in the Anchorage Daily News was written concerning Northern Air Cargo's direct flights to some rural villages. No space was given to the smaller local carriers serving these villages who are adversely impacted by these flights. Northern Air Cargo would be changing the rules by circumventing the hub, which was set up to provide essential service to the villages, benefitting passenger traffic.

Local air carrier need the mail into and out of the hub to provide scheduled passenger service. Passenger traffic alone cannot sustain regular schedules. Mail pay helps to offset decreased traffic due to increased competition since deregulation, exorbitant insurance charges, and the cost of maintaining regular schedules.

An emphasis on freight delivery by large cargo - only carriers rather than passenger service, will ultimately affect those passengers in reduced service. We believe that Mark Air is correct that service level to the hub should be the criteria for division of mail. We also support the hub arrangement, with delivery of mail and passengers to the rural areas by local carriers.

Thank You for your stand on this important issue for rural Alaska.

Sincerely Yours,



JoAnn Armstrong, Sec. Treas.
Armstrong Air Service Inc.

- cc: Frank Murkowski
- Don Young
- Ralph Brumbaugh, Mark Air
- Martin Vanhorn, Alaska Airlines

Memo calls Bush mail plan illegal

By HAL BERNTON
Daily News business reporter

A MarkAir Inc. proposal to change the way mail is distributed to Alaska air carriers is illegal and anti-competitive, according to a memo by James Orlando, a top Postal Service official.

The proposal, if implemented, would give the state's passenger airlines a larger share of the multi-million-dollar mail business. Cargo-only carriers, which fly less often, would get a smaller share.

Orlando said in his memo that "the Postal Service cannot legally dispatch mail in a manner which favors passenger aircraft over all-cargo aircraft..." Orlando is director of the agency's Transportation and International Services Office.

The memo, obtained by the Daily News under the Freedom of Information Act, said the MarkAir formula "would promote anti-competitive, discriminatory postal dispatching policies by virtually eliminating the all-cargo and Bush carriers that are currently providing excellent mainline service in Alaska."

The memo, written in June 1985,

reviewed a Postal Service meeting with Wally Burnett, an aide to Alaska Sen. Ted Stevens, and other congressional staffers.

At the meeting, Burnett asked the Postal Service to review a formula to change mail distribution in Alaska, according to the memo.

That formula, which came from MarkAir, used frequency of flights, number of stops and gross weights of planes to determine mail allocations, Orlando said Friday.

Despite Orlando's 1985 harsh critique of the formula, the proposal remained under Postal Service review.

Nell Bergt, MarkAir's owner, presented the plan formally last February.

Since then, the proposal has triggered a volatile, often bitter debate among Alaska air carriers and Bush communities that depend on the mail for groceries and merchandise.

Shipments of this cargo are subsidized by the Postal Service, which last year paid Alaska carriers nearly \$56 million to fly mail.

In this memo, Orlando said major grocery shipments to the Bush have

indicated extreme concern" about any changes in the current mail distribution system.

Advocates of the MarkAir proposal or variations of it include Alaska Airlines and at least other passenger airlines. They feel they deserve more mail because they offer far more flights than cargo carriers.

They say the Postal Service — not MarkAir — is out of line. They think cargo flights are grabbing a disproportionate share of the lucrative mail business. This could cause passenger airlines to reduce service or even to fail.

"Our position is that (present mail distribution efforts favor all-cargo aircraft that provide minimal flights and service levels," said Bob Ensminger, MarkAir vice president for cargo services and postal affairs. The state Senate has endorsed the plan.

Theodore Seaman, a Washington, D.C. attorney for Northern Air, said MarkAir's proposal is "a blatant effort to create a competitor out of bush."

Orlando said the MarkAir proposal is "a blatant effort to create a competitor out of bush."

MEMO: Postal official frowns on MarkAir delivery proposal

Continued from Page B-5

proposal — after more than a year of review — still might be approved.

"As far as I'm concerned, it isn't (going through)," Orlando said. "But I'm not dealing with Sen. Stevens... I'm not working to implement such a formula. I'm not saying it won't be."

Stevens recently said he

doesn't support any specific reform proposal. But he said many airlines believe the current mail distribution system must be changed. And he has asked the Postal Service to examine their concerns.

"I've never endorsed any formula presented by anybody," Stevens said. "I don't think I'm in Northern Air Cargo's hand on one hand or shilling for MarkAir on the other. I'm trying to maintain a rational air policy. If I'm

guilty of anything, it's weighing passenger requirements higher than cargo requirements."

If too much mail goes to the cargo carriers, passenger airlines, which depend on the mail for a major portion of their revenue, might find it difficult to maintain adequate service to the Bush, Stevens said.

Stevens said he believes that an overwhelming number of the air carriers in the

Alaska Air Carriers Association support some sort of reform of the Postal Service policy. He recently received a letter from 17 air carriers urging the Postal Service to give more mail to passenger airlines who offer more frequent service.

Cindy Andrecheck, executive director of the 75-member Alaska Air Carriers Association, said the association is reviewing the situation.

 **HERMENS AIR, INC.**

Box 1778 • Bethel, Alaska 99559 • (907) 543-4220

Feb. 11, 1987

The Honorable Bette Cato
Chairman House Transportation Committee
P.O. Box V
Juneau, AK 99811

Dear Ms. Cato:

I would like to voice my support for JR-11.

Hermens Air, Inc. serves 52 villages with daily schedules from 4 hubs; Bethel, St. Mary's, Aniak, and Unalakleet. In these 4 hubs we employ 75 full time personnel.

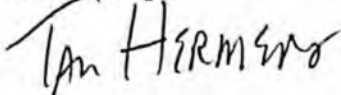
Allowing mainline airplanes to over fly the bush hubs with mail will seriously impact the well established hub and spoke system that allows rural Alaskans a reliable and affordable system of transportation. The bush mail has allowed us to provide passenger service and comfortable facilities for the people traveling to and from the bush villages. Without the mail to these villages, passenger fares would have to be doubled putting an unnecessary financial burden on rural Alaskans. Without the mail we would not be able to operate our present facilities, and we would be forced to decrease our personnel.

Hermens Air has made a financial commitment of over a million dollars in rural Alaska in terminal facilities and large ground handling equipment to turn the mainline aircraft at the bush hubs. Hermens Air has provided a stable work environment with many benefits such as health, dental, and pension plans to rural Alaskans and we feel a strong commitment to continue to do so. That is why it is so important for you to understand the importance of JR-11 passing to support the established transportation system in rural Alaska.

If I can be of any further help in answering questions about this important subject please feel free to contact me at 543-4220 Ext. 30.

Thank you for your time and consideration.

Sincerely,



Tan Hermens, Vice President

cc Al Adams
Johne Binkeley
Reed Stoops



RECEIVED
FEB 19 1987

Robertson, Monagle & Farlaugh, P.C.
Juneau, Alaska

February 16, 1987

Representative Bette Cato
Fifteenth Alaska State Legislature
First Session, 1987
House of Representatives
P. O. Box V
Juneau, AK 99811

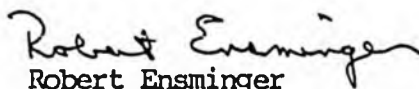
Dear Representative Cato:

This letter is to express MarkAir's support of House Joint Resolution #11.

Current U.S.P.S. mail distribution methods encourage all-cargo aircraft providing infrequent flights into communities. This practice reduces federal funding of the Alaskan transportation system and will result in higher passenger fares and fewer jobs at community passenger airlines.

I am confident that MarkAir is one airline among many who feel that mail revenues are the backbone of the Alaskan passenger transportation system.

Very truly yours,


Robert Ensminger
Vice President Postal Affairs

RE:avn
(0241T-6)

cc: Representative A. P. Adams
Representative H. A. "Red" Boucher
Reed Stoops

NORTHERN AIR CARGO, INC.
3900 W. INTERNATIONAL AIRPORT ROAD
ANCHORAGE, ALASKA 99502
(907) 243-3331

NORTHERN AIR CARGO

MAIL DISTRIBUTION IN RURAL ALASKA

U.S. MAIL DESTINED FOR RURAL ALASKA FROM THE ORIGIN POINTS OF ANCHORAGE AND FAIRBANKS IS CURRENTLY TENDERED TO THE MAINLINE CARRIERS (ALASKA AIRLINES, MARKAIR AND NORTHERN AIR CARGO) ON THE BASIS OF A USPS POLICY KNOWN AS "EQUITABLE TENDER".

EQUITABLE TENDER SIMPLY MEANS THAT THE USPS DISTRIBUTES THE VOLUME OF MAIL AS EQUALLY AS POSSIBLE AMONG THE AIRLINES FLYING ON A PARTICULAR ROUTE. AN EXAMPLE OF THIS IS THE ANCHORAGE TO BETHEL WHERE THE MAIL IS SPLIT AMONG THE 3 CARRIERS, THE CARRIER WITH THE MOST FREQUENCY OF SERVICE IN THAT MARKET RECEIVING A PROPORTIONATELY LARGER SHARE.

FOR THE PAST 3 YEARS THERE HAS BEEN A LOBBYING EFFORT OF THE ALASKA CONGRESSIONAL DELEGATION TO PRESSURE THE USPS TO CHANGE THEIR EQUITABLE TENDER POLICY TO A FORMULA WHICH MARKAIR HAS DEVELOPED AND WHICH EFFECTIVELY ELIMINATES NORTHERN AIR CARGO FROM CARRYING U. S. MAIL.

THE RATIONALE BEHIND THIS LOBBYING EFFORT ALLEGES THAT PASSENGER SERVICE IS BEING HAMPERED BY NORTHERN AIR CARGO, AN "ALL CARGO" AIRLINE, CARRYING THE U.S. MAIL AND THEREBY DEPRIVING THE PASSENGER CARRIERS OF THE ADDITIONAL REVENUE TO OFF SET THE COST OF PROVIDING PASSENGER SERVICE.

THIS ALLEGATION HAS NOT BEEN BORNE OUT BY THE FACTS. PASSENGER SERVICE IN RURAL ALASKA IS AT AN ALL TIME HIGH IN BOTH THE MAINLINE AND THE BUSH. THE LEVEL OF SERVICE HAS CONTINUED TO INCREASE AS WITNESSED BY TWO NEW PASSENGER CARRIERS RECENTLY ENTERING THE ANCHORAGE TO DILLINGHAM, KING SALMON, AND KODIAK MARKETS. THE SAME TREND IS OCCURRING IN THE SMALLER BUSH COMMUNITIES.

IT MAY BE TRUE THAT THERE IS TOO MUCH PASSENGER SERVICE AND SOME AIR CARRIERS MAY NEED TO ADJUST THEIR STRATEGIES. WHAT IS MORE IMPORTANT TO RURAL ALASKANS IS THAT THEIR QUALITY OF LIFE HAS IMPROVED DRAMATICALLY WITH THE ADVENT OF RELIABLE SCHEDULED ALL CARGO AIRLINE MAIL AND AIR FREIGHT SERVICE. EVIDENCE OF RURAL ALASKANS FEELINGS ON THIS ISSUE IS OBVIOUS BY THE MANY RESOLUTIONS, PETITIONS, AND LETTERS OF SUPPORT FOR ALL CARGO SERVICE THAT THE ALASKAN CONGRESSIONAL DELEGATION HAS RECEIVED ON THIS ISSUE.

ATTACHED IS A COPY OF A NEWSPAPER ARTICLE WHICH APPEARED IN THE ANCHORAGE DAILY NEWS ON APRIL 27, 1986 AND GIVES A FACTUAL ACCOUNT OF BOTH SIDES OF THE ISSUE.

BUSH MAIL SERVICE MEANS BIG BUCKS FOR AIRLINES

Anchorage Daily News

Sunday, April 27, 1986



Anchorage Daily News/Bob Hallinan

Dan Demott and Tom Bourdakovsky load cargo for a flight to the Bush aboard a Northern Air Cargo DC-6 at the Anchorage International Airport.

Cargo carrier faces fight to keep Bush mail routes

By HAL BERNTON
Daily News business reporter

Stacked on pallets in an Anchorage hangar sits some of Alaska's most lucrative air cargo: boxes of candy and tobacco, six-packs of pop, crates of vine-ripened tomatoes and bananas, and sacks of potatoes.

This is the Bush-bound U.S. mail, the financial backbone of Alaska's far-flung air transportation system. Last year, the U.S. Postal Service paid nearly \$56 million to Alaska carriers to fly mail around the state.

Neil Bergt, chairman of MarkAir Inc., doesn't think his airline — or other passenger airlines — got their fair share.

Bergt and MarkAir officials, aided by Alaska Sen. Ted Stevens, have led a group of passenger airlines in a quiet but powerful lobbying campaign to change the way the Postal Service divvies up the mail.

His postal proposal would give MarkAir and other passenger airlines more mail to carry — largely at the expense of Northern

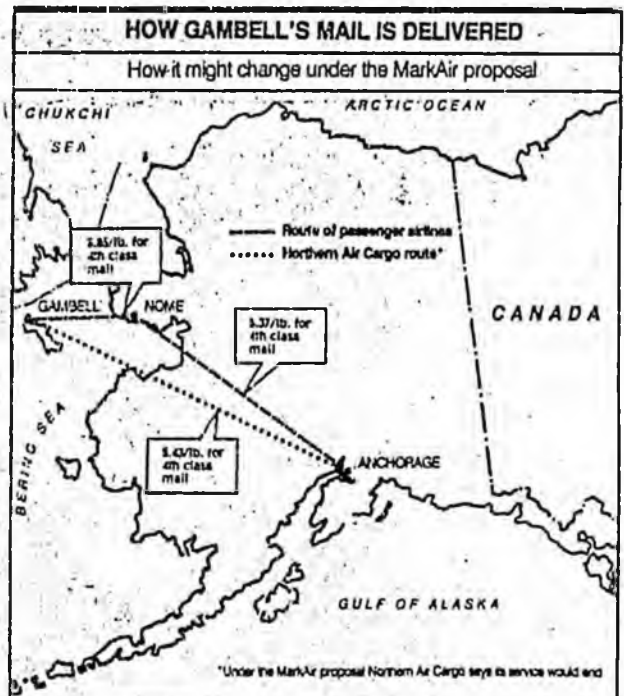
Air Cargo, the state's only all-freight airline.

The campaign pits Bergt's MarkAir against its longtime rival, Northern Air, in a high stakes battle for multi-million dollar mail revenues.

As passenger and freight traffic decline in the post oil-boom Alaska air economy, Bergt needs more mail to fill up the cargo holds of MarkAir's costly fleet of Boeing 737 jets.

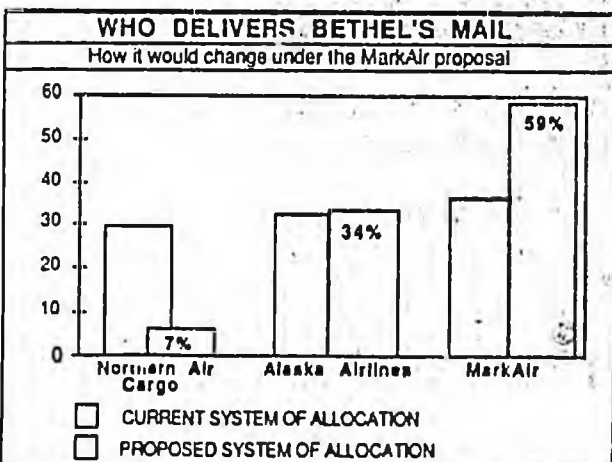
Bergt is molding the fleet into one of the state's dominant passenger carriers. But the company is losing a lot of money. In the last quarter of 1985, MarkAir lost \$1.8 million, according to a financial statement filed with the federal Department of Transportation. A financial statement put previous losses at \$18.8 million.

Northern Air Cargo likes the present mail distribution system just fine. The carrier is prospering by shuttling Anchor-

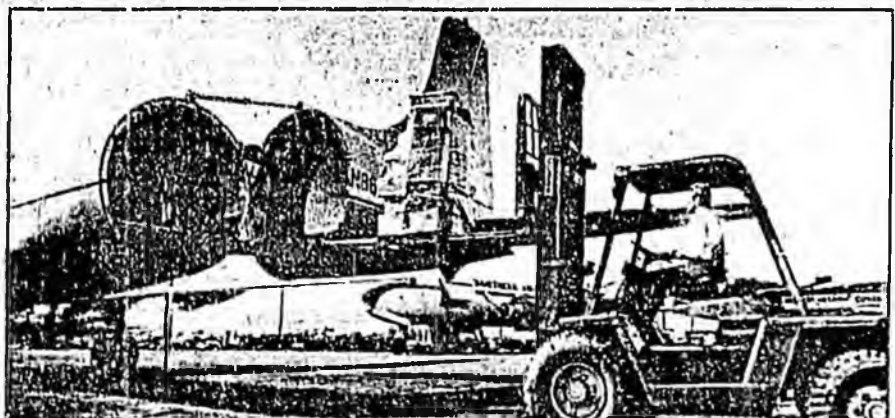


Daily News art department map

See Page J-2, MAIL FLIGHTS



Daily News art department chart



Anchorage Daily News/Bob Hallinan

The "swing-tail" design of this DC-6 makes for easy loading at the Northern Air terminal.

MAIL FLIGHTS: Airlines fight for bigger share of Bush cargo

Continued from Page J-1

age mail and oversized freight in a low-cost fleet of vintage DC-6s to 25 Bush destinations.

Northern Air's schedule includes the only direct mail service from Anchorage to about a half dozen villages. Passenger airlines shuttle mail for these villages through regional hubs, such as Nome or Bethel. The mail is then unloaded to await delivery on smaller commuter airlines.

MarkAir officials say their reform proposal is not aimed at Northern Air.

"It's a philosophical issue as to whether or not the mail should, in any way, shape or form, be a factor in providing safe and reliable and passenger service," said Jim Berg, a MarkAir vice president for finance.

Passenger airlines deserve more mail freight because they offer far more flights than cargo competitors, said Larry Anderson, another MarkAir official. The passenger airlines also have much larger investments in terminal buildings, salaries and equipment than the cargo carriers.

"We're not after Northern Air Cargo, we're after a more equitable distribution of the mail," Anderson said.

But Northern Air Cargo officials disagree.

"The MarkAir proposal must be viewed for what it is: a blatant effort to put a competitor out of business," wrote Theodore Seamens, a Washington, D.C. attorney for Northern Air, in a memo to the Postal Service.

Dennis Gladwin, a Northern Air vice president, said MarkAir is trying to fix a system that isn't broken. He has launched a vigorous public relations counteroffensive to kill the MarkAir proposal. He carries around a binder full of petitions and testimonials from villagers and shippers who like his cargo airline's mail service and don't want to see it hurt.

Postal Service officials also have problems with the MarkAir proposal. Their attorney said it's probably illegal.

Congress told the agency to develop an air delivery system that provides customers with the best possible system, wrote Michael J. Vandamm, the Postal Service's assistant general counsel, in an internal agency memorandum.

That means subsidizing the cost of mail delivery in Alaska so it's the same as in the Lower 48. But Vandamm doesn't think it means skewing the system to help bail out passenger airlines.

"There is no statutory basis for establishing a policy of distributing the mail business so as to favor passenger carriers at the expense of all-cargo and small aircraft operators," he stated.

Despite Postal Service skepticism, MarkAir's postal proposal is very much alive.

The proposal has been promoted by Stevens, chairman of the Senate Postal Subcommittee. Stevens helped arrange a meeting in Anchorage last February at which Bergt unveiled the formula to a crowded

room of Postal Service and airline officials.

In a recent interview, Stevens said he's talked with both Northern Air and MarkAir officials. But he appeared to support MarkAir's proposal.

Northern Air Cargo plans to add new routes and Stevens that expansion threatens the stability of the state's air passenger system.

Mail makes up at least one-third of the revenue for most passenger airlines. Without this revenue, the passenger airlines will reduce service and raise their rates, Stevens predicted.

Today, federal Transportation Department records show Alaska passenger service levels, despite all-cargo competition, are at an all-time high. And most airfares have stabilized.

But if passenger carriers keep losing mail to cargo lines, Stevens said the state transportation system will begin to disintegrate.

"We will rue the day that happens because there is no alternative. You can't take a bus . . .," Stevens said.

Postal Service officials are well aware of Stevens' views.

In recent weeks, the Postal Service has had "a lot of correspondence" with Stevens' office about the MarkAir proposal, said Rex Maytam, a Postal Service program manager based in Washington, D.C.

Maytam, of the Postal Service, said his agency is reviewing the MarkAir proposal and may hold hearings on it later this year.

□

The mail distribution formula that Bergt is seeking to reform was written three years ago in a sweeping Postal Service policy change that broke up mail-route monopolies held by the old Wien Airlines and a handful of subcontractors.

Under the old system, the Postal Service heavily subsidized shippers who chose to mail merchandise to the Bush. In some instances, the Postal Service paid more than 90 percent of the \$50 cost of shipping a 50 pound box to a Bush village.

Wien and its subcontractors loaded the groceries, merchandise and other mail in the cargo holds of passenger planes and took it to regional hubs. Village-bound mail — including perishable meat, dairy products and vegetables — then was unloaded and stored in warehouses. It often sat there for days until a smaller passenger airline, under subcontract to Wien, found room to deliver it to the villages.

The present postal distribution system retains the old system's heavy freight subsidies. But it attempts to divide up the postal money more evenly among the dozens of Alaska carriers spawned by the 1978 federal deregulation of the airline industry.

Most of the mail travels fourth class. And the formula offers roughly equivalent amounts of mail to all carriers who maintain at least once-a-day service levels to Alaska towns, said Daniel Beaton, an Anchorage-based Postal Service official.

And it offers some mail to cargo

planes that bypass regional hubs and fly direct from Anchorage to more than eight Bush villages. Most of these flights are offered by Northern Air; one by MarkAir.

The cargo planes fly only to villages with enough people to support once-weekly cargo trips and airstrips long enough to handle big planes.

The direct flights have been embraced by villagers and Anchorage shippers. Produce no longer rots in hub warehouses and merchandise arrives in better shape because it is handled less.

"The whole community has been behind Northern Air Cargo," said H. Vernon Slwooko, mayor of the St. Lawrence Island village of Gambell.

In St. Paul in the Pribilof Islands, Northern Air's direct flights have drastically reduced food prices by allowing frozen products to be shipped through the subsidized mail system, said Carol Melovidov, manager of the village's Aleut Community Store. The cargo service has also reduced monthly damage bills from mishandled mail by \$1,000, she said.

The direct flights also save the Postal Service money. The subsidy formula often requires the Postal Service to pay much higher freight costs to passenger airlines that carry freight via the indirect flights that pass through the hub system.

For example, mailing a package from Anchorage to Gambell on a direct cargo flight costs the Postal Service 43 cents a pound. The same freight flying to Gambell via Nome on a passenger jet costs the Postal Service \$1.22, according to federal Department of Transportation statistics.

Last year, Postal Service statistics showed a saving of more than \$1 million from direct cargo flights to the villages.

But officials of some commuter airlines say they need those mail revenues to help finance passenger service. They don't think they get a fair share of the mail; one that fully reflects their high service levels to rural Alaska.

"You get someone coming in and sharpshooting a certain type of (air) traffic," said Richard Reeve of Reeve Aleutian Airways. "You know that the other types of traffic are going to suffer."

"They (Northern Air) carry no passengers, and they do not face the high insurance premiums," said Grant Thompson, vice president of Barrow-based Cape Smythe Airlines.

"Bypassing the hub with the mail will eventually cause a collapse of the (passenger) system," said Jim Rowe, president of Bering Air.

