



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

Issued by the Department of Transportation
on the 22nd day of October, 2021

Essential Air Service at

EKWOK, ALASKA
(FAIN 69A3452260439)¹

IGIUGIG, ALASKA
(FAIN 69A3452260482)

PILOT POINT, ALASKA
(FAIN 69A3452260517)

UGASHIK, ALASKA
(FAIN 69A3452260516)

under 49 U.S.C. § 41731 *et seq.*

DOT-OST-2015-0175

DOT-OST-2015-0176

DOT-OST-2015-0178

DOT-OST-2015-0179

ORDER SELECTING AIR CARRIER

Summary

By this Order, the U.S. Department of Transportation (the Department) is selecting Bidzy Ta Hot' Aana, Inc. d/b/a Tanana Air Service (Tanana Air) to provide Essential Air Service (EAS) at Ekwok, Igiugig, Pilot Point, and Ugashik, Alaska, for the five-year period from December 1, 2021, through November 30, 2026, as described in the table below:

Community	Subsidy Year 1 ²	Subsidy Year 2 ²	Subsidy Year 3 ²	Subsidy Year 4 ²	Subsidy Year 5 ²	Weekly Round Trips	Hub Airport	Aircraft
Ekwok	\$63,089	\$67,238	\$71,684	\$76,447	\$81,553	3	Dillingham	Cessna C-207/Piper PA-32 (6 seats)
Igiugig	\$217,072	\$227,787	\$239,094	\$253,082	\$268,550	3	King Salmon	Cessna C-207/Piper

¹ FAIN = Federal Award Identification Number.

² Such subsidy is calculated and distributed on a fiscal year basis, subject to the availability of funds.

								PA-32 (6 seats)
Pilot Point/ Ugashik	\$302,839	\$319,038	\$336,211	\$359,198	\$383,724	4	King Salmon	Cessna C-207/Piper PA-32 (6 seats)

Background

By Order 2019-11-19 (November 29, 2019), the Department selected Tanana Air to provide EAS at Igiugig for the two-year period from December 1, 2019 through November 30, 2021, as described in the table below:

Community	Subsidy Year 1	Subsidy Year 2	Weekly Round Trips	Hub Airport	Aircraft ³
Igiugig	\$197,810	\$205,722	3	King Salmon	Cessna C-207/Piper PA-32 (6 seats)

Additionally, the Department selected Grant Aviation, Inc. (Grant Aviation) to provide EAS at Ekwok, Pilot Point, and Ugashik, Alaska, for the two-year period from December 1, 2019, through November 30, 2021, as described in the table below:

Community	Subsidy Year 1	Subsidy Year 2	Weekly Round Trips	Hub Airport	Aircraft
Ekwok	\$71,744	\$75,190	3	Dillingham	Gipps Aero GA-8 (7-seats) or Cessna C-207 (6-seats)
Pilot Point and Ugashik	\$349,591	\$363,307	4	King Salmon	Cessna Caravan C-208 (9-seats)

In anticipation of the end of the current rate-term, the Department issued Order 2021-5-12 (May 18, 2021), requesting proposals from carriers interested in providing EAS at Ekwok, Igiugig, Pilot Point, and Ugashik for a new contract period.⁴ In response to that request, the Department received proposals for all four communities from Grant Aviation and Tanana Air. The proposals are summarized below. The complete set of proposals are available at www.regulations.gov by searching for the above-referenced docket numbers in the “search” field.

⁴ Order 2019-11-19 also selected Grant Aviation to provide EAS at King Cove, AK, but it is not addressed in Order 2021-5-12, “Order Requesting Proposals,” as the period of performance for Grant Aviation ends November 30, 2024.