But commuter airlines aren't entirely united in their opposition to the direct cargo flights.

Wilfred Ryan, president of Ryan Air — Western Alaska's largest passenger airline — said his company has lost mail to Northern Air, but he doesn't favor changing the formula. Instead, he favors free-market competition between the cargo carriers and the passenger airlines.

"The ultimate benefactor is the village consumer," he said. "The cost of living is declining."

In Unalakleet, which receives direct all-cargo service, Ryan Air has responded to the competition by operating small aircraft that can be filled up with passengers alone.

Ryan hasn't supported changing the postal formula. But a half dozen other commuter airlines have joined with MarkAir to lobby for changes in the Postal Service formula.

MarkAir's proposal would help the small passenger airlines by requiring all village mail carriers to provide service at least three times a week. Northern Air officials say that level of service isn't profitable for an all-cargo airline, so they would have to end village service.

The proposal helps the large passenger airlines flying from Anchorage by heavily weighing a carrier's weekly flights and plane size. The more flights and the bigger the planes, the more mail a carrier would receive.

MarkAir, for example, flies 20 times a week to Bethel; Northern Air flies seven. The new formula would raise MarkAir's share of the mail market to Bethel from 37 to 59 percent, earning the carrier more than \$500,000 in new revenue.

But according to Berg of MarkAir, the statewide effect of the MarkAir proposal would not have much effect on the carrier's revenue.

"It seems like everyone thinks this is a fight between a couple of different carriers," Berg said. "But we're not really that big of winners in this thing. We won't gain that much."

According to Berg, other passenger airlines would benefit as much, if not more, than MarkAir.

Northern Air's calculations of the MarkAir formula — using the last quarter of 1984 as a base — indicate Northern Air's state-wide mail share would drop from 20 percent to 8 percent. Meanwhile MarkAir's share would increase from 38 to 45 percent.

With only 8 percent of the mail, Northern Air couldn't afford to operate postal or freight service, said Gladwin, the company's vice president.

Stevens, when asked about Northern Air's claims that the formula would put them out of business, showed little sympathy.

"We must take whatever steps we have to assure the viability of passenger air transportation system," Stevens said.

Stevens believes the greater danger lies in allowing cargo carriers to keep grabbing more mail.

As passenger traffic softens in a faltering economy, he fears the rise of "monopoly carriers who are interested in freight delivery only."

Melovidov, of the St. Paul's Aleut Community store, said she understands the problems of the passenger airlines who are losing mail. But in a recent letter to Stevens, she urged the senator to also consider her community's villagers who want to see Northern Air survive.

"My feelings are that the United States Postal system was initiated to benefit the people — not those private corporations that are presently backing those proposed revisions."

NORTHERN AIR CARGO

Northern Air Cargo was founded in 1956 as a partnership between Robert "Bobby" Sholton and Maurice Carlson. The airline was established as a charter air freight service, utilizing two C-82 "Flying Boxcars." As the airline founders, Sholton and Carlson were both considered Alaskan aviation pioneers; since the late 1940's, Sholton had flown extensively all over Alaska delivering freight, passengers, and mail; Carlson had flown for the military.

With a fleet of C-82's, Northern Air Cargo established an impressive record of service to many areas of the State. The airline pioneered delivery of special-outsized cargo to some 192 different air strips within the State. Areas served were mining settlements, construction and DEW Line sites as well as delivering freight to rural communities on a charter basis. In 1969, the first DC-6 aircraft was added to the operation. This aircraft gave the Company additional lift and capacity and opened up an even more expanded rural market. Since the early 1970's, Northern Air Cargo has been on a controlled rate of growth adding DC-6 all-cargo aircraft periodically up to its present fleet of ten aircraft. Northern Air Cargo was co-owned by Sholton and Carlson until Sholton purchased his partner's interest in the airline in 1981.

The widow of Robert Sholton, Mrs. Rita Sholton is the airline's President and Chief Executive Officer. Mrs. Sholton has steered Northern Air Cargo on a course of steady growth since Robert Sholton's death in 1982. Mrs. Sholton moved the airline from almost 100% charter operations prior to 1982, to a scheduled airline that serves 20 communities within Alaska on a regularly scheduled basis with freight and mail delivery. The airline flies approximately two and one-half million miles per year within the State of Alaska.

Today, freight and mail fly on Douglas DC-6 air freighters. The airline owns ten DC-6 aircraft, and each plane can lift nearly 30,000 pounds. The planes are economical to operate, reliable, and ideally suited to the varied Alaskan flying conditions. The planes are able to land on improved and unimproved airstrips 4,000 feet in length, and the Company has upgraded the aircraft to include sophisticated electronics including LORAN navigation and Color Radar. Eight of the ten aircraft in the fleet are of the standard configuration; the ninth freighter is dedicated exclusively as a tanker, and can haul up to 4,500 gallons of fuel; the tenth freighter is one of only two in the world with a "Swingtail" which swings completely open from the tail allowing rear loading of cargo as long as 65 feet. The aircraft is ideally suited for the special transportation needs of rural Alaska.

Northern Air Cargo's philosophy is one of service to the customer, and providing this service as quickly, efficiently, and safely as possible. The airline has had over 30 years of accident free operations.

Northern Air Cargo employs 150 people in Anchorage and sub-contracts with local business enterprises in the 20 rural Alaskan communities that it serves. In all these areas, Northern Air Cargo has made a significant economical contribution.

TOGIAK NATIVES LIMITED

P.O. Box 169 • Togiak, Alaska 99670 • (907) 493-5520

FEB 25 1987

February 19, 1987

The Honorable Governor Steve Cowper
Office of the Governor
3rd Floor
State Capital
Pouch A
Juneau, Alaska 99811

Dear Governor Cowper:


It has come to my attention that certain members of the Alaska Legislature are supporting action that will seriously affect the economy of Togiak. I am referring to House Joint Resolution No. 11 "Relating to Mail to Main-line and Bush Communities" that is ill conceived and gave no thought to, nor input from, the residents of Togiak, Twin Hills, Goodnews Bay and the surrounding area.

Togiak has been making very good progress over the past few years in becoming an economic self-supporting community and is attempting to spread the benefits of these efforts to surrounding communities. Apparently, some members of the Legislature are bowing more to the demands of one large community over several smaller ones and, more questionable in our minds, to big, state-wide businesses rather than existing and developing local businesses.

Attached is a memorandum directed to the residents of this area that addresses the issue and concerns existing in regard to this matter. Attached to this memo are signatures of a great many of the residents of the area acknowledging their concern that they not lose the current level of freight service to Togiak. If more time was allowed I feel confident that almost all residents of this area would give their signature to this issue.

I respectfully request the support of your office in this matter.

Very Truly Yours,



Robert Nanalook
President

RN: fka
Enclosures

cc: Al Adams
John Binckley
Rep. Kay Wallis
Rep. Mike Davis
Rep. Pat Pourchot

Sen. Jan Faiks
Sen. Pat Rodey
Sen. Willie Hensley
Sen. Arliss Sturgulewski ✓
Sen. Fred Zharoff

Rep. Adelheid
Hermann

IN THE LEGISLATURE OF THE STATE OF ALASKA

FIFTEENTH LEGISLATURE - FIRST SESSION

RELATING TO TRANSPORTATION OF MAIL TO
MAINLINE AND BUSH COMMUNITIES IN ALASKA.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS BOTH THE MAINLINE AND BUSH COMMUNITIES IN THE STATE MUST BE ASSURED OF RELIABLE, YEAR-ROUND SCHEDULED PASSENGER AIR SERVICE AT REASONABLE RATES IN ORDER TO MEET THE TRANSPORTATION NEEDS OF THEIR RESIDENTS AND VISITORS, AND

WHEREAS THE PROVISION OF SCHEDULED PASSENGER AIR SERVICE, PARTICULARLY TO AND WITHIN THE RURAL REGIONS OF THE STATE, IS UNIQUELY AFFECTED BY PRONOUNCED SEASONAL VARIATIONS IN TRAFFIC, HIGH FIXED OPERATING COSTS, AND SEVERE WEATHER CONDITIONS, AND

WHEREAS FEDERAL SUBSIDIES FOR SCHEDULED PASSENGER SERVICE IN THE STATE ARE SLATED FOR POSSIBLE ELIMINATION, WHICH WOULD HAVE AN ADDITIONAL ADVERSE EFFECT ON SCHEDULED PASSENGER SERVICE, AND


WHEREAS IT IS CRITICAL TO THE PROVISION OF ADEQUATE PASSENGER SERVICE IN ALASKA THAT THE U.S. POSTAL SERVICE EQUITABLY APPORTION CONTRACTS FOR THE CARRIAGE OF MAIL AMONG CARRIERS AND THAT THE U.S. POSTAL SERVICE SERIOUSLY CONSIDER THE LEVEL OF PASSENGER SERVICE OFFERED BY CARRIERS TO EACH AFFECTED COMMUNITY IN AWARDING CONTRACTS FOR CARRIAGE OF MAIL,

BE IT RESOLVED THAT THE ALASKA STATE LEGISLATURE RESPECTFULLY REQUESTS THE U.S. POSTAL SERVICE TO ADOPT A POLICY FOR THE DISTRIBUTION OF MAIL TO CARRIERS SERVING ALASKAN COMMUNITIES THAT SPECIFICALLY TAKES INTO ACCOUNT THE FREQUENCY AND CAPACITY OF SCHEDULED PASSENGER SERVICE OFFERED BY EACH CARRIER SERVING A COMMUNITY.

COPIES OF THIS RESOLUTION SHALL BE SENT TO THE HONORABLE PRESTON R. TISCH, POSTMASTER GENERAL OF THE U.S. POSTAL SERVICE, AND TO THE HONORABLE TED STEVENS AND THE HONORABLE FRANK MURKOWSKI, U.S. SENATORS, AND THE HONORABLE DON YOUNG, U.S. REPRESENTATIVE, MEMBERS OF THE ALASKA DELEGATION IN CONGRESS.

MEMORANDUM TO THE RESIDENTS OF
TOGIAK, TWIN HILLS, GOODNEWS BAY,
AND QUINHAGAK, ALASKA

TO: Residents Of Togiak, Twin Hills, Goodnews Bay, and
Quinhagak, Alaska

FROM: Larry A. Wiggins, Business Agent For Togiak Natives
Ltd. & Togiak Eskimo Seafoods, Inc. 

DATE: February 16, 1987

I am sure you are all aware that Northern Air Cargo has been coming into Togiak on a weekly schedule since early last October. This direct flight from Anchorage to Togiak has been a great economic benefit to the people of Togiak and will be an even greater benefit in the future.

This economic benefit is demonstrated in a number of ways. First, by having a DC 6 size aircraft operating a scheduled freight service into Togiak the people and businesses who live in the area can get products (snowmachines, groceries, appliances, cars and trucks, etc.) in Anchorage and ship them to Togiak much cheaper than if they had to come the old way through Dillingham.

Second, because of the large size of the DC 6 many items can be shipped to Togiak at any time instead of waiting for summer barge service.

Third, retail stores in Togiak are now able to get their groceries and many other products they sell into town much quicker and with very little loss or damage. This very definitely results in lower retail prices, and a much better quality of product. The fresh milk, meat and produce offered at Our Store are the result of these direct flights into town.

Fourth, retail prices are also kept low when local stores have the ability to purchase product from their suppliers on a weekly basis rather than making larger monthly purchases which require tying up more money for inventory.

What all of the above means is that weekly freight flights into Togiak have improved the standard of living of the local people.

The purpose of this letter is to make the people of Togiak and the surrounding area aware of the benefits of this direct freight flight and of the possibility that these flights could be stopped before we really get a chance to enjoy their benefits.

Because much of the freight and groceries (which normally come through a system called "By-Pass Mail") coming to Togiak are no longer going through Dillingham certain people in Dillingham have been opposing these direct flights to Togiak. In addition, some major Jet passenger and freight carriers into Dillingham from Anchorage have been opposed to these flights because they are losing revenue from not being able to carry Togiak freight to Dillingham.

The Dillingham City Council and Chamber of Commerce have taken action in an apparent attempt to force the U.S. Post Office to have much of the Togiak By-Pass Mail go through Dillingham. In an apparent response to these pressures from Dillingham and the larger Jet carriers servicing Dillingham, House Joint Resolution No. 11 has been submitted to the Alaska Legislature that would request the U.S. Postal Service to favor passenger carrier airline companies when distributing By-Pass Mail. If such an action should occur this would effectively stop the weekly freight flights into Togiak.

The reasoning presented for such an action by Dillingham, the Jet passenger carriers and the sponsors of House Resolution No. 11 are that without U. S. Post office subsidies air passenger rates between Anchorage and Dillingham would increase. This in fact remains to be seen, there are now several small air carriers offering excellent passenger service between Anchorage and Dillingham that do not, necessarily, need this subsidy. More important even if air fares should increase this would have relatively little impact on the residents of Togiak and the surrounding area in light of the benefits offered by having direct freight flights into Togiak.

It appears that certain legislators in Alaska are responding to political pressure in this matter without getting adequate input from the residents of Togiak and the surrounding area. Attached to this memo is a place for your signature. If you support the current action of the U.S. Post Office of assigning By Pass Mail to carriers flying into Togiak and if you want the Alaska Legislature and Governor Cowper to oppose any attempts to exert pressure on Congress or the U.S. Post Office to change this current practice then please sign in the place provided.

Copies of this letter with supporting signatures will be sent to members of the Alaska Legislature and Governor Cowper as well as Alaska's Congressional Delegation.

PETITION

PRINT NAME:

SIGNATURE:

ADDRESS:

PETE M. ABRAHAM	<i>Pete Abraham</i>	Box 106	Togiak, AK
Norman Coupchak	<i>Norman Coupchak</i>	Box 32	Togiak, AK
Francis Coupchak	<i>Francis Coupchak</i>	Box 82	Togiak, AK
Dave Markoff	<i>Dave Markoff</i>	Box 134	Togiak, AK
Elizabeth Wassilie	<i>Elizabeth Wassilie</i>	Box 168	Togiak, AK
William Coupchak	<i>William Coupchak</i>	Box 39	Togiak, AK 99678
Orlene Coupchak	<i>Orlene Coupchak</i>	Box 39	Togiak, AK
Verna Danalock	<i>Verna Danalock</i>	Box 70	Togiak, AK
Benjamin "D" Dock	<i>Benjamin "D" Dock</i>	Box 103	Togiak, AK
BESSIE O. BLUE	<i>Bessie O. Blue</i>	Box 92	Togiak, AK 99678
MAREN E. CAREY	<i>Maren E. Carey</i>	3500 W. 40th	ANCHORAGE, AK 99517
Frank Locksley	<i>Frank Locksley</i>	Box 78	Togiak, AK
Margaret Wassilie	<i>Margaret Wassilie</i>	Box 28	Togiak, AK
EDWARD M. WASSILLIE	<i>Edward M. Wassilie</i>	Box 104	Togiak, AK 99678
MARtha J. WASSILLIE	<i>Martha J. Wassilie</i>	Box 28	Togiak, AK
TOMMY ATAKITTIG	<i>Tommy Atakittig</i>	Box 55	Togiak, AK
JACK PETERS	<i>Jack Peters</i>	"	"
MARY E Andrews	<i>Mary E. Andrews</i>	Box 76	Togiak, AK
Daniel P. Andrews	<i>Daniel P. Andrews</i>	Box 76	Togiak, AK
William P. Andrews	<i>William Andrews</i>	Box 76	Togiak, AK
Richard Amatunak	<i>Richard Amatunak</i>	Box 35	Togiak, AK
John T. Andrew	<i>John T. Andrew</i>	Box 102	"
JOE ANDREW	<i>Joe Andrew</i>	"	"
William E. Einhellig Jr.	<i>William E. Einhellig Jr.</i>	Box 196	Togiak, AK
SALLY F. Andrew	<i>Sally Andrew</i>	Box 196	Togiak, AK
Raymond H. Andrew	<i>Raymond H. Andrew</i>	Box 102	Togiak, AK
Joshua Andrew	<i>Joshua Andrew</i>	Box 155	Togiak, AK
Moses Andrew	<i>Moses Andrew</i>	Box 102	Togiak, AK
Martha Antone	<i>Martha Antone</i>	Box 32	Togiak, AK
EVELYN YANEZ	<i>Evelyn Yanez</i>	Box 27	Togiak, AK
Jose Yanez	<i>Jose Yanez</i>	"	"
Steve Fosus	<i>Steve Fosus</i>	Box 21	Togiak, AK
CHRUSKA DYASUK	<i>Chruska Dyasuk</i>	Box 12	"
ANDREW DYASUK	<i>Andrew Dyasuk</i>	Box 12	"
MARTHA A. LOCKUK	<i>Martha A. Lockuk</i>	82	"
MARY A. LOCKUK	<i>Mary A. Lockuk</i>	82	"
ANDY LOCKUK	<i>Andy Lockuk</i>	82	"
Willie T. Echuak Sr.	<i>Willie T. Echuak Sr.</i>	Box 29	"
Martha A. Echuak	<i>Martha A. Echuak</i>	Box 29	"
Richard Echuak	<i>Richard Echuak</i>	"	"
EMMA ECHUAK	<i>Emma Echuak</i>	Box 24	Togiak, AK

PEITION

PRINT NAME:

SIGNATURE:

ADDRESS:

Don Pasquariello	<i>Don Pasquariello</i>	Box 198	Togiak, Alaska
Susan Ann Pasquariello	<i>Susan Ann Pasquariello</i>	Box 198	Togiak, Alaska
Fannie Logusak	<i>Fannie Logusak</i>	Box 78	Togiak Alaska
CHARLIE KOZIVIKOFF	<i>Charlie Kozivikoff</i>	Box 116	" "
MARTHA KOZIVIKOFF	<i>Martha Kozivikoff</i>	" "	" "
Robert Nikolai Jr.	<i>Robert Nikolai Jr.</i>	General Delivery	Twin Hills, AK
WILLIE WICK	<i>Willie Wick</i>	Box 37	Togiak

Witness *Charlie Kozivikoff*

Petitioner

Marle Snyder	<i>Marie Snyder</i>	Box 45	Togiak
Nellie Pank	<i>Nellie Pank</i>	P.O. Box 72	Togiak
Emma Pank	<i>EMMA PANK</i>	P.O. Box 72	Togiak
Susie P. Kasak	<i>Susie P. Kasak</i>	P.O. Box 74	Togiak
Roy C. Kasak	<i>Roy C. Kasak</i>	P.O. Box 74	Togiak
Louise A. Gosuk	<i>Louise A. Gosuk</i>	Box 21	Togiak
MARY GOSUK	<i>Mary Gosuk</i>	Box 93	

ANTONS GOSUK	<i>ANTONS GOSUK</i>		
MARY GOSUK	<i>MARY GOSUK</i>	Box 93	
Henry G. Goodwin	<i>Henry G. Goodwin</i>	Box 161	
JOE ALEXIE	<i>Joe Alexie</i>	Box 81	Togiak
Stanley Active	<i>Stanley Active Jr.</i>	Box 131	Togiak
ISAAK A. TUDJAN	<i>Isaac A. Tudjan</i>	Box 63	Togiak
Anuska Avojiak	<i>Anuska Avojiak</i>	Box 104	Togiak
MASAS AVOJIAK	<i>Masas Avojiak</i>	Box 104	Togiak
HENRY A. BAVIKKA	<i>Henry A. Bavikka</i>	Box 144	Togiak

HARRY A. WIGGINS	<i>Harry A. Wiggins</i>	Box 3402	Palmer, AK 99685
Moses Coupchuk	<i>Moses Coupchuk</i>	Box 188	Togiak, AK 99678
Roy Fox	<i>Roy Fox</i>	Box 176	Togiak, AK 99678
Annie Fox	<i>Annie Fox</i>	Box 176	Togiak, AK 99678
Walter Tukava	<i>Walter Tukava</i>	Box 158	Togiak, AK
Evelyn Dugasuk	<i>Evelyn Dugasuk</i>	Box 122	Togiak, AK 99678
Carl E. Andrews	<i>Carl E. Andrews</i>	Box 76	Togiak, AK 99678
Mary E. Andrews	<i>Mary E. Andrews</i>	Box 76	Togiak, AK 99678
Andrew Andrews Sr.	<i>Andrew Andrews Sr.</i>	Box 76	Togiak, AK 99678

LeRoy Nanalook	<i>LeRoy Nanalook</i>	Box 10	Togiak, AK 99678
Richard Coupchuk	<i>Richard Coupchuk</i>	Box 51	Togiak, AK 99678
PAVILGA MASSILLIE	<i>Pavilga Massillie</i>	Box 64	Togiak, AK 99678
June Arkanakyak	<i>June Arkanakyak</i>	Box 3	Togiak, AK 99678
Julie Nanalook	<i>Julie Nanalook</i>	Box 121	Togiak
Adolph J. Active	<i>Adolph J. Active</i>	Box 208	Togiak
Emma K Nanalook	<i>Emma Nanalook</i>	Box 10	Togiak

PETITION

PRINT NAME:

SIGNATURE:

ADDRESS:

Moses Kritz	Moses Kritz	Box 83 Togiak AK 99678
Emma Echuick	Emma Echuick	Box 214 Togiak AK 99678
Aurea Kritz	Aurea Kritz	Box 83 Togiak, AK 99678
John M. Parker	John M. Parker	Box 191 Togiak AK 99678
Raymond Morris	Raymond Morris	P.O. Box 215 Togiak
Kemp Fishones	Kemp Fishones	Pouch 502 Togiak
Samuel Carlson	Samuel Carlson	Box 67 TOGIAC
Jack Kamli Jr	Jack Kamli Jr.	Box 133 TOGIAC
William Kamli	William Kamli	Box 61 Togiak
Bruce Foerch	BRUCE FOERCH	Box 142 TOGIAC AK
Carol Bryant	Carol Bryant	Box 171 Togiak AK
Elmer Foerch	Elmer Foerch	Box 142 Togiak, Alaska
Mary W. Savolta	Mary W. Savolta	Box 111 Togiak AK
Laurie Dyasuk	Laurie Dyasuk	P.O. Box 194 Togiak AK
Samson Dyasuk	Samson Dyasuk	P.O. Box 12 Togiak AK
LUCY A. SKOLNICK	Lucy A. Skolnick	P.O. Box 202 Togiak, AK 99678
Jonathan A. Dyasuk	JONATHAN A. DYASUK	P.O. Box 194 Togiak AK 99678
Matt H. Aposik	Matt H. Aposik	P.O. Box 133 Togiak AK 99678
Margie Coopchiak	Margie Coopchiak	Box 84 Togiak, AK 99678
Maya Kamli	Maya Kamli	Box 61 Togiak AK 99678
Russell P. Greenley	Russell P. Greenley	Box 112 Togiak AK 99678
Norothy C. Greenley	Norothy C. Greenley	Box 112 Togiak AK 99678
Carol C. Neal	Carol C. Neal	Box 154 Togiak, AK 99678
Almer Neal	Almer Neal	Box 154 Togiak, AK 99678
Dorothy Lous	Dorothy Lous	P.O. Box 173 Togiak, AK 99678
Joshua D. Andrews	Joshua D. Andrews	P.O. Box 76 Togiak AK 99678
Louise Coopchiak	Louise Coopchiak	Box 181 Togiak, AK 99678
Ernest Wassilie	Ernest Wassilie	
Evelyn J. Suits	Evelyn J. Suits	Box 113 Togiak AK 99678
Nora E. Flores	Nora E. Flores	Box 153 Togiak AK 99678
PAULINA AKAMNRYAK	PAULINA AKAMNRYAK	P.O. Box 178 Togiak, AK 99678
Fanny Kay Aposik	Fanny Kay Aposik	P.O. Box 191 Togiak, AK 99678
Darryl Marger Grovenstein	Darryl Marger Grovenstein	P.O. Box 125 Togiak AK 99678
Sarah N. Williams	Sarah N. Williams	P.O. Box 102 Togiak AK 99678
Nellie C. Blue	Nellie C. Blue	Box 146, Togiak, AK 99678
Stanley Arthur Sr	Stanley Arthur Sr	Box 81 Togiak AK 99678
BRIAN ABRAHAM	Brian Abraham	Box 106 Togiak AK 99678
MARK R. Schaeffer	Mark R. Schaeffer	Box 65 Togiak AK 99678
Rosemary Snyder	Rosemary Snyder	
Rosemary Wassilie	Rosemary Wassilie	Box 212 Togiak AK 99678
Judy Whyman	Judy Whyman	Box 14

PETITION

PRINT NAME:

SIGNATURE:

ADDRESS:

Sharon Anpalook	Sharon Anpalook	Box 10	Togiak, Ak
Alfred Gosuk	Alfred H. Gosuk	Box 73	Togiak, Ak
John J. Bavilla	John J. Bavilla	Box 95	" "
Benjamin L. Coopchick Jr		P.O. Box 107	Togiak, Ak
Benjamin L. Coopchick Jr	Benjamin L. Coopchick Jr	Box 9	Togiak, Ak
David Kosak	David Kosak	Box 74	Togiak, Ak 99678
Dennis & Dorrey	Dennis & Dorrey	Box 34	Togiak, AK 99678
Bertha Pawian	Bertha Pawian	Box 71	Togiak, Ak 99678
Robert T. Blue	Robert T. Blue	Box 90	Togiak, Ak 99678
Albert Krumme	Albert Krumme	Box 26	Togiak, Ak 99678
Anna Crupchick	Anna Crupchick	Box 151	Togiak, AK 99678
Jack Snyder	Jack Snyder	Box 45	Togiak, AK 99678
Mary Swatt	Mary Swatt	Box 117	Togiak, AK 99678
David O. Swatt	David O. Swatt	Box 117	" " " "
Joanne Mark	Joanne Mark	Box 108	Togiak, Ak 99678
Robert Cowdin	Robert Cowdin	Box 27	Togiak, AK 99678
Sarah Bowles	Sarah Bowles	Box 195	" " " " 99678
Mary Hastings	Mary Hastings	Box 203	Togiak, Ak 99678
Randy H. Hastings	Randy H. Hastings	Box 203	Togiak, Ak 99678
Alan Grovesstein	Alan Grovesstein	Box 175	Togiak, AK 99678
Tanya L. Lockuk	Tanya L. Lockuk	Box 125	Togiak, AK 99678
Fanny M. Nanalook	Fanny M. Nanalook	Box 10	Togiak, AK 99678
Gladys Coopchick	Gladys Coopchick	Box 131	Togiak, AK 99678
Sophie Nick	Sophie Nick	Box 124	Togiak, Ak 99678

PETITION

PRINT NAME:

SIGNATURE:

ADDRESS:

Stella B. Sharp	Stella B Sharp	Twin Hills, AK
Daniel Sharp	Daniel Sharp	Twin Hills, AK
John W. Sharp	John W. Sharp	Twin Hills, AK
Nattie Fullerton	Nattie Fullerton	Twin Hills, AK
R.C. Wassillie	Roger C Wassillie	Gen Del Twin Hills, AK
Louise M. Wassillie	Louise M Wassillie	Gen. Del. Twin Hills, AK
Luke Tukaya	Luke Tukaya	Twin Hills, AK
Dan Nanaivak	Dan Nanaivak Sr.	Twin Hills, AK 99576
Agnes Tukaya	Agnes Tukaya	Twin Hills, AK
Sally Small	Sally Small	" " "
Mickey Sharp	Mickey Sharp	" " "
William Tukaya	William Tukaya	" " "
George Pleasant, Sr.	George Pleasant Sr.	Twin Hills,
CARRIE DEMOSKI	Carrie Demoski	Twin Hills, AK 99576
GEORGE KUKU	George Kuku	Twin Hills AK 99576
MARY KUKU	Mary Kuku	Twin Hills AK 99576
Julius Pleasant	Julius Pleasant	Twin Hills AK 99576
Linda Camechuk	Linda Camechuk	Twin Hills AK 99576
David Foster	David Foster	Twin Hills AK 99576
Louis Small	Louis Small	Twin Hills, AK
Ina Small	Ina Small	Twin Hills, AK
Auson Skinner Jones	Auson Skinner Jones	Twin Hills, AK
Devin C. Jones	Devin C. Jones	Twin Hills, AK
Frank T. Kuku	Frank T. Kuku	Twin Hills, AK
Andrew Boguilikuk	Andrew Boguilikuk	Twin Hills, AK
James W. Boguilikuk Jr.	James W. Boguilikuk Jr.	Twin Hills
Arthur W. Sharp	Arthur W. Sharp	Twin Hills, AK
Jeff Sharp	Jeff Sharp	Twin Hills

FEB 27 1987



ANICA, INC.

ALASKA NATIVE INDUSTRIES CO-OPERATIVE ASSOCIATION INC.

Since 1948

February 24, 1987

Senator Jack Coghill
Alaska State Senate
Pouch V
Juneau, Alaska 99811



Dear Senator Coghill:

We are in support of the adoption and passage of Senate Joint Resolution No. 16.

Since this resolution recognizes the fact that deregulation has brought more frequent passenger service and competitive air freight service to Alaska villages for the first time in many years and that this resolution would make continued uncontrolled mail service available to Alaska villages we, as an Alaska Native owned cooperative which has been in business for over 40 years, serving over 40 different rural Alaska villages, urge the passage of this resolution.

Sincerely,

Myrum W. Jepsen
Anchorage Branch Manager
ANICA, INC./Anchorage

HWJ/ga

cc: Rep Adelheid Herrmann
Rep Al Adams
Rep Peter Goll
Rep Lyman Hoffman
Rep Kay Wallis
Rep Heinrich Springer
Sen Willie Hensley
Sen Fred Zharoff
Sen John Binkley
Sen Sturgulewski
Sen Halford
Sen Uehling
Sen Szymanski
Sen Lloyd Jones
Sen Jay Kurtula


cc: Sen Ted Stevens, U.S. Congress
Sen Frank Murkowski, U.S. Congress
Rep Don Young, U.S. Congress
Hon Preston R. Tisch, Postmaster Gen., USPS
Clifford Weyiouanna, Pres., ANICA, INC.
Paul Peck, Gen. Mgr., ANICA, INC.

THE FOLLOWING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.



MEMORANDUM TO THE RESIDENTS OF
TOGLAK, TWIN HILLS, GOODNEWS BAY,
AND QUINHAGAK, ALASKA

TO: Residents Of Togliak, Twin Hills, Goodnews Bay, and
Quinhagak, Alaska

FROM: Larry A. Wiggins, Business Agent For Togliak Natives
Ltd. & Togliak Eskimo Seafoods, Inc. 

DATE: February 16, 1987

I am sure you are all aware that Northern Air Cargo has been coming into Togliak on a weekly schedule since early last October. This direct flight from Anchorage to Togliak has been a great economic benefit to the people of Togliak and will be an even greater benefit in the future.

This economic benefit is demonstrated in a number of ways. First, by having a DC 6 size aircraft operating a scheduled freight service into Togliak the people and businesses who live in the area can get products (snowmachines, groceries, appliances, cars and trucks, etc.) in Anchorage and ship them to Togliak much cheaper than if they had to come the old way through Dillingham.

Second, because of the large size of the DC 6 many items can be shipped to Togliak at any time instead of waiting for summer barge service.

Third, retail stores in Togliak are now able to get their groceries and many other products they sell into town much quicker and with very little loss or damage. This very definitely results in lower retail prices, and a much better quality of product. The fresh milk, meat and produce offered at Our Store are the result of these direct flights into town.

Fourth, retail prices are also kept low when local stores have the ability to purchase product from their suppliers on a weekly basis rather than making larger monthly purchases which require tying up more money for inventory.

What all of the above means is that weekly freight flights into Togliak have improved the standard of living of the local people.

The purpose of this letter is to make the people of Togiak and the surrounding area aware of the benefits of this direct freight flight and of the possibility that these flights could be stopped before we really get a chance to enjoy their benefits.

Because much of the freight and groceries (which normally come through a system called "By-Pass Mail") coming to Togiak are no longer going through Dillingham certain people in Dillingham have been opposing these direct flights to Togiak. In addition, some major Jet passenger and freight carriers into Dillingham from Anchorage have been opposed to these flights because they are losing revenue from not being able to carry Togiak freight to Dillingham.

The Dillingham City Council and Chamber of Commerce have taken action in an apparent attempt to force the U.S. Post Office to have much of the Togiak By-Pass Mail go through Dillingham. In an apparent response to these pressures from Dillingham and the larger Jet carriers servicing Dillingham, House Joint Resolution No. 11 has been submitted to the Alaska Legislature that would request the U.S. Postal Service to favor passenger carrier airline companies when distributing By-Pass Mail. If such an action should occur this would effectively stop the weekly freight flights into Togiak.

The reasoning presented for such an action by Dillingham, the Jet passenger carriers and the sponsors of House Resolution No. 11 are that without U. S. Post office subsidies air passenger rates between Anchorage and Dillingham would increase. This in fact remains to be seen, there are now several small air carriers offering excellent passenger service between Anchorage and Dillingham that do not, necessarily, need this subsidy. More important even if air fares should increase this would have relatively little impact on the residents of Togiak and the surrounding area in light of the benefits offered by having direct freight flights into Togiak.

It appears that certain legislators in Alaska are responding to political pressure in this matter without getting adequate input from the residents of Togiak and the surrounding area. Attached to this memo is a place for your signature. If you support the current action of the U.S. Post Office of assigning By Pass Mail to carriers flying into Togiak and if you want the Alaska Legislature and Governor Cowper to oppose any attempts to exert pressure on Congress or the U.S. Post Office to change this current practice then please sign in the place provided.

Copies of this letter with supporting signatures will be sent to members of the Alaska Legislature and Governor Cowper as well as Alaska's Congressional Delegation.

PETITION

PRINT NAME:	SIGNATURE:	ADDRESS:
PETE M. ABRAHAM	Pete Abraham	Box 106 Togiak
Norman Coupchuk	Norman Coupchuk	Box 32 Togiak
Fredos Coupchuk	Fredos Coupchuk	Box 82 Togiak
Dave Markoff	Dave Markoff	Box 134 Togiak
Elizabeth Wassilie	Elizabeth Wassilie	Box 168 Togiak
William Coupchuk	William Coupchuk	Box 39 Togiak, Ak 99608
Orlene Coupchuk	Orlene Coupchuk	Box 39 Togiak, AK
Verna Wancloak	Verna Wancloak	Box 20 Togiak AK
Benjamin "D" Dock	Benjamin "D" Dock	Box 163 Togiak AK
Bessie O. Blue	Bessie O. Blue	Box 92 Togiak, Ak 99678
MAREN E. CAREY	Maren E. Carey	3500 W. 40th ANCHORAGE, AK 99517
Frank Lockuk	Frank Lockuk	Box 78 Togiak, AK
Margaret Wassilie	Margaret Wassilie	Box 28 Togiak, Ak
EDWARD M. WASSILLIE	Edward M. Wassilie	Box 164 Togiak, Ak 99678
MARION J. WASSILLIE	Marion J. Wassilie	Box 28 Togiak, Ak
TOMMY ATAKITIG	Tommy Atakitig	Box 55 Togiak, AK
JACK PETERS	Jack Peters	" " " "
Mary E Andrews	Mary E. Andrews	Box 76 Togiak, AK
Daniel P. Andrews	Daniel P. Andrews	Box 76 Togiak, AK
William P Andrews	William Andrews	Box 76 Togiak AK
Richard Amatunak	Richard Amatunak	Box 35 Togiak AK
John T. Andrew	John T. Andrew	Box 102 " " " "
JOE ANDREW	Joe Andrew	" " " "
William E. Einhellig Jr.	William E. Einhellig Jr.	Box 196 Togiak, AK
SALLY F. ANDREW	Sally Andrew	Box 196 Togiak AK
Raymond H. Andrew	Raymond H. Andrew	Box 102 Togiak, AK
Joshua Andrew	Joshua Andrew	Box 155 Togiak AK
Moses Andrew	Moses Andrew	Box 102 Togiak AK
Martha Antone	Martha Antone	Box 32 Togiak Ak
Evelyn Yanez	EVELYN YANEZ	Box 27 Togiak Ak
Jose Yanez	Jose Yanez	" " " "
Steve Gosul	Steve Gosul	Box 21 Togiak Ak
ANUSKA DYASUK	Christina Dyasuk	Box 12 " "
ANDREW DYASUK	Andrew Dyasuk	Box 12 " "
MARTHA A. LOCKUK	Martha A. Lockuk	82 " "
MARY A. LOCKUK	Mary A. Lockuk	82 " "
ANDY LOCKUK	Andy Lockuk	AK " "
Willie Tschuck Sr.	Willie Tschuck Sr.	150729 " "
Martha A. Tschuck	Martha A. Tschuck	Box 27 " "
Richard Tschuck	Richard Tschuck	" " " "
Emma Tschuck	Emma Tschuck	Box 24 Togiak, AK

PETITION

PRINT NAME:	SIGNATURE:	ADDRESS:
Don Pasquariello	Don Pasquariello	Box 198 Togiak Alaska
Susan Ann Pasquariello	Susan Ann Pasquariello	Box 198 Togiak Alaska
Fannie Logusak	Fannie Logusak	Box 78 Togiak Alaska
CHARLIE KOZIMIKOFF	Charlie Kozimikoff	Box 114 " "
MARTHA KOZIMIKOFF	Martha Kozimikoff	" " " "
Robert Nikolai Jr	Robert Nikolai Jr	General Delivery Julian Hills, AK.
WILLIE WICK	Willie Wick	Box 37 Togiak
	Witness Charlie Kozimikoff	
	Retamaiah	
Marie Snyder	Marie Snyder	Box 45 Togiak
Nellie Pauk	Nellie Pauk	P.O. Box 72 Togiak
Emma Pauk	EMMA PAUK	P.O. Box 72 Togiak
Susie P. Kasak	Susie P. Kasak	P.O. Box 74 Togiak
Roy C. Kasak	Roy C. Kasak	P.O. Box 74 Togiak
Louise A. Gosuk	Louise A. Gosuk	Box 21 Togiak
MARY GOSUK	Mary Gosuk	Box 93
ANTONE Gosuk	Antone Gosuk	
MARY Gosuk	MARY GOSUK	Box 93
Henry G. Goodwin	Henry G. Goodwin	Box 161
JOE ALEXIE	Joe Alexie	Box 81 Togiak
Stanley Active Jr	Stanley Active Jr	Box 131 Togiak
ISIAK A. TROYA	Isiak A. Troya	Box 63 Togiak
Anuska Ayajiak	Anuska Ayajiak	Box 104 Togiak
MARION Ayajiak	Marion Ayajiak	Box 104 Togiak
HENRY A. BAUKER	Henry A. Bauer	Box 114 Togiak
HARRY A. WIGGINS	Harry A. Wiggins	Box 3402 Palmer, AK 99695
Moses Coopchik	Moses Coopchik	Box 188 Togiak, AK 99678
Roy Fox	Roy Fox	Box 176 Togiak, AK 99678
Annie Fox	Annie Fox	Box 176 Togiak, AK 99678
Walter Tukaya	Walter Tukaya	Box 158 Togiak, AK
velyn Duasuk	Velyn Duasuk	Box 114 Togiak, AK 99678
Carl E. Andrews	Carl E. Andrews	Box 76 Togiak, AK 99678
Mary E. Andrews	Mary E. Andrews	Box 76 Togiak, AK 99678
Andrew Andrews Sr.	Andrew Andrews Sr.	Box 76 Togiak, AK 99678
LeRoy Nanalook	LeRoy Nanalook	Box 10 Togiak, AK 99678
Richard Coopchik	Richard Coopchik	Box 51 Togiak, AK 99678
PAVILLA MASSILLIE	Pavilla Massillie	Box 64 Togiak, AK 99678
June Arkanakyak	June Arkanakyak	Box 3 Togiak, AK 99678
Julia Nanalook	Julia Nanalook	Box 121 Togiak
Adolph J. Active	Adolph J. Active	Box 208 Togiak
Emma K. Nanalook	Emma K. Nanalook	Box 10 Togiak

PETITION

PRINT NAME:	SIGNATURE:	ADDRESS:
Moses Krabe	[Signature]	Box 83 Togiak AK 99678
Emma Echuck	Emma Echuck	Box 214 Togiak AK 99678
Anna Kritz	Anna Kritz	Box 85 Togiak, AK 99678
John M. Parker	John M. Parker	Box 191 Togiak AK 99678
Raymond Morris	[Signature]	P.O. Box 215 Togiak
Kemp Fisheries	Red Morris	Pouch 502 Togiak
Clay Carter	Clay Carter	Box 67 Togiak
Jack Kamulivj	Jack Kamulivj	Box 133 Togiak
W. B. Kasli	W. B. Kasli	Box 61 Togiak
Bruce Foersch	BRUCE FOERCH	Box 142 Togiak AK
Carol Byrum	Carol Byrum	Box 171 Togiak AK
Elena Foersch	Elena Foersch	Box 142 Togiak Alaska
Mary W. Davolta	Mary W. Davolta	Box 111 Togiak AK
Eunice Dyrasuk	Eunice Dyrasuk	P.O. Box 194 Togiak AK
Samson Dyrasuk	Samson Dyrasuk	P.O. Box 12 Togiak AK
Lucy A. Skolnick	Lucy A. Skolnick	P.O. Box 202 Togiak, AK 99678
Jonathan A. Dyrasuk	Jonathan A. Dyrasuk	P.O. Box 194 Togiak, AK 99678
Mattie H. Aposik	Mattie H. Aposik	P.O. Box 133 Togiak AK 99678
Margie Coopchak	Margie Coopchak	Box 84 Togiak, AK 99678
Tracy Kamelie	Tracy Kamelie	Box 61 Togiak, AK 99678
Russell P. Greaney	Russell P. Greaney	Box 112 Togiak AK 99678
Worothy C. Greenly	Worothy C. Greenly	Box 112 Togiak, AK 99678
Carol C. Neal	Carol C. Neal	Box 154 Togiak, AK 99678
Walter Neal	Walter Neal	Box 154 Togiak, AK 99678
Dorothy Neal	Dorothy Neal	POB 173 Togiak, AK 99678
John A. Ash	John A. Ash	P.O. Box 70 Togiak AK 99678
Louise Coopchak	Louise Coopchak	Box 181 Togiak, AK 99678
Ernest Wassilie	Ernest Wassilie	
Edith J. Svets	Edith J. Svets	Box 163 Togiak AK 99678
Lora E. Flores	Lora E. Flores	Box 153 Togiak AK 99678
MILLA MAKAMUKYAK		P.O. Box 178, Togiak AK 99678
Fanny Kay Aposik	Fanny Kay Aposik	P.O. Box 191, Togiak, AK 99678
Darcy Marger Greenstein	Darcy Marger Greenstein	P.O. Box 175 Togiak AK 99678
Sarah N. Williams	Sarah N. Williams	P.O. Box 162 Togiak AK 99678
Nellie C. Blue	Nellie C. Blue	Box 146, Togiak, AK 99678
Stanley Arthur	Stanley Arthur	Box 81 Togiak AK 99678
Brian Abraham	Brian Abraham	Box 101 Togiak AK 99678
Mark P. Schaffler	Mark P. Schaffler	Box 65 Togiak AK 99678
Rosemary Wassilie	Rosemary Wassilie	Box 212 Togiak, AK 99678
Lucy Whyman	Lucy Whyman	Box 14

PETITION

PRINT NAME:

SIGNATURE:

ADDRESS:

Sharon Nanalook	Sharon Nanalook	Box 10	Togiak, Ak
Alfred Gosuk	Alfred H. Gosuk	Box 73	Togiak, Ak
Sheline Maad	Sheline Maad	Box 95	" "
John J. Bavilla	John J. Bavilla	P.O. Box 107	Togiak, Ak
Benjamin L. Caspachuk	Benjamin L. Caspachuk		
Benjamin L. Caspachuk Jr.	Benjamin L. Caspachuk Jr.	Box 9	Togiak, Ak
David Kosak	David Kosak	Box 74	Togiak, Ak 99678
Dennis B. Jerny	Dennis B. Jerny	Box 34	Togiak, Ak 99678
Bertha Pavian	Bertha Pavian	Box 51	Togiak, Ak 99678
Robert T. Blue	Robert T. Blue	Box 92	Togiak, Ak 99678
Albert Kususe	Albert Kususe	Box 26	Togiak, Ak 99678
Thomas Caspachuk	Thomas Caspachuk	Box 151	Togiak, Ak 99678
Jack Snyder	Jack Snyder	Box 45	Togiak, Ak 99678
Nancy Evatt	Nancy Evatt	Box 117	Togiak, Ak 99678
David O. Evatt	David O. Evatt	Box 117	Togiak, Ak 99678
Joanne Mark	Joanne Mark	Box 108	Togiak, Ak 99678
Robert Cowdin	Robert Cowdin	Box 27	Togiak, Ak 99678
Samuel Bowler	Samuel Bowler	Box 195	Togiak, Ak 99678
Mary Hastings	Mary Hastings	Box 203	Togiak, Ak 99678
Brendy Halderson	Brendy Halderson	Box 203	Togiak, Ak 99678
Ellen Groverstein	Ellen Groverstein	Box 175	Togiak, Ak 99678
Tamara L. Lockuk	Tamara L. Lockuk	Box 125	Togiak, Ak 99678
Fandy M. Nanalook	Fandy M. Nanalook	Box 10	Togiak, Ak 99678
Madys Caspachuk	Madys Caspachuk	Box 131	Togiak, Ak 99678
Sophie Nick	Sophie Nick	Box 124	Togiak, Ak 99678

PEITION

PRINT NAME:

SIGNATURE:

ADDRESS:

Stella B. Sharp	Stella B. Sharp	Twin Hills, AK
Daniel Sharp	Daniel Sharp	Twin Hills, AK
John W. Sharp	John W. Sharp	Twin Hills, AK
Nettie Fullerton	Nettie Fullerton	Twin Hills, AK
Roger C. Wassillie	Roger C. Wassillie	Gen. Del. Twin Hills, AK
Louise M. Wassillie	Louise M. Wassillie	Gen. Del. Twin Hills, AK
Luke Tukaya	Luke Tukaya	Twin Hills, AK
Dan Hanaokak	Dan Hanaokak	Twin Hills, AK 99678
Agnes Tukaya	Agnes Tukaya	Twin Hills, AK
Sally Small	Sally Small	" " "
Mickey Sharp	Mickey Sharp	" " "
William Tukaya	William Tukaya	" " "
George Pleasant, Sr.	George Pleasant, Sr.	Twin Hills,
Carrie Demoski	Carrie Demoski	Twin Hills, AK 99576
George Kuku	George Kuku	Twin Hills, AK 99576
Mary Kuku	Mary Kuku	Twin Hills, AK 99576
Julius Pleasant	Julius Pleasant	Twin Hills, AK 99576
Linda Hamechuk	Linda Hamechuk	Twin Hills, AK 99576
David Foster	David Foster	Twin Hills, AK 99576
Lou Small	Lou Small	Twin Hills, AK
Tina Small	Tina Small	Twin Hills, AK
Simon Skiman Jones	Simon Skiman Jones	Twin Hills, AK
Darin M. Jones	Darin M. Jones	Twin Hills, AK
Frank T. Jones	Frank T. Jones	Twin Hills, AK
Andrew Boguilikuk	Andrew Boguilikuk	Twin Hills, AK
James W. Boguilikuk Jr.	James W. Boguilikuk Jr.	Twin Hills
Arthur W. Sharp	Arthur W. Sharp	Twin Hills, AK
Jeff Sharp	Jeff Sharp	Twin Hills

Petition against House Joint Resolution #11

This resolution is being introduced to the House of Representatives by Al Adams. If it passes, the cargo planes - Northern Air Cargo and Mark Air will stop bringing our freight and our weekly grocery orders; instead the smaller ~~and~~ passenger airlines - Ryan Air, Bering Air and Cape Smythe will start carrying our cargo loads. These ~~air~~ passenger airlines are too small to carry our weekly orders of groceries. If this resolution passes, our fresh produce, frozen meat and other spoilable groceries will get piled up and spoiled in Nome warehouses. If you oppose this resolution and want Northern Air Cargo and Mark Air to continue bringing our freight, please sign below. Thank you.