Summary of Air Carrier Proposals by Grant Aviation

Grant Aviation proposes to provide EAS at each community for a five-year period, as referenced in the table below:

Community	Subsidy Year 1	Subsidy Year 2	Subsidy Year 3	Subsidy Year 4	Subsidy Year 5	Weekly Round Trips	Hub Airport	Aircraft
Ekwok	\$74,241	\$82,726	\$90,888	\$99,846	\$108,554	3	Dillingham	Cessna C-207 (6 seats) /Gipps GA-8 (8 seats)
Igiugig	\$183,015	\$192,944	\$203,206	\$213,968	\$225,255	3	King Salmon	Cessna C-207 (6 seats) /Gipps GA-8 (8 seats)
Pilot Point/ Ugashik	\$343,213	\$367,678	\$392,603	\$418,892	\$446,621	4	King Salmon	Cessna C-207 (6 seats) /Gipps GA-8 (8 seats)

Grant Aviation also included a proposal for the above-referenced communities on a two-year term as referenced in the table below:

Community	Subsidy Year 1	Subsidy Year 2	Weekly Round Trips	Hub Airport	Aircraft
Ekwok	\$76,537	\$85,285	3	Dillingham	Cessna C-207 (6 seats) /Gipps GA-8 (8 seats)
Igiugig	\$186,750	\$196,882	3	King Salmon	Cessna C-207 (6 seats) /Gipps GA-8 (8 seats)
Pilot Point/ Ugashik	\$350,217	\$375,182	4	King Salmon	Cessna C-207 (6 seats) /Gipps GA-8 (8 seats)

Summary of Air Carrier Proposals by Tanana Air

Tanana Air proposes to provide EAS at each community for a five-year period, as referenced in the table below:

Community	Subsidy Year 1	Subsidy Year 2	Subsidy Year 3	Subsidy Year 4	Subsidy Year 5	Weekly Round Trips	Hub Airport	Aircraft
Ekwok	\$63,089	\$67,238	\$71,684	\$76,447	\$81,553	3	Dillingham	Cessna C-207/Piper PA-32 (6 seats)
Igiugig	\$217,072	\$227,787	\$239,094	\$253,082	\$268,550	3	King Salmon	Cessna C-207/Piper PA-32 (6 seats)

Pilot Point/ Ugashik	\$302,839	\$319,038	\$336,211	\$359,198	\$383,724	4	King Salmon	Cessna C- 207/Piper PA-32 (6 seats)
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Community and State Comments

In a letter dated June 10, 2021, Mr. Luki Akelkok, Sr., Mayor of Ekwok, states that the City of Ekwok strongly supports the selection of Tanana Air to provide EAS at Ekwok. Furthermore, he states that “[o]ur community relies on mail service and the essential air service provides our citizens with cost effective freight and seat fare prices.”

In a letter dated June 1, 2021, Ms. Rhonda Wayner, Tribal Administrator for the Igiugig Village Counsel (IVC), states the IVC supports Tanana Air Service’s application to provide EAS to the community of Igiugig. Furthermore, she states that “Our community has received excellent service from Tanana Air. The company is owned and operated by local Alaska Native residents, we know them to be safe and reliable.”

No comments were received regarding EAS at Pilot Point or Ugashik.

Decision

49 U.S.C. § 41733(c)(1) directs the Department to consider six factors when making an air carrier selection for a community in Alaska where basic EAS will not be provided without compensation:⁵ (A) service reliability of the applicant air carrier; (B) the existence of contractual and marketing arrangements with a larger air carrier at the hub; (C) the existence of interline arrangements with a larger air carrier at the hub; (D) the preferences of the actual and potential users of the EAS, giving substantial weight to the views of the elected officials representing those users; (E) the experience of the applicant in providing, in Alaska, scheduled air service or significant patterns of non-scheduled air service; and (F) whether the air carrier has included a plan in its proposal to market the EAS. In addition, Section 41732(b)(1)(B) requires basic EAS to include a level of service at least equal to that provided in 1976 or two round trips a week, whichever is greater, except that the Secretary of Transportation and the appropriate State authority of Alaska may agree to a different level of service after consulting with the affected community. Finally, Extending Government Funding and Delivering Emergency Assistance Act, Pub. L. No. 117-43 (September 30, 2021), authorizes the Department to consider the relative subsidy requirements of the applicant air carriers.

Tanana Air’s proposals meets the air carrier selection criteria the Department is required to consider, and the Department finds its service and subsidy levels reasonable. Tanana Air has been providing reliable service at Igiugig for many years and has reliably served other EAS communities in Alaska when selected by the Department. In making its decision, the Department also considered the relative subsidy requirements of the applicant air carriers, consistent with the Extending Government Funding and Delivering Emergency Assistance Act. Tanana proposed the lower subsidy requirements for Ekwok, Pilot Point, and Ugashik, and, at Igiugig, the Department balanced the details of each proposal, relative subsidy requirements, and community feedback to determine that the selection of Tanana Air will best meet Igiugig’s

⁵ The Department did not receive any proposals to provide EAS at Ekwok, Igiugig, Pilot Point, or Ugashik without subsidy.