- | | | |
|-------------------------|--------------|-------|
| 1. Sylvia Jorli | Savoonga. AK | 99769 |
| 2. Tony Kava Box. 114 | " | " " |
| 3. Clarence W. Waples | " | " " |
| 4. Fritz Waghney | " | " " |
| 5. John Akuya | " | " " |
| 6. Wayne Loppelu | " | " " |
| 7. Myron Kingekuk | " | " " |
| 8. Mylon Kingekuk | " | " " |
| 9. Rubelle Kingekuk | " | " " |
| 10. Elaine Kingekuk | " | " " |
| 11. Howard Kingekuk | " | " " |
| 12. Hoover Kingekuk | " | " " |
| 13. Hoarth Kingekuk Jr. | " | " " |
| 14. Daryl Kingekuk | " | " " |
| 15. Terli Inu... | SVA. AK | 99769 |

16.	Jenny Alys	SAU.	AK.	99769
17.	RAYWARD Toolie	SAUA	AK	99769
18.	Bryan Lookie Sr.	Sau.	AK.	99769
19.	Emerson Koyasoo	Sua	AK	99769
20.	Walter Womtlich	Sau	ak	99769
21.	Harriet Peterson	SAU	"	"
22.	Clyde Prook	SAU	"	99769
23.	Frank Peterson	"	"	"
24.	Ray Waghini			
25.	Rex Ringwini			
26.	Sam Makiyuk	"	"	99769
27.	Bredley Leeger	"	"	99769
28.	Peggy Akeya	"	"	99769
29.	Bobby Kava, Jr.	Sau.	AK.	99769
30.	Shanna Kava	"	"	"
31.	Prest Rook	"	"	"
32.	Melvin Peterson	"	"	"
33.	Walter Ringwini	"	"	"
34.	Jackson Makiyuk Sr.	Savoy, Alaska		99769
35.	Bernice Prook	"	"	"
36.	Bernard Toolie	"	"	"
37.	Jackson Alous	"	"	"
38.	Leoy Seppik	"	"	"
39.	Carl Peterson	Savoy, Alaska		99769
40.	Aligait Kyutlook	"	"	"
41.	Vicki Kengekut	"	"	"
42.	Engene Toolie	"	"	"
43.	Richmond Toolie			
44.	Herman Toolie	"	"	"
45.	Gabriel D.	"	"	"
46.	Lane R.	"	"	"
47.	Maria R.	"	"	"
48.	Chettle L. Ann	BEX 15	Savoy, Alaska	99769
49.	Olson J. Iyer	"	"	"

50.	Joseph Iya, Jr	Box 15	Savoonga, Alaska	99769
51.	Jeffrey Q. Iya	Box 15	Savoonga, Alaska	99769
52.	Heena Seljan	Box 84	Savoonga, Alaska	99769
53.	Meloni Soppeln	Box 172	" "	99769
54.	Clarice Kolbuzyn	" 105	" "	
55.	Franklin Kuyukuk	Box 147	" "	99769
56.	Henry Noongwook	Box 27	" "	"
57.	Cecelia Noongwook	Box 27	" "	"
58.	Alice Kulowuji		" "	"
59.	John Kulowuji	Box 125	" "	"
60.	Melanie Kuyukuk	" 76	" "	"
61.	Arnold Seljan	Box 188	" "	"
62.	Linda Mary Akuya	Box 108	" "	"
63.	Anna Rookok	Box 145	" "	"
64.	Arthur Seljan	Box 111	" "	"
65.	Joey Amogiyuk	Box 29	" "	"
66.	Kelley J. Jorci		" "	99769
67.	Nathaniel O'connor			
68.	Robert Amogiyuk	Box 82	Savoonga, AK.	99769
69.	Brantley Kogusagoon	Box 79	Savoonga AK	99769
70.	Roderic Jr	Box 25	" "	"
71.	Shelma Noongwook	Box 97	" "	"
72.	June Amogiyuk	Box 158	" "	"
73.	Fred Seljan	Box 153	Savoonga AK	99769
74.	Vernon Wagiji, Sr.	Box 133	Savoonga AK	99769
75.	Amy Seljan	Box 8	Savoonga AK	99769
76.	Paul Seljan	Box 1	Savoonga AK	99769
77.	Lila Akuya	Box 175	" "	"
78.	June Rookok	Box 101	SUA, AK	99769
79.	Susan Wagiji		SUA, AK	99769
80.	Brandon Wagiji		" "	"
81.	Rossie Kuyukuk		" "	"
82.	Mary Seljan		" "	"
83.	John Seljan		SUA, AK	99769

84.	John Kulowij	Jan 25	Savoonga AK		
85.	Janet Noonjwook		Savoonga AK		
86.	Gregory P. Ilohi				
87.	Maud Muktahok Jr.	136	"	"	"
88.	Wilma Muktahok	136	"	"	"
89.	Ruth Muktahok	"	"	"	"
90.	Walfred Muktahok	"	"	"	"
91.	Art. S. AKEVA	108	"	"	99769-
92.	Ruthi Oksomealingok	100	"	"	"
93.	Mauri Kulowij	137	"	"	"
94.	Minnie Kulowij	"	"	"	"
95.	Sterling Hologergen		Box 188	"	"
96.	Julian Pappala		Box 149	"	"
97.	Dammy Sempala	"	Savoonga AK		
98.	Jessie Ilohi				
99.	Mick Moya	193	"	"	"
100.	Shesai-Kava	144	"	"	"
101.	Sharon Alawa	186	Savoonga AK		"
102.	Fydia Alawa	108	Savoonga AK		"
103.	Wet Akava	108	Savoonga AK		"
104.	Karen Ilohi	143	"	"	"
105.	Thoyl & Kengakok Jr	76	"	"	"
106.	Jody Madson	98	"	"	"
107.	Filma Noonjwook	128	"	"	"
108.	Budley Kijalob		"	"	"
109.	Benjamin Pampala	183	"	"	"
110.	Jonathan Annapal	29	"	"	"
111.	Ina Annapal	29	Savoonga, AK		99769
112.	Iky Kulowij	92	Savoonga AK		99769
113.	Sherry Kulowij	92	Savoonga AK		99769
114.	Arthur Hologergen	115	Savoonga AK		99769
115.	Anna Kava	156	Savoonga AK		99769
116.	Conditte Kava	156	Savoonga AK		99769
117.	Seth Pampala	141-	"	"	"

53)	Justly Alona	
54)	Carolyn Noongwook	Sawonga
55)	Dea Kuluyi Sr.	11
56)	Laria Kuloway	11
57)	Sherry Kuloway	11
58)	Ester Tashu	9
59)	Maria Sulo	
60)	Burnie Hoongwong	6
61)	Christa Alona	11
62)	Tom Akaya	11
63)	Walter Kato	10
64)	Klaus Mokiyuk	61
65)	Elizabeth Mokiyuk	11
66)	Mary Jane Mokiyuk	11
67)	FRANCINE L KAVA	Box 114 SAWONGA
68)	Dea Kuloway	115 11

3-4-86

1. I wish to express my concern in regards to a meeting that was held in Anchorage on or about Feb., 1986 in regards to the Allocation of U.S. Mail in Alaska by Rebecca Range, Dept of Transportation, and a Mr. Dan Benton of the U.S. Postal Service. Meeting requested by special interest group of Commercial Air Carriers in Alaska. Examples ETC, Mark Air, Alaska Airlines and several small air taxi operators who in fact contract to Mark Air and Alaska Airlines. This meeting singled out Northern Air Cargo for criticism in their receiving their Allocation of the U.S. Mail. Northern Air Cargo is an FAA approved operation and are inspected by the FAA flight safety and maintenance people.
2. I am concerned that public officials such as the Dept of Transportation and the Postal Service can request a special meeting and present their proposed changes in the Allocation of the mail so that it would benefit them individually and their failure to hold public hearings on such a valuable service as offered by the people of Western Alaska by DOT & the U.S. Postal Service. Having had the opportunity to read the special interest group proposal to the Postal Service I can say that Mark Air and Alaska Airlines does NOT speak for me, a consumer. I further believe that if the proper public hearings are held in Western Alaska, they will present the true picture of the consumer who is so dependent upon the mail service for many of the essential items of their everyday needs, to mean groceries and in some situations medicine.

3. When North Air and Alaska Airlines decided to enter the Western Alaska Scheduled Air Service. they had made these feasibility studies of the market and it was their choice on what type of aircraft to use. Unfortunately it appears these aircraft cannot operate in many of the small villages on a direct flight schedule. So they must in turn rely upon small air taxi operators to haul their allocation of the mail to the concerned villages. The Air Taxi operators haul passengers first Mail second and freight last. So there is undue delay in the villages receiving their mail through this system. Whereas Northwest Air Cargo Co. has three DC-6 aircraft and discharge 15 to 25000th of mail or freight at one time thereby saving much delay in the receiving of said mail.

4. We the public are fully aware of the presidential order calling for de-regulation which was expressed as the true American way of free enterprise. And yet when it appears to be working the special interest group is crying wolf. When in fact all they would have to do is purchase the same equipment (Aircraft etc) that allows Northwest Air Cargo to operate and land at the small village airports. Northwest Air Cargo remains in business and must be a profit able company and should not be penalized for being a productive company.

5. I do hope that you as an elected person will do all that is within your legal power to see that the public interest is served by backing your support to the call for the proper public hearings throughout Alaska at the earliest possible time.

Further, request that the Dept of Transportation
and USPS. Also not effect any changes
until such time as public hearings are
held and evaluated.

I thank you

Sincerely yours

Donald D. Dantz
Box 321
Bethel, Alaska

99559

Copies:

- Alaska
- Muskowicki
- Young
- U.S. Dept of Transportation
- U.S. Post Office Dept.
- Gov. of Alaska
- Speaker of the House, State of Alaska
- Northern Air Cargo

ANGSTMAN LAW OFFICE, INC.

P.O. Box 758
Bethel, Alaska 99559

Myron Angstman
Douglas Durand
Cathleen Connolly
Dale O. Curda

(907) 543-2972

February 26, 1986

Senator Ted Stevens
522 Hart Building
Washington, DC 20510

Dear Senator Stevens:

I am writing this letter in support of Northern Air Cargo. I understand Markair, a competing airline company, has asked the U.S. Government to shift the transportation of mail away from Northern Air Cargo because of its all-freight status. Such a move would greatly effect Northern Air Cargo's ability to remain in service.

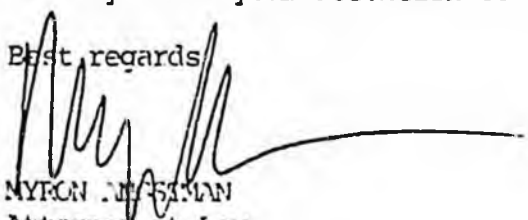
I strongly oppose such a move. All-freight service is an essential part of the bush transportation structure. There are, of course, certain materials that can only be carried on cargo flights. In earlier times when there were no scheduled cargo flights to Bethel, items that could only be carried on cargo flights often waited for days, if not weeks, before being transported out. Now, Northern Air Cargo brings in these items almost immediately, which greatly benefits not only those of us doing business in the bush, but also the general public.

I might add that Northern Air Cargo has been most supportive of community projects, supplying free or reduced rate transportation when appropriate for events or organizations which need assistance.

I don't pretend to know much about the system involved in awarding mail contracts, but do urge you to do what is necessary to assure that Northern Air Cargo gets its fair share under whatever system is employed.

Thank you for your attention to this matter.

Best regards,



MYRON ANGSTMAN
Attorney at Law

MA/es
E5

cc: Lon Brugger

4310297A 20FE666 01:12 EST

PTS
/NTF PRI
P0000300+FROM: VICTORY SERVICES INC. D.O.V.A. DIXIE O'QUINN WESSEL AGENT
TELEX# 0259103804531(VICTORY INC)
TELEFAX# (907) 581-1868
TELEPHONE (907) 581-1563

TO THE HONORABLE UNITED STATES SENATOR TERRY STEVENS,

PLEASE ATTEND TO THE FOLLOWING STATEMENTS GATHERED FROM BUSINESSES AND RESIDENTS OF DUTCH HARBOR & UNALASKA, AND STATEMENTS FROM ORGANIZATIONS OUTSIDE OF ALASKA CONCERNED ABOUT SERVICES, AND CONCERNED ABOUT LOSS OF SERVICES IN THIS PARTICULAR AREA, DUE TO THE POSSIBILITY OF N.A.C. BEING UNABLE TO CONTINUE LONG ESTABLISHED CARGO/MAIL DELIVERYS PRIMARILY DUE TO WHAT SEEMS TO BE A POLITICALLY SUPPORTED "REARRANGEMENT AND OUSTING" OF A NUMBER OF QUALIFIED AIR CARRIERS IN ORDER TO SUPPORT AND SUBSIDIZE OTHER CARRIERS THAT CANNOT SUPPORT THEIR OWN EXPANSION IN A "DEREGULATED" INDUSTRY. IN EFFECT, THIS WILL RESULT IN UNFAIR "POLITICAL REGULATION" CLEARLY DESIGNED BY MR. BERGT AS HAS BEEN OUTLINED IN AN ARTICLE THAT APPEARED IN THE ANCHORAGE DAILY NEWS WRITTEN BY HAL BEANTON, FEBRUARY 22, 1986, ALSO IN THE ANCHORAGE TIMES IN AN ARTICLE THAT CAME OVER THE A.P. WIRE.

AS MIKE DODSON IS REPORTED SAYING, THESE "REFORMS" MUST AND SHOULD BE REVIEWED BY ALL OF THE COMMUNITYS THAT MOST CERTAINLY WILL BE AFFECTED. WE IN DUTCH HARBOR KNOW THAT WE WILL BE AFFECTED BY POORER SERVICES DUE TO THE FOLLOWING.

1. LESS FREQUENT SERVICE BECAUSE PASSENGER AIRCRAFT CANNOT LAND IN DUTCH HARBOR IN MARGINAL WEATHER, WHEREAS SLOWER RECIPROCAL ENGINE DRIVEN, ALL CARGO AIRCRAFT HAVE A BETTER RECORD. IF AND WHEN N.A.C. CANCELS, IT IS FROM A 'FLY OVER', WHILE THE OTHERS CANCEL FROM ANCHORAGE.
2. HAZARDOUS MATERIALS CANNOT BE SHIPPED ON PASSENGER AIRCRAFT, SO MUST WAIT FOR AN ALL CARGO PLANE OWNED BY THE PASSENGER AIRLINE TO BECOME FULL ENOUGH TO ECONOMICALLY WARRANT A DELIVERY FLIGHT TO WHEREVER. THIS WILL RESULT IN SERIOUS DELAYS, AS HAS BEEN EXPERIENCED IN THE PAST WHEN WE ONLY HAD ONE CARRIER.
3. HIGHER PRICES DUE TO LESS COMPETITION. THERE IS ALREADY A SIGNIFICANT PRICE DIFFERENCE IN CARGO RATES IN AND OUT OF DUTCH HARBOR.
4. IN-ORNATE SHAPED CARGO CANNOT BE SHIPPED ON PASSENGER CRAFT, WHEREAS N.A.C. HAS A CARGO AREA IN EXCESS OF SIXTY FEET. THE OTHER CARRIERS WOULD HAVE TO USE THEIR SPECIALIZED CARGO AIRCRAFT, AT A HIGHER RATE, WHICH WOULD RESULT IN NO SERVICE AT ALL, BECAUSE THE CUSTOMER WOULD NOT BE ABLE TO JUSTIFY THE ADDDED COST.
5. POORER BY-PASS MAIL SERVICE, WHICH CONSISTS MOSTLY OF PERISHABLE GROCERY ITEMS AS DAIRY PRODUCTS, PRODUCE, ETC. DUE TO BETTER HANDLING OF THESE ITEMS, WE HAVE GONE FROM MILK 86.50 A GALLON TO A LITTLE LESS THAN \$5.00 PER GALLON.
6. ONE OF THE CARRIERS MENTIONED IN THE ANCHORAGE DAILY NEWS ARTICLE CANNOT LOAD PALATIZED CARGO INTO THEIR PLANE, DUE TO A MUCH LIMITED CARGO DOOR SIZE WHICH WILL ONLY ALLOW ITEMS OF APPROXIMATELY 3'X3'X3' TO FIT THROUGH THE DOOR, AND THIS, IN LIMITED NUMBERS.

THE DECLINE IN OIL INDUSTRY RELATED ACTIVITIES IS DIRECTLY RELATED TO THE LOSS OF CARGO AND PASSENGER REVENUES. WE SHOULD ALL DO WHATEVER IS NECESSARY TO ENCOURAGE THESE INDUSTRIES TO CONTINUE THEIR DEVELOPMENT PLANS IN ALASKA. MANIPULATING THE U.S. MAIL TO SUBSIDIZE AIRLINES THAT ATTEMPTED TO CAPITALIZE ON THEIR PROJECTIONS OF THE OIL INDUSTRY'S NEEDS IS CLEARLY AN ATTEMPT TO MAKE THEIR OWN RULES TO INSURE THEIR SURVIVAL AT THE COST OF OTHER COMPANYS, AND AT THE COST OF THE PUBLIC IN GENERAL.

THERE ARE A GREAT NUMBER OF SMALL AND NOT SO SMALL BUSINESSES IN ALASKA WHICH

HAVE EVOLVED AND GROWN SIMPLY THRU HARD WORK, DIVERSITY, AND INNOVATION. THESE ARE THE PEOPLE WE INSIST THAT YOU SERVE AND PAY ATTENTION TO AS WE ENCOURAGED YOU TO DO IN OUR LAST MESSAGE TO YOU OF FEB. 19, 1986.

ST [REDACTED] FROM STEVE KIKENORLL
GENERAL MANAGER
ALASKA COMMERCIAL CO. DUTCH HARBOR 361-1243

"I AM PARTICULARLY PLEASED WITH THE BY-PASS MAIL SERVICE PROVIDED BY N.A.C. THEY HAVE BEEN CONSISTENT AND TIMELY SINCE THEY HAVE BEEN SERVICING DUTCH HARBOR, WITH MUCH LESS SPOILAGE AND LITTLE OR NO LOSSES DUE TO DELAYED SCHEDULES. IF THERE ARE FEWER CARRIERS, THERE WILL BE LESS SERVICE DUE TO FEWER OPTIONS".

FROM JESS BURTON
GENERAL MANAGER
CARL'S COMMERCIAL INC. DUTCH HARBOR 391-1234

IF N.A.C. WERE TO BE PROHIBITED FROM SERVICING DUTCH HARBOR, WE AND THE COMMUNITY WOULD SUFFER DUE TO WHAT I THINK WOULD BE POORER SERVICE FROM THE REMAINING PASSENGER CARRIERS. IN CIRCUMSTANCES OF THE PAST, WE ALWAYS HEARD: "PASSENGERS COME FIRST, THEN MAIL THEN FREIGHT." THIS WAS ALL WE HAD, BUT IT WAS UNACCEPTABLE".

FROM
GARY LANE
PARTY MANAGER GEOPHYSICAL SERVICES INC.
MAIN OFFICE IN CALIFORNIA
ANCH OFFICE 563-3070

WE HAVE USED N.A.C. SERVICES EXTENSIVELY IN ALASKA DUE TO COMPETITIVE PRICING AND EXCELLENT SERVICE THAT HAS BEEN QUITE TIMELY. WE WOULD BE CONCERNED IF THEY COULD NOT SERVICE AREAS AS DUTCH HARBOR AND OTHER ALASKA PORTS WHERE WE DO EXTENSIVE SEISMIC RESEARCH FOR OIL COMPANYS DURING THE SPRING AND SUMMER MONTHS. WE MUST FLY IN ALL SORTS OF EQUIPMENT, SOME OF IT QUITE BULKY AND OF A HAZARDOUS NATURE, WHICH WE CANNOT MOVE VIA PASSENGER AIRCRAFT. WE ALSO "BACK HAUL" NEARLY AS MUCH AS WE FLY IN, AFTER A SEASON IS COMPLETE.

FROM
HELEN HAMNER, GENERAL MANAGER UNISER INN, DUTCH HARBOR
DUTCH HARBOR OFFICE 581-1325

I HAVE USED N.A.C. EXCLUSIVELY HERE BECAUSE I AM CONFIDENT IN THEIR HANDLING OF FRAGILE AND EXPENSIVE CARGO SUCH AS VARIOUS TYPES OF LIQUOR. WE ARE ALSO ENTIRELY CONFIDENT OF THE GROUND CREW AND THEIR HANDLING AND DELIVERY PROCEDURES. IT WOULD BE A LOSS OF SERVICE AND OPTIONS IF THEY COULD NOT SERVICE DUTCH HARBOR. MAIL SERVICE HAS IMPROVED SINCE THEIR EXPANSION TO DUTCH HARBOR, CARRYING MAIL.

FROM
FRANK ARAIADA
OWNER PROPRIETOR
MARCONCO (MARINE CONSTRUCTION AND ENGINEERING CO.)
DUTCH HARBOR 381-1470

N.A.C. FREIGHT SERVICE IS DANDY. I AM THE ONLY CONSTRUCTION/ENGINEERING CO. OPERATING IN THE ALEUTIANS, AND WITHOUT AN ALL CARGO AIRLINE, IT WOULD BE DIFFICULT AND MORE EXPENSIVE TO PERFORM OUR WORK. PASSENGER PLANES ARE FOR PASSENGERS. CARGO PLANES ARE FOR CARGO. TO USE ONE FOR THE OTHER MUST BE A

COMPROMISE FROM ANY VIEWPOINT, AND WE HAVE TO COMPROMISE ENOUGH IN THE
ALEUTIANS. WE SHOULD NOT BE FORCED TO COMPROMISE IN AREAS WHERE WE HAVE GAINED
SUPPORT AND SERVICE FROM OTHERS COMMITTED TO US. ALL AREAS OF SERVICE WILL SUFFER
IF N.A.C. DOES NOT OPERATE HERE, AND WE WILL SLIP BACK INTO THE SAME TYPES OF
CONDITIONS THAT WE HAD BEFORE N.A.C., AS INDICATED IN ALL SIX ITEMS LISTED
A [REDACTED] I CAN CONFIRM AND IDENTIFY WITH ALL SIX, WHICH LARGELY DO NOT EXIST DUE TO
N.A.C.

FROM
JOHN BOYLE
OWNER OPERATOR MARYLAND BAY ENGINE
DUTCH HARBOR
581-1213

I ALWAYS OPT FOR N.A.C. FOR MY AIR FREIGHT NEEDS, MAINLY DUE TO PRICE AND
DELIVERY CONSISTANCY. IT WILL BE A STEP(S) BACKWARD IN AN ALREADY DIFFICULT
PLACE TO PERFORM ANY TYPE OF SERVICE IF N.A.C. CANNOT CONTINUE SERVICE.

FROM
SALLY BERTHELSON
OWNER SAL ALASKA LTD.
DUTCH HARBOR
581-1710

HAVE OPERATED A MARINE SERVICE CO. FOR AMERICAN AND FOREIGN VESSELS WHICH NEED
GOOD AND RELIABLE AIR FREIGHT SERVICE. ONE OF THEIR REQUIRMENTS ARE ITEMS SUCH
AS TRAWL NETS WITH ALL THE RELATED HARDWARE. THESE ITEMS ARE VERY HEAVY, BULKY,
AND WOULD NOT BE SUITED TO PASSENGER PLANE FREIGHT CAPABILITIES. I HAVE BEEN IN
BUSINESS 5 YEARS AND HAVE SEEN FREIGHT SERVICES EVOLVE FROM VERY POOR TO
EXCELLENT. WITH N.A.C. COMING ON LINE IT HAS ADVANCED TO AN EXCELLENT RATING. I
WOULD LIKE TO SEE N.A.C. CARRY ALL THE MAIL TO DUTCH HARBOR, THAT WOULD ALLOW A
TWO DAY FREIGHT SCHEDULE INSTEAD OF THREE.

THERE ARE MANY OTHERS WHICH WILL MAKE SIMILAR STATEMENTS IF YOU THINK IT
WILL BE HELPFUL. AS YOU CAN SEE FROM THESE FEW, MANY HAVE COME TO DEPEND ON AND
APPRECIATE N.A.C.'S EFFORTS IN THE ALEUTIANS. ALSO AS THERE ARE ONLY SIX GIVING
THEIR VIEWS HERE, IT ISN'T DIFFICULT TO VISUALIZE THE EFFECTS ON ALL WHO LIVE
AND WORK IN THE ALEUTIANS. AS IN MOST OTHER CASES OF WORK SCARCITY, BUSINESS
JUST BACK OUT OF COMMITMENTS THAT CANNOT BE MET. THIS IS WHAT WE SUGGEST THAT
YOU RECOMEND TO MARK AIR AND ALASKA AIRLINES. ALTHOUGH I CANNOT UNDERSTAND WHY
A ORGANIZATION AS LONGSTANDING AS ALASKA AIRLINES NOT BEING ABLE OR WILLING TO
SUBSIDIZE THEIR OWN OPERATIONS. AIR PACIFIC IS NO LONGER CONTROLLED BY THE
PRINCIPAL OWNER, RICHARD MALONY. IT SEEMS PRACTICAL FOR ALASKA AIRLINES TO DRAW
BACK TO THEIR ORIGINAL BOUNDARIES UNTIL SUCH A TIME THAT IS MORE ATTRACTIVE FOR
EXPANSION. THIS LINE OF REASONING COULD ALSO BE APPLIED TO MARK AIR.

IN A CHANGING WORLD OF DE-REGULATION, AND THE DISCONTINUING OF GOVERNMENT
PROTECTIONISM, WE MUST LET OUR SYSTEM OF COMPETITION THRU FREE ENTERPRISE WORK
FREELY. TO DO OTHERWISE IS NOT CONSTITUTIONAL, THEREFORE ILLEGAL. MOST OF US
WANT TO LIVE IN THE REALITY OF CAPITALISM, AND WE THINK ALL SHOULD DO THE SAME.

IF WE MADE UNWISE BUSINESS DECISIONS, I CANNOT THINK OF ANY SENATOR OR STATE
REPRESENTATIVE OR ANY OTHER GOVERNMENT SERVANT THAT WOULD COME TO OUR ASSISTANCE
WITH SPECIAL DEVICES.

IN ANY CASE, MANY PEOPLE THINK N.A.C. IS FIRST RATE, AND IN THE SHORT TIME THEY
HAVE OPERATED IN DUTCH HARBOR, THEY HAVE BECOME NECESSARY, WHILE TWO JET LINERS
ARE NOT. DEPENDABLE AND EFFECTIVE AIR CARGO IS JUST AS NECESSARY AS AIRLINE
SERVICE FOR PASSENGERS, AND IN ADDITION, POOR CARGO SERVICE CAN RESULT DIRECTLY
TO COMPANIES.

IN OTHER PLACES GEOGRAPHICLY, TO DO WHATEVER THEY NEED TO DO. DUTCH HARBOR
IS A SERVICE COMMUNITY, AND RELIES ENTIRELY ON SERVICES TO OTHERS FOR A
LIVELIHOOD. IF YOU ALLOW AND EVEN ENCOURAGE THE DEMISE OF N.A.C. YOU WILL HARM
MORE THAN YOU WILL HELP.

THERE ARE OTHER CONSIDERATIONS ALSO, WHICH COULD HAVE A DIRECT EFFECT ON THE
"LIABILITY" OF THIS PROPOSAL, IF IT COMES TO PASS. IT IS REPORTED THAT THE
NATIONAL TRANSPORTATION AND SAFETY BOARD HAS RECOMMENDED TO THE F.A.A. THAT MARK
AIR BE DISALLOWED FROM LANDING IN DUTCH HARBOR WITH A BOEING 737 DUE TO MARGINAL
RUNWAY LENGTH AND THE TYPE OF APPROACH MANEUVERS NECESSARY TO LAND HERE. IF THIS
ACTUALLY COMES TO PASS, WHAT THEN?

ALSO, WE ASK THAT YOU GIVE US YOUR REACTION TO THIS RATHER LENGTHY COMMUNICATION
AT YOUR EARLIEST CONVENIENCE, ALONG WITH YOUR PUBLICATION OF THE SECOND HEARING,
TIME, DATE AND PLACE, AS WE WISH TO ATTEND IF AT ALL POSSIBLE.

BEST REGARDS,

MAX AND DIXIE O'QUINN

NNNN

ACCEPTED 4310297A

DELIVERY NOTIFICATION:

MESSAGE NUMBER: 4310297A001
INPUT ADDRESS: 09026360
ANSWERBACK RECORD: TEDSTEVENS AHG
DELIVERED TO: (TLX 1) * 09026360
DELIVERED AT: 26FEB66 01:24 EST

GOVERNOR BILL SHEFFIELD
P.O. BOX A
JUNEAU, ALASKA 99811

MARCH 5, 1986

DEAR GOVERNOR SHEFFIELD,

PLEASE FIND ENCLOSED A COPY OF A TELEX MESSAGE, #4310297 SENT TO THE ANCHORAGE OFFICE OF SENATOR STEVENS, FEBRUARY 26, 1986 FROM D.O.V.A., DIXIE O'QUINN VESSEL AGENT AND VICTORY SERVICES INC. BOTH FIRMS ARE SERVICE RELATED COMPANYS OPERATING IN DUTCH HARBOR, AK. AND WITH OFFICES IN THE CITY OF UNALASKA, AK., ALSO ENCLOSED IS A COPY OF A NEWSPAPER ARTICLE PUBLISHED IN THE ANCHORAGE TIMES, AND THE ANCHORAGE DAILY NEWS.

AS IS APPARENT, AN ATTEMPT TO CHANGE THE MAIL DISTRIBUTION POLICY OF THE U.S. POSTAL SERVICE IS BEING PROPOSED BY MR. BERGT OF MARKAIR SO AS TO CAUSE THIS AIRLINE TO DISTRIBUTE A LARGER VOLUMN OF THE MAIL IN THE STATE OF ALASKA, BASED ON HIS FORMULA, WHICH HE SITES "AS THE ONLY FAIR WAY TO DO IT". THIS IS, TO US AND TO MANY OTHERS, HIS OPINION ONLY, AND CANNOT BE TAKEN AS A QUALIFIED EXAMPLE OF WHAT IS FAIR AND WHAT IS NOT REGARDING MAIL SERVICES IN ALASKA, BECAUSE THIS PROPOSAL HAS MANY OTHER, FAR REACHING IMPLICATIONS TH' T COULD NOT BE BENEFICIAL IF IT IS ADOPTED. WE HAVE OUTLINED AT LEAST SOME OF THEM TO SENATOR STEVENS IN THE TELEX, AND WITHIN THE STATEMENTS GIVEN BY THE RESIDENTS AND BUSINESSES IN THIS AREA ONLY, NOT TO MENTION WHAT COULD HAPPEN IN OTHER TOWNSITES IN ALASKA, THAT THIS CHANGE IN MAIL DISTRIBUTION WOULD AFFECT.

WE KNOW AND UNDERSTAND AND APPRECIATE THE FACT THAT PEOPLE IN GENERAL ARE SUBSIDIZED IN ALASKA, AND IN PART DUE TO AND VIA THE TREMENDOUS FORTUNE OIL REVENUES HAVE PRODUCED.

WE ALSO UNDERSTAND THE U.S. POSTAL SERVICE, WHICH IS IN EFFECT, ALL PEOPLE THAT BUY 22¢ STAMPS, AND USE THE U.S. POSTAL SERVICE FOR GENERAL MAIL SERVICES ARE IN EFFECT SUBSIDIZING ALASKA, AND OTHER AREAS THAT COULD NOT PAY THE REAL COST FOR THESE SERVICES. THESE "STAMP BUYERS" ARE LITERALLY ALL OF THE CITIZENS OF THE UNITED STATES.

HEREIN LIES THE MAIN POINT WE WISH TO BRING TO LIGHT, AND ASK THAT ALL RECIPIENTS OF THIS LETTER GIVE VERY CLOSE ATTENTION. IF IN FACT A DIFFERENT MAIL DISTRIBUTION POLICY IS ADOPTED IN ALASKA TO PLEASE MARKAIR, THE TRUE FAIRNESS OF "SIBSIDIZING" WILL SHIFT FROM MOST OF THE PEOPLE IN ALASKA BEING BENEFITED, TO MARKAIR AND THEIR SUBSIDIARIES BEING THE MAIN BENEFICIARIES, WITH GREATLY REDUCED OPTIONS AND SERVICES FOR THE REST OF THE CITIZENS AND COMPANIES DOING BUSINESS IN ALASKA, AND SOME OF THE COMPANYS (MOST) ALL OF ALASKANS WANT TO COME TO THIS STATE TO DO BUSINESS. AND ALL OF THESE ARE NOT OIL RELATED, THOUGH THEY MAY BE THE LARGEST "BASE OF CUSTOMERS" THE STATE MAY HAVE AT THIS POINT IN TIME. AND IT WILL BE LITERALLY DONE IN THE NAME OF THOSE REALLY PAYING THE PRICE FOR THE U.S. POSTAL SYSTEM, THE CITIZENS OF THE U.S.

THE FIRST SERVICE THAT WILL BE LOST WILL BE THAT OF AN ALL CARGO CARRIER TO SERVICE THE ALEUTIANS ON A SCHEDULED BASIS AS WE NOW HAVE, AND HAVE HAD VIA N.A.C. THIS HAS BEEN A VERY TIMELY AND COST EFFECTIVE SERVICE FOR THE RESIDENT COMMUNITY AND FOR FISHING CONCERNS, AND NOT LEAST, FOR SEISMIC RESEARCH COMPANYS FROM CANADA TO CALIFORNIA TO HOUSTON, WHICH WE HAVE HAD THE PLEASURE TO KNOW AND WORK FOR, AND FOR THE OIL COMPANYS THEMSELVES, WITH DRILL RIGS BEING STORED FOR EXTENDED PERIODS IN DUTCH HARBOR, NEEDING ALL-FREIGHT SERVICES, AND NOT NECESSARILY THREE SCHEDULED PASSENGER CARRIERS.

FROM PAST EXPERIENCE, (EIGHT YEARS IN DUTCH HARBOR) WE CAN EXPECT NO CARGO SERVICE OF THIS TYPE DUE TO THE CONDITIONS OUTLINED IN THE TELEX, AND THIS LETTER WHICH ARE NOT NECESSARY TO REPEAT HERE. AND WITH THE DEMISE OF OF AN ALL CARGO SCHEDULED SERVICE, DUE TO THE PROPOSED "NEW FORMULA", WE AS A SERVICE PORT BECOME LESS ATTRACTIVE TO ALL, WHETHER FOREIGN VESSELS FISHING JOINT VENTURE, ALL THE WAY TO DRILL RIGS BEING STORED, SEISMIC CO.'S WORKING FOR OIL COMPANYS, AND FISHING CONCERNS IN GENERAL. TO WHOEVER WOULD COME TO THE PORT OF DUTCH HARBOR, ALASKA TO HAVE WHATEVER NEED ATTENDED TO. IN SHORT, SERVICES.

I HOPE ALL OF YOU CAN APPRECIATE THIS ATTITUDE, AND POINT OF VIEW; THAT SINCE ALL ARE TO BE CONSIDERED SUBSIDIZED, WE SHOULD CONTINUE TO SUBSIDIZE ALL, AND NOT JUST THE FEW. THERE IS

ALWAYS A CHANCE WHEN DEALING WITH THE PUBLIC GOOD, A GREAT DISSERVICE CAN BE DONE BY NOT HAVING ALL OF THE FACTS AND VIEWPOINTS AT HAND.

I WISH TO HEAR FROM YOU, AND I WILL DO ALL YOU CAN ASK OF ME FOR ASSISTANCE, EXPERIENCE, ANYTHING TOWARD CLARIFICATION OF THIS MOST IMPORTANT ISSUE.
WE HAVE NOT RECIEVED A REPLY FROM SENATOR STEVENS AS WE REQUESTED IN OUR MESSAGE. THIS WE REGRET.

OUR VERY BEST REGARDS AND THANKS FOR YOUR ATTENDANCE,

MAX AND DIXIE O'QUINN
VICTORY SERVICES INC., MAX O'QUINN PRESIDENT
D.O.V.A. DIXIE O'QUINN VESSEL AGENT, DIXIE O'QUINN PRESIDENT

DON BRUGMAN, DENNIS GLADWIN,
THIS LETTER WILL BE ADDRESED TO MORE THAN 20, OF WHICH YOU HAVE GIVEN ADDRESSES . PLS REVIEW AND EDIT ACCORDINGLY FOR CONTENT AND ADDITIONS TO TEXT I MAY HAVE OVERLOOKED.
THANKS, MAX.
ALL THESE FOLK ONLY NEED TO BE MADE AWARE OF THE MORALITY OF THE ISSUE. THEY (MOSTLY) HAVE TO WORK FOR A LIVING AS YOU AND I.
CHIN UP. AND PRAY SOME. IT DOES GOOD. I HAVE.
MAX

March 23, 1986

Northern Air Cargo
3900 West International Airport Rd.
Anchorage, Alaska
99502

Gentlemen:

This letter is in support of your continued mail and freight service to Southwestern Alaska.

As you know, mail service is especially critical in smaller rural communities as virtually all necessities of life generally arrive by mail. If mail transport is confined to only one carrier in the feeder system, inevitably service deteriorates. Service via your scheduled freight system is a necessary complement to that provided by the scheduled passenger carriers. No change or decrease in your share of this service should be permitted.

Sincerely

Fr. Gevasim Yurik
St. Nicholas Church
Chignik Lake, Alaska

Serving Pt. Barrow, Pilot Point, Chignik, Sand Point, King Cove

Baker Aviation, Inc.

P.O. BOX 116 • KOTZEBUE, ALASKA 99752

March 6, 1987

Rep. Henry Springer, Vice-Chairman
Transportation Committee
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Henry Springer:


This letter will confirm that I am opposed to the adoption of House Joint Resolution No. 11; relating to transportation of mail to mainline and bush communities in Alaska.

I do not feel that the U.S. Postal Service should be required to adjust the mail distribution formula in order to solve the problems of scheduled passenger carriers.

The resolution would eliminate competition for the two remaining major mail carriers.

However, we, the commuter carriers would still have the same battle of competition.

Sincerely,


Marge Baker
President

Iliamna Air Taxi, Inc.

BOX 109
ILIAMNA, ALASKA 99606

TIM & NANCY LA PORTE
(907) 571-1248

March 6, 1987

The Honorable Bette Cato
Chairwoman, Transportation Committee
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

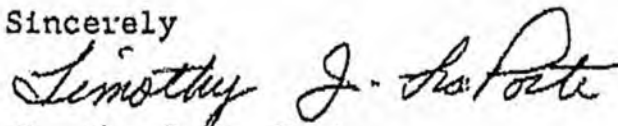
Dear Chairwoman Cato:

We are totally opposed to the adoption of House Joint Resolution No. 11 as it relates to transportation of mail to Mainline and Bush communities in Alaska.

The residents of the Lake Iliamna and Lake Clark areas presently enjoy the best passenger, Mail, and cargo service ever offered to us. This is the direct result of Airline Deregulation and the personal efforts of a few honest Airlines that are still totally committed to serving the needs of the Public.

Please do not revert the tremendous progress made in the entire State of Alaska by passing a resolution of this disastrous nature.

Sincerely



Timothy J. La Porte
President

cc: Rep Adelheid Herrmann
Sen Ted Stevens
Sen Frank Murkowski
Rep Don Young
Hon Preston R. Tisch
Postmaster General, U.S. Postal Service

Peninsula Airways, Inc.

6231 COLLINS WAY
ANCHORAGE, ALASKA 99502
TELEPHONE: (907) 243-7701

BRISTOL BAY — KODIAK ISLAND — ALEUTIAN & PRIBILOF ISLANDS

March 3, 1987

Senator Ted Stevens
522 Hart Senate Office Bldg
Washington, D. C. 20510

Dear Ted:

Enclosed is a copy of my letter to The Alaska Air Carriers Association, resigning our membership from that organization.

Out of some two hundred Commercial Operators throughout the State, only 28 now belong to AACA. Of the more than 45 mail carriers on the DOT service list, fewer than 20 belong to AACA.

Since the AACA no longer represents a true cross-section of the industry, I don't feel our name should be used in support of programs we don't agree with, the mail issue being one.

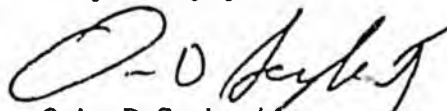
While I do sympathize with the large passenger carriers need to operate profitably while providing convenient service, I don't think the Postal Service should be used to operate inefficiently for its patrons.

If the Federal Government is to help guarantee jet service to Alaskan communities, the proper program to use is the Essential Air Service Act.

My strong feeling is that we should all be working together to prevent termination of the EAS, as the Administration seems to want, as well as extending the program for another ten years.

The EAS funds have been very efficiently used to cover deficiencies in service at specific communities. This program helps guarantee the right of every U. S. citizen to reasonable access to the National Transportation System at much lower cost to the taxpayer than the old regulated subsidy system.

Very truly yours



Orin D Seybert
President

Peninsula Airways, Inc.

6231 COLLINS WAY
ANCHORAGE, ALASKA 99502
TELEPHONE: (907) 243-7701

BRISTOL BAY — KOCIAC ISLAND — ALEUTIAN & PRIBILOF ISLANDS

Mar. 4, 1987

Rep. Adelheid Herrmann
Pouch V
Juneau, Ak. 99811

Dear Adelheid:

Enclosed are copies of letters to Senator Stevens and the Alaska Air Carriers Association, explaining our resignation from the AACA.

The AACA now has only 28 members and I feel it has become controlled by a small segment of the industry which is trying to force the Postal Service to favor a few particular carriers to the detriment of the general public.

In particular I feel you should be very careful in supporting HJR 11, as it may affect your constituents for instance in Togiak and St. George.

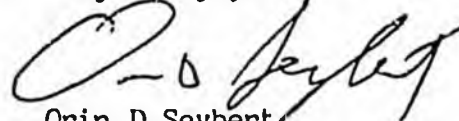
What has happened in those small communities now receiving direct large aircraft mail and freight service is what I would call progress, as their runways have been upgraded to support large aircraft operations it has become economically possible.

If Federal help is necessary to maintain good passenger transportation for some communities and situations (and I agree that Federal help is necessary), there is already exists the perfect program, the Essential Air Service Act to improve transportation without forcing the Postal Service to operate ineffectively and expensively.

The real effort needed in the coming year is to get Congress to extend the EAS indefinitely, and possibly expand it to more better cover these situations.

So please don't listen to a few carriers that tell you that if the system isn't changed they are going to hurt passenger service, because whenever I see points not being served properly, I can tell you my company will be there to provide service.

Very truly yours



Orin D Seybert
President

CC: Sen Zharoff
Rep Adams
Rep Cato

Peninsula Airways, Inc.

BRISTOL BAY — KODIAK ISLAND — ALEUTIAN & PRIBILOF ISLANDS

8231 COLLINS WAY
ANCHORAGE, ALASKA 99502
TELEPHONE: (907) 243-7701

Feb. 18, 1987

Alaska Air Carriers Ass'n
4134 Ingra St. Suite 201
Anchorage, Ak. 99503

Dear Cindy:

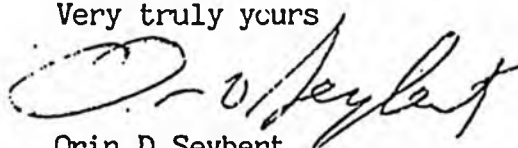
This letter is to inform you of the resignation of Peninsula Airways from the AACA.

While I firmly believe in the concept and the need of an organization to represent the industry as a whole, I am concerned that the membership has dwindled so badly that the Association no longer has a true representation of the industry as a whole.

I truly appreciate the time and effort you have put into the association, we all know it is far over and above what your compensation is, and I certainly hope you can continue your efforts to regain membership and make the AACA a united and state-wide voice of the industry as a whole.

When it is apparent that a majority of the operators see the need and are willing to participate in such an association, I would very much like to have the opportunity to rejoin.

Very truly yours



Orin D Seybert
President

ERA HELICOPTERS, INC.

505 WESTHEIMER SUITE 1000
HOUSTON, TEXAS 77056
TELEPHONE 713 621 7800

P. O. BOX 80149
FAIRBANKS, ALASKA 99701
TELEPHONE 907 452 1835

6160 SOUTH AIRPARK DRIVE
ANCHORAGE, ALASKA 99502
TELEPHONE 907 248 4423

PLEASE REPLY TO Anchorage

February 20, 1987

Mr. Don Brugman
General Manager
Northern Air Cargo, Inc.
3900 W. Intl. Airport Rd.
Anchorage, Alaska 99502

Dear Don:


Please find enclosed two packets containing specific information regarding Lifeguard Alaska, Providence Emergency Transport.

ERA's involvement in conjunction with Providence Hospital to provide Medivacs throughout the state has developed over the past ten years into a comprehensive program, of which we are very proud.

Also enclosed is a summary of our transports for 1986, by month, origin, and diagnostic category.

If you have any additional questions or need assistance with your presentation, please contact me.