EAS. Therefore, the Department is selecting Tanana Air for EAS at Ekwok, Igiugig, Pilot Point, and Ugashik for a five-year term.

Service Transition

The Department expects the air carriers to work together to make a smooth transition at Ekwok, Pilot Point, and Ugashik, Alaska, with no hiatus in service.⁶ Before Grant terminates its EAS, the Department expects the air carrier to notify all passengers holding reservations for travel after the termination date, to assist those passengers in making alternate air transportation arrangements, or to provide a full refund of the ticket price, without penalty, if requested.

Air Carrier Fitness

Title 49 U.S.C. §§ 41737(b) and 41738 require that the Department find an air carrier fit, willing, and able to provide reliable service before the Department may subsidize it to provide EAS. Tanana Air is subject to the Department's continuing fitness requirements, and no information has come to the Department's attention that would cause the Department to question the air carrier's fitness at this time. The Department has contacted the Federal Aviation Administration, and it has raised no concerns that would negatively affect the Department's fitness findings. The Department therefore concludes that Tanana Air is reliable and fit to conduct the operations proposed at Ekwok, Igiugig, Pilot Point, and Ugashik.

This Order is issued under authority delegated by the Secretary of Transportation in 49 CFR § 1.25a(b)(6)(ii)(D).

ACCORDINGLY,

1. The Department selects Bidzy Ta Hot' Aana, Inc. d/b/a Tanana Air Service to provide Essential Air Service at Ekwok, Igiugig, Pilot Point, and Ugashik, Alaska, from December 1, 2021 through November 30, 2026, and establishes the annual subsidy rates as described in Appendix B;
2. The Department makes this selection contingent upon receiving properly-executed certifications from Bidzy Ta Hot' Aana, Inc. d/b/a Tanana Air Service that it is in compliance with the Department's regulations regarding drug-free workplaces and nondiscrimination, as well as the regulations concerning lobbying activities;⁷
3. The Department directs Bidzy Ta Hot' Aana, Inc. d/b/a Tanana Air Service to retain all books, records, and other source and summary documentation to support claims for payment, including copies of flight logs for aircraft used to provide EAS under this Order and sold or disposed of, and to preserve and maintain such documentation in a manner that readily permits its audit and examination by representatives of the Department. This documentation shall be retained for three years from the last day of service under this Order, or such longer period as the Department may notify the air carrier. If any litigation, claim, or audit is started before the expiration of the three-year period, the records must be retained until all litigation, claims, or

⁶ Tanana Air is the incumbent carrier at Igiugig.

⁷ The certifications are available online under "Reports and Publications" at <http://www.transportation.gov/office-policy/aviation-policy/essential-air-service-reports>.

audit findings involving the records have been resolved and final action taken. The air carrier may forfeit its compensation for any claim that is not supported under the terms of this Order;

4. The Department finds that Bidzy Ta Hot' Aana, Inc. d/b/a Tanana Air Service is fit, willing, and able to operate as a certificated air carrier, and is capable of providing reliable Essential Air Service at Ekwok, Igiugig, Pilot Point, and Ugashik, Alaska;

5. These dockets will remain open pending further Department action; and

6. The Department will serve this Order on the Ekwok City Council, the Igiugig Village Council, the City of Pilot Point, the Ugashik Village Council, the Alaska Department of Transportation and Public Facilities, Bidzy Ta Hot' Aana, Inc. d/b/a Tanana Air Service. and Grant Aviation, Inc.