Sincerely,


Kristin K. Kirschbaum
Manager, Customer Service

Enclosures:

MONTHLY SUMMARY
JANUARY - DECEMBER 1986

January: Total 37

Air 24
 ALS 17
 Perinatal 7

Ground 11
 ALS 2
 Perinatal 9

Commercial 2
 ALS 2
 Perinatal 0

February: Total 32

Air 20
 ALS 13
 Perinatal 7

Ground 11
 ALS 1
 Perinatal 10

Commercial 1
 ALS 0
 Perinatal 1

March: Total 52

Air 28
 ALS 18
 Perinatal 10

Ground 20
 ALS 2
 Perinatal 18

Commercial 4
 ALS 3
 Perinatal 1

April: Total 44

Air 30
 ALS 13
 Perinatal 17

Ground 10
 ALS 0
 Perinatal 10

Commercial 4
 ALS 1
 Perinatal 3

May: Total 61

Air 43
 ALS 23
 Perinatal 20

Ground 12
 ALS 0
 Perinatal 12

Commercial 6
 ALS 6
 Perinatal 0

June: Total 65

Air 43
 ALS 33
 Perinatal 10

Ground 20
 ALS 0
 Perinatal 20

Commercial 2
 ALS 1
 Perinatal 1

July: Total 60

Air 41
ALS 23
Perinatal 18

Ground 13
ALS 0
Perinatal 13

Commercial 6
ALS 3
Perinatal 3

August: Total 54

Air 41
ALS 32
Perinatal 9

Ground 10
ALS 1
Perinatal 9

Commercial 3
ALS 1
Perinatal 2

September: Total 58

Air 31
ALS 26
Perinatal 5

Ground 15
ALS 2
Perinatal 13

Commercial 12
ALS 9
Perinatal 3

October: Total 60

Air 34
ALS 24
Perinatal 10

Ground 21
ALS 0
Perinatal 21

Commercial 5
ALS 5
Perinatal 0

November: Total 58

Air 38
ALS 30
Perinatal 8

Ground 14
ALS 1
Perinatal 13

Commercial 6
ALS 6
Perinatal 0

December: Total 43

Air 30
ALS 23
Perinatal 7

Ground 9
ALS 1
Perinatal 8

Commercial 4
ALS 4
Perinatal 0

ORIGIN OF TRANSPORT
JANUARY - DECEMBER 1986

Providence	145
Homer	70
Soldotna	44
EAFB	39
Glennallen	34
Fairbanks	29
Seward	28
Humana	22
Kodiak	21
Juneau	20
ANMC	18
Bethel	17
Valdez	14
Kotzebue	14
Cordova	12
Cold Bay	11
Deadhorse	11
Adak	8
Dutch Harbor	6
Barrow	6
Dillingham	6
St. Paul	5
Nome	5
Yakutat	4
Palmer	3
Sitka	2
Beluga	2
Illiamna	2
Seattle	2
McGrath	2
St. George	2
Home	1
Terrance BC	1
Chignik	1
Nannek	1
Haines	1
Tachletna	1
Buffalo Mine	1
Yetna	1
Lake Creek	1
Wrangell	1
Prospect Lake	1
Pt. Possession	1
Eureka Lodge	1
Sterling	1
King Cove	1
Oloc	1
Minnesota	1
Dawson Creek	1
Sandpoint	1

DIAGNOSTIC CATEGORIES OF PATIENTS TRANSPORTED
JANUARY - DECEMBER 1986

Stable returns	83	Hypoglycemia	2
Cardiac	59	Pulm. embolus	2
Trauma	59	Ectopic pregnancy	2
Asphyxia/Apnea	40	Heart Transplant	2
Prematurity	38	Donor Recovery	2
RDS	34	Botulism	2
Head Injury	26	BPD	2
Premature labor	26	COPD	2
Acute abd. or abd. obst.	17	Coma	2
Ortho	16	Shunt	2
MAS	13	SIDS	1
Sepsis	12	Epiglottis	1
CVA	11	Low birthweight	1
GI Bleed	10	Pulmonary atresia	1
Testing	9	R/O IVH	1
CA	8	GU abnormalities	1
Pneumonia	7	Pulmonary banding	1
Spinal cord	6	Diaphragmatic hernia	1
Unknown	6	Multiple abnormalities	1
Rehab	5	AIDS	1
Aneurysm	4	Hypothermia	1
Meningitis	4	Rectal vaginal fistula	1
Hypertension	3	TE fistula	1
Seizures	3	Guillian Burre	1
OD	3	Trisomy 13	1
Burn	3	ARDS	1
Behavioral	3	IUGR	1
OR	3	Anemia	1
Renal failure	2	Hyperbilirubinemia	1
Poor transition	2		

February 17, 1967

Representative Henry Springer
House of Representatives
P.O. Box V
Juneau, AK 99811

Dear Mr. Springer:

In response to HB 11, recently introduced by Representative Adams, I would like to offer my comments.

While it is written vaguely, the resolution seems to imply that passenger service in the bush areas are hurting. That is a false idea. With competition the way it is, passengers have a wide variety of both airlines to choose from and schedules to fit their needs. Competition between the airlines in this region has benefited the people of the bush.

I feel that the end result of this resolution, should it pass, would lead to elimination of competition and encourage a monopoly to develop. The only one to benefit from this situation would be the major carrier. The people of the region would ultimately pay the price by having their mail, supplies, and groceries sit around, waiting to be shipped. A monopoly would encourage inflated shipping costs, making the high cost of living in this area even higher. I do not believe that the people you represent would want this. I can tell you that I do not want it.

As a small regional air carrier, we are in business to 1) serve the people of the region and 2) make a fair profit doing just that. I am concerned about the effect that any monopoly would have on both the region and the businesses serving it. I do not want to see air service regress, higher prices for poorer quality service, or a reduction in options for either passenger or cargo service.

I urge you, Mr. Springer, to do all you can to protect competition. It is our incentive to provide the best possible service to our customers

Sincerely,

David K. Olson
President
OLSON AIR SERVICE, INC.

Omni

ENTERPRISES, INC.

22105 23rd DR. S.E.

BOTHELL, WASHINGTON 98021

TELEPHONE (206) 481-6664

Anchorage Office:

3710 Woodland Drive, Suite 2000

Anchorage, Alaska 99517

907/248-2929

March 6, 1987

The Honorable Bette Cato
Chairwoman, Transportation Committee
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Chairwoman Cato:

As an Alaskan business that is a major shipper of products to rural Alaska and has a major concern for the people of Alaska, we strongly support the By-Pass mail system as it exists today. The people of rural Alaska today enjoy the greatest service level in the history of the state. They now enjoy many of the items and products we have taken for granted. If we take the competition out of the By-Pass mail system, the rural cities of Alaska will take a giant step back in time. As an experienced and caring business don't let this happen to our people.

Sincerely,

OMNI ENTERPRISES, INC.

Hans Winterlich
Vice President, Retail Operations

cc: Albert P. Adams (Sponsor)
H.A. Boucher (Transportation Co. Rep)
Virginia M. Collins (Community & Regional Comm)
Adelheid Herrmann (Sponsor)
Bill Hudson (Transportation Committee)
Mike Miller (Transportation Committee)
Heinrich Springer (Chair, Community & Regional Affairs)
F.Kay Wallis (Sponsor)
Jim Zawacki (Community & Regional Affairs Comm)



ALASKA COMMERCIAL COMPANY

ALASKA PIONEER MERCHANTS

EXECUTIVE OFFICES

8051 S. 198th
KENT, WA. 98031
(206) 872-7300

1011 E. TUDOR RD.
SUITE 120
ANCHORAGE, AK 99503
(907) 279-7467

February 23, 1987

The Honorable Bette Cato
Chairwoman, Transportation Committee
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Chairwoman Cato:

We have recently become aware of House Joint Resolution No. 11 which recommends the revision of the existing mail system to take into account the frequency and capacity of passenger service offered by each carrier serving a community. As one of the largest users of non-priority mail in the state, approximately 13 million pounds a year, we feel it appropriate and necessary for us to comment on any potential change to that system.

The special features of the mail system in rural Alaska were designed to accomplish social and economic objectives that are related to delivery of freight to lower the cost of goods. This efficient, cost effective system has enabled us to increase the selection of products available to our customers while allowing us to maintain low prices. ACC prides itself on being able to deliver a broad selection of goods at the lowest prices and the bypass mail system has helped make this possible. By confusing the issue of mail with passenger service it becomes more complex than it was meant to be. While passenger service in rural Alaska is important and perhaps warrants additional financial support, it should be separate from the mail revenues. It would be counterproductive should mail service suffer in an attempt to maintain a high level of passenger service. Mail revenues should continue to be used to lower the cost of bringing goods to rural communities.

From the perspective of a user of this system, it works smoothly and efficiently. While we are not against change if there is something to be gained, we believe it would be wrong to change a system that is working to one which is tied to an unrelated commodity. We would suggest that extensive hearings be conducted by the legislature prior to the passage of any resolution relating to the mail system in Alaska to better determine the impact such a change would have on the communities and people the system was established to serve. These hearings should be conducted not only by the Department of Transportation but also by the Department of Community and



ALASKA COMMERCIAL COMPANY

ALASKA PIONEER MERCHANTS

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SUITE 120
ANCHORAGE, AK 99503
(907) 279-7467

Regional Affairs and should be held in communities throughout the state. In this way information can be gathered from those users of the mail system which will be affected by any change. By discussing the proposed changes with the customers who will be affected, the impact can better be determined.

It is our understanding that the US Postal Service is planning on conducting hearings throughout the state this spring in an effort to evaluate the existing system and discuss any improvements which could be made. Perhaps it would be possible to conduct legislative hearings at the same time. This could accomplish both the objective of the Post Office while providing more definitive information on which for the Legislature to base their decision. We would respectfully request that we be notified of any hearings scheduled on this resolution so that we have an opportunity to further explain the potential impact of the implementation of this resolution on the communities in which we live.

While the Alaska Commercial Company does not want to interfere with the legislative process, we do believe it imperative that additional research be conducted before a decision of such magnitude is made.

Sincerely,

SAMUEL J. SALKIN
President
ALASKA COMMERCIAL COMPANY

CEDC SALES, INC. D/B/A



ALASKA COMMERCIAL COMPANY

ALASKA PIONEER MERCHANTS

EXECUTIVE OFFICES

8051 S. 198th
KENT, WA. 98031
(206) 872-7300

1011 E. TUDOR RD.
SUITE 120
ANCHORAGE, AK 99503
(907) 279-7467

2/23/87 Bypass Mail Letter Sent To the Following:

Albert P. Adams (Sponsor)
H. A. Boucher (Transportation Committee)
Bette Cato (Chairperson, Transportation Committee)
Virginia M. Collins (Community & Regional Affairs Comm)
Adelheid Herrmann (Sponsor)
Bill Hudson (Transportation Committee)
Mike Miller (Transportation Committee)
Heinrich Springer (Chair, Community & Regional Affairs)
F. Kay Wallis (Sponsor)
Jim Zawacki (Community & Regional Affairs Comm)



ANICA, INC.

ALASKA NATIVE INDUSTRIES CO-OPERATIVE ASSOCIATION INC.

February 20, 1987

Since 1948

The Honorable Bette Cato
Chairwoman, Transportation Committee
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Chairwoman Cato:

We are opposed to the adoption of House Joint Resolution No. 11 relating to transportation of mail to Mainline and Bush communities in Alaska.

The intent of the resolution is to have the U.S. Postal Service subsidize the passenger air service. What the resolution fails to recognize is that the majority of all people living in rural Alaska, have benefited from the deregulation of the airlines, which in fact has brought more frequent passenger service, along with competitive air freight service to Alaska villages for the first time in many years of airline monopoly of mail service.

It is a known fact that just a few airlines in the State of Alaska who want to control mail service object to competition and favor this House Bill No. 11.

As an Alaska Native owned cooperative which has been in business for over 40 years, serving over 40 different rural Alaska villages, we urge that House Joint Resolution No. 11 be defeated.

Sincerely,

Hyrum W. Jepsen
Anchorage Branch Manager
ANICA, INC./Anchorage

cc: Rep Adelheid Herrmann
Rep Al Adams
Rep Peter Goll
Rep Lyman Hoffman
Rep Kay Wallis
Rep Heinrich Springer
Sen Jack Coghill
Sen Willie Hensley
Sen Fred Zharoff
Sen John Binkle

cc: Sen Ted Stevens, U.S. Congress
Sen Frank Murkowski, U.S. Congress
Rep Don Young, U.S. Congress
Hon Preston R. Tisch, Postmaster Gen., USPS
Clifford Weyiouanna, Pres., ANICA, INC.
Paul Peck, Gen. Mgr., ANICA, INC.



Since 1948

ANICA, INC.

ALASKA NATIVE INDUSTRIES CO-OPERATIVE ASSOCIATION INC.

February 24, 1987

Senator Jack Coghill
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Coghill:

We are in support of the adoption and passage of Senate Joint Resolution No. 16.

Since this resolution recognizes the fact that deregulation has brought more frequent passenger service and competitive air freight service to Alaska villages for the first time in many years and that this resolution would make continued uncontrolled mail service available to Alaska villages we, as an Alaska Native owned cooperative which has been in business for over 40 years, serving over 40 different rural Alaska villages, urge the passage of this resolution.

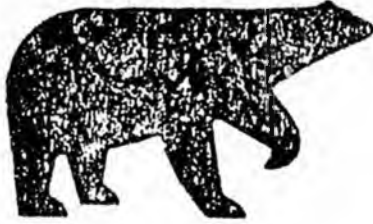
Sincerely,

Myrum W. Jepsen
Anchorage Branch Manager
ANICA, INC./Anchorage

HWJ/ga

cc: Rep Adelheid Herrmann
Rep Al Adams
Rep Peter Goll
Rep Lyman Hoffman
Rep Kay Wallis
Rep Heinrich Springer
Sen Willie Hensley
Sen Fred Zharoff
Sen John Binkley
Sen Sturgulewski
Sen Halford
Sen Uehling
Sen Szymanski
Sen Lloyd Jones
Sen Jay Kurtula

cc: Sen Ted Stevens, U.S. Congress
Sen Frank Murkowski, U.S. Congress
Rep Don Young, U.S. Congress
Hon Preston R. Tisch, Postmaster Gen., USPS
Clifford Weyiouanna, Pres., ANICA, INC.
Paul Peck, Gen. Mgr., ANICA, INC.



ANICA, INC.

ALASKA NATIVE INDUSTRIES CO-OPERATIVE ASSOCIATION INC.

Since 1948

March 10, 1986

Senator Ted Stevens, Senator From Alaska
Senate Office Building
Washington, D. C. 20510

Dear Senator Stevens:

The Alaska Native Industries Coperative Association, INC., (ANICA, INC.), is strongly opposed to the attempt by several Air Carriers in Alaska to petition the U.S. Postal Service to change mail distribution.

Deregulation, competition and the Free Enterprise System working with the present U.S. Postal Service Distribution has enabled Alaskans to receive the best passenger, freight and mail service they could ever imagine.

We ship close to half-million pounds of consumer goods each week to over 45 Native Village Stores throughtout the entire state through the mail system. We know what we are talking about and we do not need new regulations to change a system that is working well for the people of Alaska.

We feel the people of Alaska should have something to say about these decisions and not just a select group of Air Carrier Businesses who want to control and regulate their bottom line profits by changing current Mail Distribution.

Sincerely,

Hyrum W. Jepsen
Anchorage Manager
ANICA/Anchorage

CC: Garrison - 4/2
Shadlock
Young
Markowski
Orlando
Anchorage
C. ...

Anchorage • 1801 West 48th • Anchorage, Alaska 99503 • (907) 248-3100

February 23, 1987



UC87-2041

Mr. Butch Hallford
Assistant Cargo Manager
NORTHERN AIR CARGO
3900 W. International Airport Road
Anchorage, AK 99502

Dear Mr. Hallford:

Attached is a copy of the telegram that was sent this date to the members of the State House of Representatives, Transportation Committee.

If you have any questions or if we may be of further help in this matter, please feel free to contact Mr. Hamlen.

Sincerely yours,,

A handwritten signature in cursive script that reads "Audrey J. Bishop".

Audrey J. Bishop
Office Manager

/ajb

Attachment: a/s

cc: James Joseph
Myron Naneng

E099-(001)

Reference: House Joint Resolution No. 11, Relating to transportation of mail to mainline and bush communities in Alaska.

Members of the Transportation Committee

United Utilities provides telecommunications services to 56 bush communities. We have considerable experience shipping materials to and from bush communities and in dealing with carriers for transporting our traveling technicians.

House Joint Resolution No. 11 would have the Alaska State Legislature request the U.S. Postal Service to adopt a policy for the distribution of mail to carriers serving Alaskan communities that specifically takes into account the frequency and capacity of scheduled passenger service offered by each carrier serving a community. Currently, the U.S. Postal Service tenders mail under a policy known as "equitable tender". Equitable tender simply means that the mail is distributed as equally as possible among the airlines flying a particular route. The carrier with the most trips on a route now receives a proportionately larger share of the mail.

What is not clear to United is what the impact would be if the U.S. Postal Service were to abandon the "equitable tender" policy in favor of a "passenger carrier" policy. Would passenger service improve? Could cargo service improve? Or would cargo service be less frequent and dependable? A carrier that only hauls freight would not be able, under the proposed policy, to haul mail. The adoption of the proposed "passenger carrier" policy would undoubtedly deprive a freight only carrier from receiving the revenue that it now receives for hauling mail.

United does not have sufficient information to make a decision to either recommend or oppose the adoption of House Joint Resolution No. 11. Conceptually, the resolution may appear to make a lot of sense; however, the transportation of freight and passengers in the bush is very complex and many improvements have evolved over the years. We're recommending that an independent study be commissioned so that an informed decision can be made on Resolution No. 11. Bush residents, companys doing business in the bush, and carriers all have a vested interest in the impact that the delivery of mail has on bush transportation.

 BURLINGTON NORTHERN
AIR FREIGHT

March 13, 1986

Senator Ted Stevens
Senator from Alaska
Senate Office Building
Washington, D.C. 20510

Dear Senator Stevens,

As a freight forwarder in Anchorage, I am concerned about the proposed mail distribution policy change and its effect on freight service to bush Alaska.

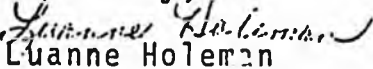
If this change is effected, it will ultimately bring about the end of options for shipping freight to the bush. Northern Air Cargo provides reliable, scheduled all-cargo service. Our customers depend on that; as a freight forwarder, I would hate to lose it.

The change would have a major affect on Alaskans. The people should have the opportunity to have their views heard; their opposition noted and taken into consideration.

Burlington Northern Air Freight opposes this proposed change of Postal Service mail distribution policy.

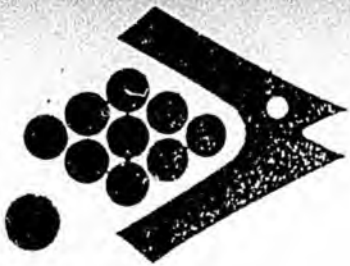
Thank you for you consideration of this matter.

Sincerely,



Luanne Holman
District Manager
Burlington Northern Air Freight

cc: Governor Bill Sheffield
Senator Frank Murkowski, Senator from Alaska
Congressman Don Young, Congressman from Alaska
Ms. Rebecca Gernhart-Range, U.S. Department of Transportation
Albert V. Casey, Postmaster General
James E. Orlando, Director, Office of Transportation
Judith Carmine, General Manager, Transportation Ops.



WHITNEY FOODS

A Division of Kyokuyo U.S.A., Inc.
100 West Harrison Plaza, South Tower
P.O. Box 9287, Seattle, WA 98109
Phone (206) 281-1262 Telex 32-8886

March 6, 1986

Don Brugman
Vice President - General Manager
Northern Air Cargo, Inc.
3900 W. International Airport Rd.
Anchorage, Alaska 99502

Dear Mr. Brugman:

Whitney Foods operates a fish processing plant in Anchorage, Alaska and has been in business since 1970. The plant has run about 6 to 10 million pounds annually since then. We depend on air service to fly the raw products of fish from the interior areas of Alaska, such as Bethel, St. Mary's, Unalakleet, Kotzebue, Nome and the Bristol Bay areas. These areas are heavily dependent on the salmon seasons for their seasonal livelihoods and employment.

In order to provide the markets with the highest quality seafood products and the best return to the individual fisherman, Whitney Foods depends heavily on the best service and lowest cost air freight rates possible. The last few years of deregulation have provided better service and lower costs to send supplies and pick up fish in the areas in which we operate.

Changes in the structure (mail allocation) that effect the above service and rates will only be a detriment to the communities and the fishermen that depend on air transportation to move their high volume products, on a regular basis, to insure quality and cost effectiveness.

The status quo provides the opportunity for service and competitive prices from all carriers from the fish producing areas of the state.

Regards,

Bruce Mitchell

Bruce Mitchell
General Manager Operations

BM/cr



ALASKA MINERS ASSOCIATION, INC.

ALASKA MINERS ASSOCIATION

RESOLUTION

WHEREAS the Alaska miners are dependent upon reliable all cargo transportation to remote areas within the State of Alaska, and

WHEREAS Northern Air Cargo has supported the Alaska miners for the past 30 years in both charter and now scheduled all cargo service, and

WHEREAS efficient and direct all cargo service means lower operating costs for the mining community with increased service levels resulting in higher quality food products as well as less "down" time for equipment and these services are essential to maintaining camps in remote areas and maintaining production levels and

WHEREAS the Postal Dispatch rule changes proposed in House Joint Resolution No. 11 will restrict Northern Air Cargo from all cargo service (60% of cargo within the State of Alaska is U.S. Mail),

THEREFORE, BE IT RESOLVED that the Alaska Mining Association strongly opposes any government regulations that limit mail transport exclusively by passenger aircraft in the State of Alaska and urges Congressional support of legislation promoting fair competition within the airline industry.

PASSED AND APPROVED by the Alaska Mining Association this 6 day of February, 1987.

Curtis V. McVee
Executive Director
Alaska Miners Association

TOGIAK NATIVES LIMITED

P.O. Box 169 • Togiak, Alaska 99678 • (907) 493-5520

February 19, 1987

The Honorable Governor Steve Cowper
Office of the Governor
3rd Floor
State Capital
Pouch A
Juneau, Alaska 99811

Dear Governor Cowper:

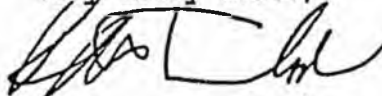
It has come to my attention that certain members of the Alaska Legislature are supporting action that will seriously affect the economy of Togiak. I am referring to House Joint Resolution No. 11 "Relating to Mail to Main-line and Bush Communities" that is ill conceived and gave no thought to, nor input from, the residents of Togiak, Twin Hills, Goodnews Bay and the surrounding area.

Togiak has been making very good progress over the past few years in becoming an economic self-supporting community and is attempting to spread the benefits of these efforts to surrounding communities. Apparently, some members of the Legislature are bowing more to the demands of one large community over several smaller ones and, more questionable in our minds, to big, state-wide businesses rather than existing and developing local businesses.

Attached is a memorandum directed to the residents of this area that addresses the issue and concerns existing in regard to this matter. Attached to this memo are signatures of a great many of the residents of the area acknowledging their concern that they not lose the current level of freight service to Togiak. If more time was allowed I feel confident that almost all residents of this area would give their signature to this issue.

I respectfully request the support of your office in this matter.

Very Truly Yours,



Robert Nanalook
President

RN:fka
Enclosures

cc: Al Adams
John Binckley
Rep. Kay Wallis
Rep. Mike Davis
Rep. Pat Pourchot

Sen. Jan Faiks
Sen. Pat Rodey
Sen. Willie Hensley
Sen. Arliss Sturgulewski
Sen. Fred Zharoff

Rep. Adelheid
Hermann

WAINWRIGHT CO-OPERATIVE ASSOCIATION

WAINWRIGHT, ALASKA 99782

February 14, 1987

Northern Air Cargo
3900 W. International Airport Rd.
Anchorage, Alaska 99502
ATTN: H. Jorgensen

Dear Mr. Jorgensen,

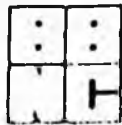
I have become aware of the fact that Northern Air Cargo may become the bypass mail carrier for Wainwright sometimes in the future. I wish to offer my full support for this program. For many years, we in the North Slope Villages have been expressing an interest in having a carrier bring us our groceries and supplies directly from Anchorage or Fairbanks. We have had to limit our produce and fruit orders due to damage and spoiling of such perishables during transit from Anchorage, but hopefully, this problem would be alleviated with your service. Besides, we might be able to offer more services to our customers who are planning on making major purchases during the busy spring and summer season.

Thank you for your interest in serving the Wainwright Cooperative Association as well as the rest of our village.

Sincerely,

George Agnasaggá
Manager

cc: Kevin Hault, store advisor, ANICA, Inc.
Moses Nayakik, President, Board of Directors



Bristol Bay Native Corporation

800 CORDOVA / P.O. BOX 100220 / ANCHORAGE, ALASKA 99510 / (907) 278-3602
TELECOPY (907) 276-3924

February 18, 1987

The Honorable Bette Cato
Chairwoman, Transportation Committee
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Chairwoman Cato:

We are opposed to the adoption of House Joint Resolution No. 11 relating to transportation of mail to Mainline and Bush communities in Alaska.

The intent of the resolution is to have the U.S. Postal Service subsidize the passenger air service. What the resolution failed to address is that the majority of people in the Bush and Mainline communities in Alaska depend more heavily upon cheaper freight rates, for the delivery of food and supplies that only cargo carriers can provide, than for cheaper passenger air fare. Presently, air fare into the Bristol Bay is one half of what it was last year and very adequate. This is due to increased competition. Therefore, we urge that House Joint Resolution No. 11 be defeated.

Sincerely,

Donald F. Nielsen

Donald F. Nielsen
Senior Vice President

cc: Rep Adelheid Herrmann
Sen Ted Stevens
Sen Frank Murkowski
Rep Don Young
Hon Preston R. Tisch
Postmaster General, U.S. Postal Service

Aleut Community Store
Of Saint Paul
Post Office Box 85
Saint Paul, Alaska 99660
(907) 546-2209

March 3, 1986

Mr. Ted Stevens
United States Senator
147 Russell Office Building
Washington, D.C. 20510

Honorable Ted Stevens

This letter is prompted by the recent request for revision of the Postal Service's M-31 Handbook, by nine (9) Alaska Air Carriers.

With the present downturn in the Alaska economy, I can see why these air carriers have banded together to try and recapture their lost income. From their aspect, they have a valid point, but from the aspect of the recipients of the mail in the rural Alaska communities, any revisions would spell DISASTER !

If any of the petitioning air carriers secure their proposed revisions, it would be a GIANT STEP BACKWARDS ! We would end up in the same situations that we faced years ago. The mail would be dropped at the Hub, and smaller aircraft would handle the mail to the rural communities. In theory, this sounds like an equitable arrangement, but higher costs are not taken into consideration with this theory.

I am sure that you realize that the more the mail is handled, the more chance for damage to occur. I would like to cite some specific examples:

- I. With the beginning of Direct Service to our community, within the first months service we enjoyed more than a \$1,000.00 Decrease in the damages we sustained by improper mail handling.

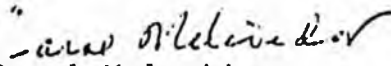
Aleut Community Store
Of Saint Paul
Post Office Box 85
Saint Paul, Alaska 99660
(907) 546-2209

- II. Before Direct Service, we were unable to utilize By-Mail for shipment of frozen food, but with Direct Service the residents of our rural community have been able to realize a 50% cost reduction in their frozen food prices!
- III. If a product is dented, even though slightly, the rural customer will not purchase it, no matter what the cost to them, forcing us to destroy the product.
- IV. If we were forced to return to the old ways, of receiving our By-Pass and First Class mail via the HUB, we would suffer both financially and physically by the loss of product. Even now, when product is moved to us via the an airline, other than Northern Air Cargo, we receive it in a batter state. This is a common occurrence when the mail is NOT moved on Northern Air Cargo's DC-6 Aircraft.
- V. If Northern Air Cargo's service were curtailed, Reeve Airways would again start dropping the mail for Saint George Island here in Saint Paul. Prior to Northern Air Cargo Service, the Mail would be stored in our store for later shipment via a smaller aircraft to Saint George. This situation cannot come about, as we no longer have the facilities to store goods other than our own. There are no facilities on our island for freeze storage or bulk mail storage

My feelings are that the United States Postal system was initiated to benefit the people, not those private Corporations that are presently backing these proposed revision to the M-31 Handbook.

If there is another meeting in reference to these proposed changes, I would like the chance to testify on the behalf of the rural Alaskan.

Sincerely,


Carol Melovidov
Manager

COPIES Sent To:

Please send letters to:

Governor Bill Sheffield
P.O. Box A
Juneau, Alaska 99811

Senator Ted Stevens, Senator from Alaska
Senate Office Building
Washington, D.C. 20510

Senator Frank Murkowski, Senator from Alaska
Senate Office Building
Washington, D.C. 20510

Congressman Don Young, Congressman from Alaska
2331 Rayburn Building
Washington, D.C. 20515

Ms. Rebecca Gernhart-Range
U.S. Department of Transportation
Office of the Assistant Secretary for Governmental Affairs
400 7th Street S.W., Room 10408 I-1
Washington, D.C. 20590

Following people of the United States Postal Service:

Albert V. Casey, Postmaster General
James E. Orlando, Director, Office of Transportation & International Affairs
Judith Carmine, General Manager, Transportation Ops. and Requirements Div.

All of the above are at this address:

United States Postal Service Headquarters
Mail Processing Department, Room 7912
Washington, D.C. 20260-7130

Please send a copy of your letter to:

Don Brugman
Vice President - General Manager
Northern Air Cargo, Inc.
3900 W. International Airport Rd.
Anchorage, Alaska 99502

Aleut Community of St. Paul - IRA Council
P O. Box 86
Paul Island, Alaska 99660

Aleut Community of St. Paul Store - FILE

Bethel Chamber of Commerce

P.O. Box 329 • Bethel, Alaska 99559

December 5, 1986

Dear Chamber Member:

This letter is written pursuant to a resolution adopted by general membership of the Bethel Chamber of Commerce at the regular meeting held on December 4, 1986.

On April 3, 1986 the chamber addressed the issue of proposed changes to the by-pass mail shipment policies of the U.S. Postal Service. A copy of the April 3 resolution is enclosed.

It was believed by some chamber members that the April 3 resolution was ambiguous and did not, in their view, reflect the intent of chamber membership. Accordingly the membership voted to reconsider the matter on December 4, 1986.

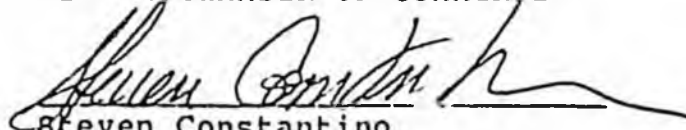
Following a review of the resolution of April 3, and after hearing the comments and discussion of the general membership, including representatives from Mark Air and Northern Air Cargo, a resolution was unanimously passed instructing the chair to draft a letter to clarify the intent of Chamber in passing the April 3 resolution, as follows, to wit:

1. In passing the April 3, 1986 resolution the Bethel Chamber of Commerce intended to remain "company neutral" that is, the Chamber did not intend to endorse the political position advocated by any firm or air carrier in the by-pass mail debate.

2. The Bethel Chamber of Commerce reaffirms its support for continuation of the present regulations and policies of the U.S. Postal Service as they relate to allocation and delivery of by-pass mail and oppose any change to such regulations and policies at this time.

I hope that the December 4, 1986 resolution clarifies the position of the Bethel Chamber of Commerce regarding this issue. Although the chamber has spent a great deal of time discussing this issue and has now affirmed its position in two complementary resolutions, the membership are also acutely aware of the potential impact of changes to the by-pass mail allocation system and look forward to reconsidering this matter again if significant new developments arise.

Very truly yours,
BETHEL CHAMBER OF COMMERCE


Steven Constantino
President

Kuskokwim 300 Race Committee
Box 300, Bethel, Alaska 99559
(907) 543-2972



The Kuskokwim 300
is an annual dog sled race
from Bethel to Aniak and back.

The race route follows
old dog team mail routes
along the Kuskokwim River.

Senator Ted Stevens
522 Hart Building
Washington, DC 20510

February 26, 1986

Dear Senator Stevens:

This letter is written on behalf of the Kuskokwim 300 Race Committee in support of Northern Air Cargo, an Anchorage based airline service, serving this area. We understand that Northern Air Cargo's opportunity to carry mail under government contract is being challenged. We also understand that the mail contract is essential to Northern Air's continual financial health.

Therefore, we encourage you to do whatever possible to continue Northern Air Cargo's involvement in the mail haul contract.

Northern Air has provided an essential service to bush Alaska hauling items that would either travel slowly or not at all on the passenger airlines. That includes live animals, heavy equipment, petroleum products and other substances that normally don't travel with passengers. Their service has been excellent and at competitive prices.

Additionally, Northern Air has assisted organizations like our own with reduced rate service in support of community projects. They have earned our lasting support.

Please do what you can to insure the continued success of Northern Air Cargo.

Sincerely,

KUSKOKWIM 300 RACE COMMITTEE

CC: Northern Air Cargo



Pribilof School District

District Office Building
St. George School • St. Paul School
St. Paul, Alaska 99668 • Telephone (907) 546-2221

Denver G. Bowen, Superintendent
Rick E. Luthi, Principal

Board of Education
John W. Merculiel, President
Alexis Prokopiou, Vice President
Mike Zacharof, Secretary/Treasurer
Andronik Kashconof, Jr., Member
Carol A. Melovidou, Member

February 20, 1986

To: Whom It May Concern

It has come to my attention that Northern Air Cargo, the air freight company presently serving the Pribilof Islands, has been criticized for the service they have provided.

At the very beginning, let me state without hesitation that the service they are providing to the Pribilof School District and to me personally is excellent. Their service is prompt, courteous, reliable, and best of all materials are delivered in good condition.

In the ten years that I have been on the Pribilof Islands, I have had supplies delivered by both passenger plane and boat. Materials delivered by boat are usually damaged by the shipping company through rough handling or by exposure to water. Materials delivered by passenger plane cannot be hazardous and passengers are given first priority so materials are left behind. Many of the cleaning supplies that are needed in the school cannot be shipped by passenger plane. As with other entities, supplies and materials ordered by the school district are needed immediately and are useless while they are in a warehouse waiting to be delivered. Northern Air Cargo has virtually eliminated all of these problems by providing regular air cargo service to the Islands.

It is without reservation that I openly lend my support to having Northern Air Cargo continue their service to the Pribilof Islands.

Sincerely,

Denver G. Bowen
Superintendent

dgb

ST. GEORGE TANNAQ CORPORATION

ST. GEORGE ISLAND • ALASKA • 99503
859-2255 or 859-2256

2604 FAIRBANKS STREET
ANCHORAGE • ALASKA • 99503
(907) 276-3600

February 25, 1986

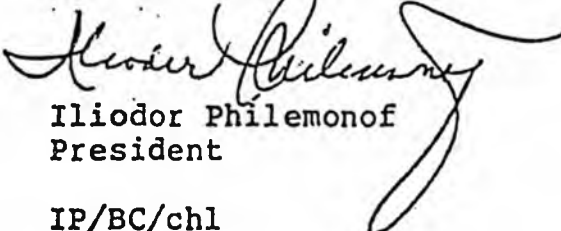
Honorable Ted Stevens
701 "C" Street
Box 2
Anchorage, Alaska 99513

Dear Senator Stevens:

We are concerned about the possible reduction in the current level of air cargo service to St. George Island. You should be aware that Northern Air Cargo has provided excellent mail and freight service to our community and we hope that you will oppose any legislation that may adversely affect their air service to St. George.

Respectively yours,

ST. GEORGE TANNAQ CORPORATION


Iliodor Philemonof
President

IP/BC/chl

ST. GEORGE COMMUNITY COUNCIL

ST. GEORGE ISLAND, ALASKA 99607
TELEPHONE 907-859-2242

RESOLUTION NO. 86-04

WHEREAS, the community of St. George has greatly benefited from weekly services provided by Northern Air Cargo from Anchorage to St. George for the past three years; and

WHEREAS, before this service was provided by Northern Air Cargo freight was received by boat from Seattle twice a year; and

WHEREAS, direct weekly service by Northern Air Cargo allows the community to receive by-pass mail, cargo and groceries on a weekly basis thus reducing the cost of these and similar items to the residents of St. George; and

WHEREAS, with the development of a fisheries on St. George this service will be in great demand and essential to economy of St. George.

WHEREAS, government restriction to haul mail on Northern Air Cargo will have a detrimental affect on the economy of St. George.

NOW THEREFORE BE IT RESOLVED that the St. George Community Council goes on record supporting Northern Air Cargo in the continuation of their excellent direct bush service to St. George; and

BE IT FURTHER RESOLVED that the St. George Community Council strongly apposes any government regulations which limits mail transport exclusively by passenger aircraft and urges congressional support of Northern Air Cargo Service in Alaska.

Passed this 13th day of March 1986 by the duly elected members of the St. George Community Council.

Masha E. Mlavinsky
Attest

Erin R. Merculio
President

Samuel Kadman
Secretary/Treasurer

Quorum constituted by 4.

Voting For 7.

Voting Against 0.

Dec. 16, 1985

James E. Orlando
Director/Office of Transportation
and International Services
Mail Processing Dept.
Rm. 7912
U. S. Postal Service Headquarters
Washington, D. C. 20260-7130

RE: Postal Service to St. George Island

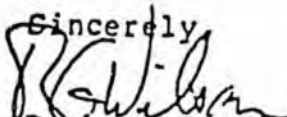
Dear Sir:

St. George Island has in the last two or three years experienced a major improvement in mail service as compared with the "spoke and hub" system used previously. It has come to our attention that you are studying the possibility of returning to the old system and this is a concern to us.

Briefly, the community used to get mail through Cold Bay and St. Paul. This system was plagued with difficulties such as lost mail, spoilage of perishables and dependability. In the past two years the Island has had nearly perfect delivery via an Anchorage based freight hauler, Northern Air Cargo, just about every week. Losses have dropped or been eliminated as far as I know; food and other time-sensitive items have arrived on a timely basis, usually via bypass mail at better rates than we experienced previously.

We hope you take this customer information into account. Basically the community is satisfied, so we would suggest not changing the present framework.

Sincerely


Richard G. Wilson
City Administrator

cc: Sen. Ted Stevens
Sen. Murkowski
Cong. Young
Northern Air Cargo
Mayor and Council

February 21, 1986

Honorable Ted Stevens
U. S. Senate
147 Russel Building
Washington, D.C. 20510

Dear Senator Stevens:

For the past two and a half to three years we have been very fortunate to have Northern Air Cargo coming out to Gambell and Savoonga once a week direct from Anchorage.

They have been bringing in much needed commodities to the village, groceries, fresh milk, fresh produce, and freight for the community. Freight and supplies come in all at once with less handling minimizing spoilage and damage.

Should the Northern Air Cargo flight be terminated, all supplies will have to go through Nome incurring loss, damage, and delays. This would be a definite disadvantage to the villages.

I request that you seriously consider that the service Northern Air renders be continued.

I am,

your Truly,

Richard W. Hagenlul, Sr.

Richard W. Hagenlul, Sr.
Assistant Manager
Gambell Native Store

February 21, 1996

Honorable Ted Stevens
U.S. Senate
147 Russel Building
Washington, D.C. 20510

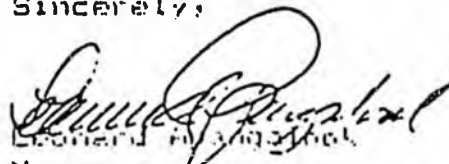
Dear Senator Stevens:

We have been informed that our Anchorage-Gambell direct air cargo service rendered by Northern Air Cargo is under the threat of being discontinued. If this should happen, Gambell Native Store as major supplier of all commodities to our community will not only be set back five years in terms of progress, but it will also critically and adversely affect the daily nutritional needs of our people. Establishment of this direct route by NAC has been a historical turning point for our village in terms of social and economic progress. This link with the metropolis of our state is also important for some of the following reasons:

1. Termination of this route will channel our supplies into Nome (bottleneck) where it will be stored for up to a month at a time; as has been the case in the past.
2. Groceries and supplies will be handled numerously where damage is substantial.
3. Fresh milk and produce will not be available to our people regularly and in most cases, if it does come it will be in unuseable condition.
4. Service currently provided by NAC is progressive for the village and improving. Severence at this time would be unwise economically, socially, and politically at all levels.

Your consideration for the continuance of our current service by Northern Air Cargo will be greatly appreciated. Thank you.

Sincerely,


Leonard A. Young
Manager
Gambell Native Store

cc: NAC
Anisa, Inc.
Sen. Murkowski
Re. Young

City of Gambell
Gambell Common Council
P.O. Box 189
Gambell, Alaska 99742
(907) 985-5112

February 20, 1986

Honorable Ted Stevens
United States Senate
147 Russell Office Building
Washington, D.C. 20510

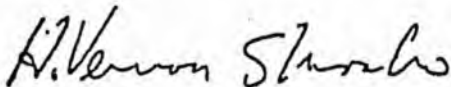
Dear Senator Stevens:

The City of Gambell strongly opposes the people who are trying to cut off the direct Anchorage-Gambell services Northern Air Cargo is currently providing for the residents of St. Lawrence Island. We are asking you for your support.

We are very isolated from the mainland, and even if we get the Ryan Air and Bering Air planes every day, our mail is real slow. Northern Air brings to us on a weekly basis fresh fruits, fresh meats, diapers, milk, canned goods, equipment, etc. The residents have come to expect the "big plane" every week because if they do not come, the store shelves get empty and bare. Likewise, the residents expect the "small planes" to bring in our mail and transport us in and out of Gambell. If this service is cut off, then Ryan Air and Bering Air will have to handle the cargo and freight as well as the mail and passengers. We know from past experiences that a lot of the mail, freight and cargo will get stuck in Nome for a long while before they get finally brought over.

This service cannot be cut off merely for the sake of the people who are trying to cut it off. They do not realize that if Northern Air stops this direct service to St. Lawrence Island, people will be directly affected. Please support us on this issue. Thank you.

Sincerely,



Mayor H. Vernon Slwooko

cc: Senator Murkowski
Representative Young
Senator Ferguson
Representative Fuller
Representative Adams

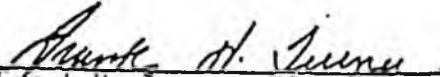
Holy Cross City Council

P.O. BOX 111
- CITY OF HOLY CROSS ALASKA 99502

1986 FEBRUARY 04

RESOLUTION 86-03

- WHEREAS, the community of Holy Cross four years ago submitted a resolution to the TCC Lower Yukon Subregional Advisory Board for support in constructing a larger airfield at Holy Cross, to serve Anvik, Grayling and Shageluk, and;
- WHEREAS, the intent of a larger airfield was to provide improved passenger, mail, and freight service to the four communities, and;
- WHEREAS, government airline deregulation spurred intensive competition in the aviation industry enabling consumers to experience improved passenger, mail and freight service, and;
- WHEREAS, direct weekly service by Northern Air Cargo greatly enhances same day delivery of by-pass mail, cargo, and groceries on a weekly basis thus further eliminating middlemen and additional costs to the consumer(s), and;
- WHEREAS, consumers and vendors enjoy receiving fresh vegetables and fruits year round as a result of direct weekly service, and;
- WHEREAS, construction scheduled in the area this summer by HUD, PHS, AVEC, Iditarod Area School District, and municipalities, often times rely on the weekly cargo flights, and;
- WHEREAS, future economic development of the area for employment purposes will require direct, cost-effective, and viable transportation of goods and supplies, and;
- WHEREAS, current airline lobbying efforts directed at our U.S. Senators and U.S. Representatives to implement legislation which will limit shipment of mail only by passenger aircraft would have a negative impact in the present service delivery, and;
- WHEREAS, indirect routing thru Aniak is more costly and time-consuming, particularly where only small aircraft at times is available to transport bulky cargo, and;
- WHEREAS, government restriction to haul mail on Northern Air Cargo, (where approximately 60% of their cargo is mail and air freight alone is insufficient to successfully operate a regular schedule) will abruptly eliminate the degree of service and/or progress experienced to date.
- NOW THEREFORE BE IT RESOLVED that the City of Holy Cross goes on record supporting Northern Air Cargo in the continuation of their excellent direct bush service to Holy Cross, and;
- BE IT FURTHER RESOLVED that the Holy Cross City Council strongly opposes any government regulations which limits mail transport exclusively by passenger aircraft and urges congressional support of Northern Air Cargo service in Alaska.
- PASSED AND APPROVED BY the Holy Cross City Council this 4th day of February, 1986.


Frank H. Turner, Vice-Mayor

SEAL:


Connie Demientieff, City Clerk

ST. GEORGE TAMAQ CORPORATION

2604 FAIRBANKS STREET
ANCHORAGE • ALASKA • 99503
(907) 276-3600

ST. GEORGE ISLAND • ALASKA • 99660
(907) 859-2255 or 859-2256

February 27, 1986

Senator Ted Stevens
U. S. Senate
127 Russell Senate Office Bldg.
Washington, D.C. 20510

Dear Senator Stevens,

As a result of deregulation in the airline industry St. George is receiving better air freight and passenger service. We have become almost totally dependent on air service except for very heavy freight, which is banded. Some people have even received cars by air.

Now, there's talk that some big air carriers want some sort of re-regulation because of their financial problems. Well, if the mail is divided up to satisfy them it would then become uneconomical for airlines such as Northern Air Cargo to serve us.

On February 21st. of this year I spoke at a meeting convened by members of your staff and the postal service for continued service by Northern Air Cargo and against the proposed changes by some of the bigger airlines in our state. I also presented to that group a petition signed by 79 of the adult population of St. George. I would like to re-iterate our stand on this issue and urge your support.

To follow the wishes of those who want to re-regulate the airlines industry in Alaska would only set St. George back in time. We deserve the service that many other communities have enjoyed for many years and which we have just received in the last few years.

Thank you for your kind consideration of this matter.

With respect.

Anthony B. Mercurief,
Chairman of the Board.

cc: Senator Frank Murkowski
Representative Don Young
Northern Air Cargo
George Bill Sheffield

RESOLUTION #86- 12

1986 BERING STRAITS ELDERS' CONFERENCE

RE: DISTRIBUTION OF U.S. MAIL AMONG AIRLINES SERVING RURAL ALASKA COMMUNITIES

WHEREAS, The two largest airlines serving rural Alaska have proposed a change in the system under which U.S. Mail to rural Alaska communities is distributed among airlines; and

WHEREAS, The proposed changes would require that only passenger airlines carry mail to rural Alaska communities; and

WHEREAS, Northern Air Cargo provides direct mail and cargo service to several rural communities in our region; and

WHEREAS, Indirect routing of mail and cargo is more costly and time-consuming; and

WHEREAS, If the proposed changes are adopted, passenger carriers having increased passengers during tourist season may give low priority to mail to rural communities; and

WHEREAS, Regular, dependable, timely mail service is vital to the rural communities;

NOW THEREFORE BE IT RESOLVED that the 1986 Bering Straits Elders Conference fully supports continued direct mail and freight service to rural Alaska communities; and

BE IT FURTHER RESOLVED that the Conference opposes any change in the mail distribution system that would require that only passenger carriers carry mail; and

BE IT FURTHER RESOLVED that the Conference opposes any change in the mail distribution system that would, in effect, reduce or eliminate the availability of regular, direct mail and freight service to rural Alaska communities.

ELDERS COMMITTEE:

February 28, 1986
Date

Margaret DeGuzman
Alanna M. Jones
Myrtle Boosha

CONVENTION ACTION: PASS

THE AMERICAN LEGION - DEPARTMENT OF ALASKA

67th ANNUAL CONVENTION - SEWARD, ALASKA

JUNE 18 - 21, 1986

RESOLUTION NUMBER 86-12

SUBMITTED BY: RESOLUTION COMMITTEE

WHEREAS, the American Legion recognizes that the fallout of a major air carrier that formerly serviced Alaska's rural areas and the apparent colusion of those air carriers that are still active in the state; and

WHEREAS, current airline lobbying efforts directed at our U.S. Senators and U.S. Representatives to pass legislation that will restrict shipments of U.S. mail to passenger aircraft which would have a negative impact on the present delivery service; and

WHEREAS, for the 60,000 veterans who live and work in the state of Alaska that would be subjected to both direct and indirected impacts through unfair competitive restraints due to governmental regulations; and

THEREFORE BE IT RESOLVED, that the American Legion, Department of Alaska, in conjunction with 2,500,000 national members strongly opposes any government regulations that limit mail transport exclusively by passenger aircraft in the state of Alaska and urges Congressional support of legislation promoting fair competition within the airline industry.

/s/ Joe Warren
Chairman, Resolutions Committee



James A. Risko

DEPARTMENT ADJUTANT FINANCE OFFICER
SERVICE OFFICER

THE AMERICAN LEGION
DEPARTMENT OF ALASKA
238 EAST 8TH AVE.
ANCHORAGE, ALASKA 99501

TEL: 807 276-8211

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 86-35

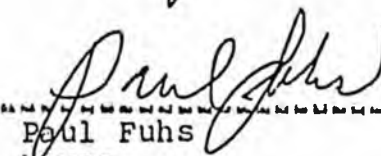
A RESOLUTION REGARDING MAIL DISTRIBUTION

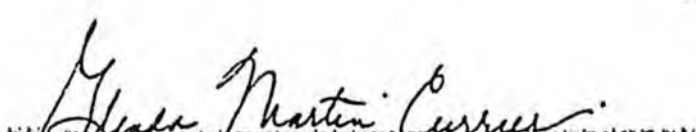
WHEREAS: the Unalaska City Council realizes that the issue of mail distribution in rural Alaska is extremely complex because the conditions around the state vary widely; and

WHEREAS: the delivery of mail in a timely fashion is of great importance to the community of Unalaska.

NOW THEREFORE BE IT RESOLVED THAT the Unalaska City Council supports public hearings in Alaska on the mail distribution system and that public participation be encouraged.

PASSED AND APPROVED THIS 12th DAY OF June, 1986 BY THE
UNALASKA CITY COUNCIL, UNALASKA, ALASKA.


.....
Paul Fuhs
Mayor


.....
Glenda Martin Currier
City Clerk



THE SHAGELUK CITY COUNCIL

March 6, 1986

Honorable Bill Sheffield
Governor, State of Alaska
PO Box A
Juneau, Alaska 99811

Dear Honorable Bill,

It has come to our attention that our area may be in jeopardy of losing our main freight carrier, Northern Air, to proposed regulations.

At our City Council meeting March 5, we discussed these concerns. We have supported, and will continue to support Northern Air Cargo freight service to Holy Cross. This winter, construction on a major project in Shageluk has moved so fast that we have needed to use the freight service of Northern Air on several occasions to insure prompt delivery of cargo to our area. We make our own arrangements for delivery from Holy Cross to Shageluk which is the least of our worries. Without Northern Air we would have had to stop construction on the project until the river was open, or worse yet charter our freight from Anchorage!

The dilemma small villages are faced with for passenger and freight service is increasing. We are daily confronted with worry of frozen and spoiled merchandise for our store. Our freight has been known to sit in Aniak for up to a month when only one airline is used. Now that Seair is gone from our area we have two choices for freight and one for passenger service. If regulations force Northern Air to pull out of Holy Cross our problems will increase.

We ask that you support us. Holy Cross and other rural communities who wish to continue freight service regionally.

Thank you.

Sincerely,

Jay

Jovanne Hamilton, City Clerk
Shageluk City Council

cc: Senator Ted Stevens
Senator Frank Murkowski
Congr. man Don Young
James Orlando
Rebecca Gernhart-Range
Dennis Gladwin

ANC
210

Bethel Chamber of Commerce

P.O. Box 329 • Bethel, Alaska 99559

RESOLUTION OF GENERAL MEMBERSHIP

APRIL 3, 1986

WHEREAS The Bethel Chamber of Commerce is acutely aware of western Alaska's dependance upon air transport for the delivery of the U.S. Mail to this region;

AND WHEREAS commerce, economic development and the quality of life for the people of western Alaska is dependant upon the continued enhancement of "By-Pass" mail service;

AND WHEREAS the air transport industry has developed and enhanced the commerce, economic development and quality of life for the people of western Alaska under the regulations and policies of the U.S. Postal Service currently in effect;

AND WHEREAS the Chamber of Commerce believes that continued enhancement and future development of air carrier and "By-Pass" mail service depends upon competition among carriers to the greatest extent possible;

AND WHEREAS the Chamber of Commerce believes that the current regulations and policies of the U.S. Postal Service promote competition and continued enhancement of "By-Pass" mail service to Western Alaska;

NOW THEREFORE BE IT RESOLVED THAT, The Bethel Chamber of Commerce by and through its Membership supports continuation of the regulations and policies of the U.S. Postal Service as they relate to allocation and delivery of "By-Pass" mail, and does further oppose any change in such regulations or policies at this time.

Dated this 4th day of April, 1986

Bethel Chamber of Commerce

By Steven Constantino
Steven Constantino, President



Iditarod Trail Committee, Inc.

Pouch X, Wasilla, Alaska 99687 • Phone (907) 376-5155

February 25, 1987

This letter is in regards to Alaska House Joint Resolution #11 relating to transportation of mail to mainline and bus communities in rural Alaska.

Although some of the wording is somewhat vague, some of the points it brings up are clear.

- 1) Elimination of any sort of competition and creation of monopolies.
- 2) "If it's not broken, don't fix it" - The system in place now is the best ever in bush Alaska. The isolated communities receive mail, groceries and freight not only quicker, more efficiently and in better shape but also cheaper than ever before.
- 3) Concern being steered more towards the large corporations in town rather than the quality of life for the people in the bush.

As the person responsible for all the logistical aspects of the Iditarod, I ship close to 200,000 pounds of freight and by-pass mail out to the bush each February and for the last 2 years it's gone efficiently and smoothly since we began using the by-pass mail system along with regular freight service offered by Northern Air Cargo. Last year, for example, I sent out 4,683 bags of dog food to over 21 points between Anchorage and Nome, over 7000 gallons of fuel to various locations and had to have a snowmachine shipped to McGrath all in about 5 days time. The efficiency of this system enabled us to put on the best and fastest race yet.

Another aspect of my job has me traveling around the State extensively in the months before the race, making preparations and the support for the existing system is immense, not just in the mainline points but in all the more isolated communities also, regardless of cultural or economical differences. It's true that the proposal may keep airfares stable or even lower them but personally, I'm willing to pay a few extra dollars to get to Anchorage or Nome in exchange for fresher food, lower prices on goods, increased availability of items, same day mail and the security of knowing you can get the things you need.

I've been a resident of various communities in the bush on and off over my 15 years in the State and have seen the quality of life vastly improved in the last few years under the present system. And as a sled dog racer and race organizer, I couldn't do it without the services of Northern Air Cargo, which would disappear with the passage of this resolution.

I urge you please to consider carefully all the potential aspects of the bill and look not just at the possibility of one or two large companies being able to make more money, but at the impact it will have on the free market system and the way of life unique to Bush Alaska.

Thank you for your concern.

Jack Niggemyer
Race Manager
Iditarod Trail Race

THE PRECEDING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

1 IN THE SENATE

BY STURGULEWSKI

2 SENATE JOINT RESOLUTION NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 Relating to the policy of the United
6 States Postal Service for the fair and
7 equitable distribution of mail busi-
8 ness.

Harford
Utermohle
COG HILL
Szymanski

9 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 WHEREAS the present policy of the United States Postal Service under
11 the Postal Reorganization Act (39 U.S.C. 101) provides for the fair and
12 equitable distribution of mail business to carriers providing similar modes
13 of transportation services; and

14 WHEREAS this policy fosters the development of air cargo services to
15 rural areas of the state; and

16 WHEREAS this policy results in direct benefits to residents of
17 isolated rural communities throughout the state who rely extensively on the
18 movement of mail and cargo by air carriers for essential goods, including
19 perishable foods, medical supplies, construction supplies, and other
20 commodities necessary to maintain a living outside of urban communities;
21 and

22 WHEREAS rural residents of the state attest to the improvement in the
23 quality of life that has accompanied the advent of reliable, scheduled mail
24 and cargo service as the result of this policy; and

25 WHEREAS rural residents of the state are most affected by this policy
26 and are opposed to changes in this policy;

27 BE IT RESOLVED that the Alaska State Legislature commends the United
28 States Postal Service for its contribution to the quality of life in the
29 state as a whole but especially in the rural areas through the fair and

1 equitable distribution of mail business among air carriers; and be it

2 FURTHER RESOLVED that the Alaska State Legislature respectfully re-
3 quests the United States Postal Service to maintain its current policies
4 for the fair and equitable distribution of mail business to air carriers in
5 the state.

6 COPIES of this resolution shall be sent to the Honorable Preston R.
7 Tisch, Postmaster General of the United States Postal Service; and to the
8 Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and
9 the Honorable Don Young, U.S. Representative, members of the Alaska delega-
10 tion in Congress.

IN THE SENATE

SENATE JOINT RESOLUTION NO.---

IN THE LEGISLATURE OF THE STATE OF ALASKA
FIFTEENTH LEGISLATURE-FIRST SESSION

RELATING TO POLICY OF THE
U.S. POSTAL SERVICE FOR THE
FAIR AND EQUITABLE
DISTRIBUTION AND DISPATCH
OF MAIL TO RURAL ALASKA

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA :

WHEREAS THE CURRENT POLICY AND PROCEDURES OF THE
U.S. POSTAL SERVICE PROVIDE FOR THE FAIR AND EQUITABLE
DISTRIBUTION AND ALLOCATION OF MAIL TO MAINLINE AND BUSH
POINTS IN RURAL ALASKA, CONSISTENT WITH THE POSTAL
REORGANIZATION ACT (39 U.S.C. §101); AND

out
~~WHEREAS CERTAIN ALASKA PASSENGER AIR CARRIERS HAVE
BEEN AND ARE CAMPAIGNING TO PERSUADE OR ATTEMPT TO REQUIRE
THE POSTAL SERVICE TO REVISE ITS POLICY AND PROCEDURES SO
AS TO PREFER AND IN EFFECT SUBSIDIZE PASSENGER SERVICES
WITHIN ALASKA [TO THE PREJUDICE OF AND DIVERSION OF MAIL
FROM THE ONLY MAJOR INTRA-ALASKA ALL-CARGO CARRIER, WHICH
WOULD JEOPARDIZE THE CONTINUING VIABILITY OF THAT CARRIER
AND ITS COMPETITIVE PRESENCE IN THE CARRIAGE OF MAIL AND
FREIGHT WITHIN ALASKA] AND~~

~~WHEREAS THOSE UNING SUCH REVISION IN POSTAL
SERVICE POLICIES AND PROCEDURES DO NOT REPRESENT THE
INTERESTS OF THE PUBLIC BEING SERVED, THE DIRECTLY
AFFECTED CONSUMERS, SHIPPERS AND THE ISOLATED
COMMUNITIES AND CONSIGNEES OF RURAL ALASKA; AND~~

*The current
policies
procedures
of the U.S.
Postal Service
directly
benefit*

WHEREAS, IN SHARP CONTRAST TO THE LOWER FORTY-EIGHT AND THE REST OF THE UNITED STATES, THE CONSUMERS AND PUBLIC OF RURAL ALASKA, INCLUDING THE HUNDREDS OF ISOLATED COMMUNITIES LOCATED THROUGHOUT THE VASTNESS OF THE STATE, ARE ENTIRELY RELIANT UPON MOVEMENT BY AIR OF MAIL AND FREIGHT FOR ALL OF THEIR NECESSITIES AND THEIR VERY SURVIVAL, INVOLVING SUCH MAIL TRAFFIC AS FOODS, INCLUDING PERISHABLES, MEDICAL SUPPLIES, CONSTRUCTION MATERIALS AND ALL OTHER COMMODITIES NECESSARY TO THE HEALTH, WELFARE, AND CONTINUED SUSTENANCE REQUIRED TO MAINTAIN A WAY OF LIFE; AND

WHEREAS, IN 1979, FOLLOWING TWENTY-SEVEN FORMAL AND INFORMAL ON SITE MEETINGS HELD WITHIN ALASKA TO OBTAIN THE VIEWS OF THE CONSUMING PUBLIC AT SEVEN MAINLINE AND TWENTY BUSH LOCATIONS, THE CHAIRMAN OF THE THEN CIVIL AERONAUTICS BOARD, ACCOMPANIED BY STAFF REPRESENTATIVES OF THE CAB AND THE US DEPARTMENT OF TRANSPORTATION, NOTED THAT THE IMPORTANCE OF MAIL AND CARGO NEEDS WERE CITED ALMOST UNANIMOUSLY BY SPOKEPERSONS AT THOSE MEETINGS EMPHASIZING THE HEAVY DEPENDENCE OF ALASKAN COMMUNITIES ON AIR TRANSPORTATION TO PROVIDE MAIL AND CARGO TRANSPORTATION, AS THE SINGLE MOST IMPORTANT REQUIREMENT FOR THE LOGISTICS OF AIR TRANSPORTATION WITHIN ALASKA, AS SET FORTH IN CAB ORDER 80-1-167, ISSUED ON JANUARY 25, 1980; AND

WHEREAS, CONTRARY TO REPRESENTATIONS WHICH HAVE BEEN MADE BY PASSENGER AIR CARRIER INTERESTS, THE QUALITY OF PASSENGER SERVICE TO RURAL ALASKA, BOTH MAINLINE AND BUSH, IS AT AN ALL-TIME HIGH; AND

WHEREAS THE CONSUMING PUBLIC OF RURAL ALASKA HAVE OVERWHELMINGLY ATTESTED TO THE IMPROVEMENT IN THE QUALITY OF LIFE WHICH HAS ACCOMPANIED THE ADVENT OF RELIABLE

SCHEDULED MAIL AND CARGO SERVICE, AND ^{HAVE} ~~HAS~~ EVIDENCED SUPPORT FOR THE PRESENT POLICIES OF THE POSTAL SERVICE FOR THE EQUITABLE DISTRIBUTION OF MAIL AS THEY ARE NOW BEING ADMINISTERED, AND HAVE PROVIDED HUNDREDS OF RESOLUTIONS, PETITIONS AND LETTERS OF SUPPORT FOR THE PRESENT SYSTEM; AND

WHEREAS THE PUBLIC ~~VOICES~~ ^{THESE} OF RURAL ALASKA, MOST IMMEDIATELY AND CRITICALLY CONCERNED, WHOSE VERY LIVELIHOOD IS INVOLVED AND HAVE THE MOST TO LOSE, HAVE EXPRESSED THEMSELVES AS FIRMLY OPPOSED TO ANY CHANGE IN POSTAL SERVICE POLICY AND PROCEDURES WHICH ARE NOW RESPONSIBLE FOR ^{PROVIDING} VITAL, REGULAR, DEPENDABLE, AND TIMELY MAIL SERVICE; AND ~~THESE VOICES~~ SHOULD BE HEARD.

NOW THEREFORE BE IT RESOLVED ~~THAT IT IS THE SENSE~~ ^{BY} OF THE ALASKA STATE LEGISLATURE THAT THE U.S. POSTAL SERVICE SHOULD BE COMMENDED FOR THE MANNER IN WHICH IT HAS ADDRESSED ITSELF TO THE PARTICULAR AND CRUCIAL REQUIREMENTS OF RURAL ALASKA BY ITS CURRENT POLICIES AND PROCEDURES PROVIDING FOR THE FAIR AND EQUITABLE DISTRIBUTION OF MAIL TO CARRIERS.

BE IT FURTHER RESOLVED BY THE ALASKA STATE LEGISLATURE THAT THE U.S. POSTAL SERVICE SHOULD BE ENCOURAGED TO MAINTAIN ITS CURRENT POLICIES AND PROCEDURES AS THEY HAVE BEEN DEVELOPED AND NOW IN EFFECT AND SHOULD MAKE NO CHANGE IN THOSE POLICIES AND PROCEDURES.

COPIES OF THIS RESOLUTION SHALL BE SENT TO THE POSTMASTER GENERAL, U.S. POSTAL SERVICE, TO THE GOVERNOR OF THE STATE OF ALASKA, TO THE SECRETARY OF TRANSPORTATION, AND TO ALL MEMBERS OF THE ALASKA CONGRESSIONAL DELEGATION.

02/10/87 15:11

S 202 331 0599 SEAMON, WASHO&OZ

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LAW OFFICES
SEAMON, WASHO & OZMENT
SUITE 800
1015 EIGHTEENTH STREET, N.W.
WASHINGTON, D. C. 20036

THEODORE J. SEAMON
LAWRENCE D. WASHO
O. D. OZMENT
HOWARD S. FELDMAN

TELEPHONE
1000 331-0710
FAX
1000 331-0888

TELECOPY COVER PAGE
FOR IMMEDIATE DELIVERY

To: Don Bergman
Northern Air Cargo (Don Bergman) Date: 2/10/87

Firm: NORTHERN AIR CARGO

FAX Number: (907) 243-2031

Number of Pages (including cover page) 4

Time of Transmittal: _____ A.M. 3:12 P.M.

Summary/Subject of Transmittal: Don: herewith first cut suggested draft of joint resolution to be tried on for size. I leave it to you all and your Juneau advisor to make the necessary editing to conform to desired legislative form. I have cut the cloth broadly so that it can be cut down to desired size. It may be too verbose and to some extent, repetitious. Consideration should also be given as to whether to focus specifically on the jeopardy to KAC and avoid an "us against them" conflict but leave it as one for the "public to be heard."

From: Ted Seamon

FAX Number: (202) 331-0599

Telephone Number: (202) 331-0770

NORTHERN AIR CARGO, INC.
3900 W. INTERNATIONAL AIRPORT ROAD
ANCHORAGE, ALASKA 99502
(907) 243-3331

NORTHERN AIR CARGO

Northern Air Cargo was founded in 1956 as a partnership between Robert "Bobby" Sholton and Maurice Carlson. The airline was established as a charter air freight service, utilizing two C-82 "Flying Boxcars." As the airline founders, Sholton and Carlson were both considered Alaskan aviation pioneers; since the late 1940's, Sholton had flown extensively all over Alaska delivering freight, passengers, and mail; Carlson had flown for the military.

With a fleet of C-82's, Northern Air Cargo established an impressive record of service to many areas of the State. The airline pioneered delivery of special-outsized cargo to some 192 different air strips within the State. Areas served were mining settlements, construction and DEW Line sites as well as delivering freight to rural communities on a charter basis. In 1969, the first DC-6 aircraft was added to the operation. This aircraft gave the Company additional lift and capacity and opened up an even more expanded rural market. Since the early 1970's, Northern Air Cargo has been on a controlled rate of growth adding DC-6 all-cargo aircraft periodically up to its present fleet of ten aircraft. Northern Air Cargo was co-owned by Sholton and Carlson until Sholton purchased his partner's interest in the airline in 1981.

The widow of Robert Sholton, Mrs. Rita Sholton is the airline's President and Chief Executive Officer. Mrs. Sholton has steered Northern Air Cargo on a course of steady growth since Robert Sholton's death in 1982. Mrs. Sholton moved the airline from almost 100% charter operations prior to 1982, to a scheduled airline that serves 20 communities within Alaska on a regularly scheduled basis with freight and mail delivery. The airline flies approximately two and one-half million miles per year within the State of Alaska.

SERVING ALASKA SINCE 1956

Today, freight and mail fly on Douglas DC-6 air freighters. The airline owns ten DC-6 aircraft, and each plane can lift nearly 30,000 pounds. The planes are economical to operate, reliable, and ideally suited to the varied Alaskan flying conditions. The planes are able to land on improved and unimproved airstrips 4,000 feet in length, and the Company has upgraded the aircraft to include sophisticated electronics including LORAN navigation and Color Radar. Eight of the ten aircraft in the fleet are of the standard configuration; the ninth freighter is dedicated exclusively as a tanker, and can haul up to 4,500 gallons of fuel; the tenth freighter is one of only two in the world with a "Swingtail" which swings completely open from the tail allowing rear loading of cargo as long as 65 feet. The aircraft is ideally suited for the special transportation needs of rural Alaska.

Northern Air Cargo's philosophy is one of service to the customer, and providing this service as quickly, efficiently, and safely as possible. The airline has had over 30 years of accident free operations.

Northern Air Cargo employs 150 people in Anchorage and sub-contracts with local business enterprises in the 20 rural Alaskan communities that it serves. In all these areas, Northern Air Cargo has made a significant economical contribution.

02/10/87 15:11

8 202 331 8599 SEARCH.WASK060Z

01

LAW OFFICES
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1015 EIGHTEENTH STREET, N.W.
WASHINGTON, D. C. 20038

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From: Ted Seamon

FAX Number: (202) 331-0599

Telephone Number: (202) 331-0770

IN THE SENATE

SENATE JOINT RESOLUTION NO.---

IN THE LEGISLATURE OF THE STATE OF ALASKA
FIFTEENTH LEGISLATURE-FIRST SESSION

RELATING TO POLICY OF THE
U.S. POSTAL SERVICE FOR THE
FAIR AND EQUITABLE
DISTRIBUTION AND DISPATCH
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WHEREAS ^{THE CARRIERS AND PASSENGER SERVICES} THESE URGING SUCH REVISION IN POSTAL
^{AND THE DIRECTLY} SERVICE POLICIES AND PROCEDURES DO NOT REPRESENT THE
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WHEREAS, IN SHARP CONTRAST TO THE LOWER FORTY-EIGHT AND THE REST OF THE UNITED STATES, THE CONSUMERS AND PUBLIC OF RURAL ALASKA, INCLUDING THE HUNDREDS OF ISOLATED COMMUNITIES LOCATED THROUGHOUT THE VASTNESS OF THE STATE, ARE ENTIRELY RELIANT UPON MOVEMENT BY AIR OF MAIL AND FREIGHT FOR ALL OF THEIR NECESSITIES AND THEIR VERY SURVIVAL, INVOLVING SUCH MAIL TRAFFIC AS FOODS, INCLUDING PERISHABLES, MEDICAL SUPPLIES, CONSTRUCTION MATERIALS AND ALL OTHER COMMODITIES NECESSARY TO THE HEALTH, WELFARE, AND CONTINUED SUSTENANCE REQUIRED TO MAINTAIN A WAY OF LIFE; AND

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02/10/37 15:13

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HAVE

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