By:

Joel Szabat
Deputy Assistant Secretary
for Aviation and International Affairs

(SEAL)

An electronic version of this document is available at
www.regulations.gov

<u>7/22/2021</u>							Appendix A
ESSENTIAL AIR SERVICE AT EKWOK, AK Cessna 207/Piper PA-32 SERVICE							Page 1 of 1
OPERATIONS							
MARKET	DEPS	AVG BLOCK	TOTAL BLOCK				
DLG-KEK	156	27	4,212.0				
KEK-DLG	156	25	3,900.0				
TOTAL	312		8,112.0				
		Block Hours	135.2				
EXPENSES							
Item	Units	Current Unit Costs	1st Year Expenses	2nd Year Expenses	3rd Year Expenses	4th Year Expenses	5th Year Expenses
Pilot & CoPilot	135.2	\$241.00	\$35,189.88	\$38,005.04	\$41,045.45	\$44,329.08	\$47,875.41
Fuel & Oil	135.2	\$122.00	\$17,154.18	\$17,840.34	\$18,553.98	\$19,298.12	\$20,067.98
All Insurance	135.2	\$110.00	\$15,466.88	\$16,085.56	\$16,728.98	\$17,398.14	\$18,094.06
Maintenance	135.2	\$320.00	\$44,994.56	\$46,794.34	\$48,666.12	\$50,612.78	\$52,637.27
Aircraft Lease/Depr	135.2	\$125.00	\$17,576.00	\$18,279.04	\$19,010.20	\$19,770.61	\$20,561.43
TOTAL DIRECTS		\$918.00	\$130,381.47	\$137,004.33	\$144,004.70	\$151,406.71	\$159,236.14
Traffic Related	312	\$35.00	\$11,356.80	\$11,811.07	\$12,283.51	\$12,774.86	\$13,285.85
Departure Related	312	\$105.00	\$34,070.40	\$35,433.22	\$36,850.54	\$38,324.57	\$39,857.55
TOTAL INDIRECTS		\$140.00	\$45,427.20	\$47,244.29	\$49,134.06	\$51,099.42	\$53,143.40
SUBTOTAL			\$175,808.67	\$184,248.61	\$193,138.76	\$202,506.13	\$212,379.54
CAPACITY RELATED		10.00%	\$17,580.87	\$18,424.86	\$19,313.88	\$20,250.61	\$21,237.95
TOTAL SYSTEM			\$193,389.54	\$202,673.47	\$212,452.64	\$222,756.74	\$233,617.49
Specific Ground Support							
Contracted Ground Handling			\$14,480.00	\$15,059.20	\$15,661.57	\$16,288.03	\$16,939.55
TOTAL OPERATING EXPENSES			\$207,869.54	\$217,732.67	\$228,114.20	\$239,044.77	\$250,557.04
PROFIT @ 5% MARKUP			\$10,393.48	\$10,886.63	\$11,405.71	\$11,952.24	\$12,527.85
TOTAL ALL EXPENSES			\$218,263.02	\$228,619.31	\$239,519.91	\$250,997.01	\$263,084.89
ESSENTIAL AIR SERVICE AT EKWOK, AK Cessna 207/Piper PA-32 SERVICE							
TRAFFIC	Total	Average Yield	First Year Revenue	Second Year	Third Year Revenue	Fourth Year Revenue	Fifth Year Revenue
PASSENGERS	580	\$ 59.00	\$34,220	\$35,589	\$37,012	\$38,493	\$40,033
FREIGHT	21000	\$ 1.00000	\$21,000	\$21,840	\$22,714	\$23,622	\$24,567
MAIL	85000	\$ 1.17593	\$99,954	\$103,952	\$108,110	\$112,435	\$116,932
TOTAL			\$155,174	\$161,381	\$167,836	\$174,550	\$181,532
SUBSIDY NEED			\$63,089	\$67,238	\$71,684	\$76,447	\$81,553
SUBSIDY NEED/DEPARTURE			\$202.21	\$215.51	\$229.76	\$245.02	\$261.39
SUBSIDY NEED PER PASSENGER			\$108.77	\$115.93	\$123.59	\$131.81	\$1382.26
Note: Passenger fares and freight rates are those charged today.							
Mail rates are current class rate increased by 4% to reflect anticipated rates.							

<u>7/22/2021</u>									Appendix A
ESSENTIAL AIR SERVICE AT IGIUGIK, AK				Cessna 207/Piper PA-32 SERVICE					Page 1 of 1
OPERATIONS									
MARKET	DEPS	AVG BLOCK	TOTAL BLOCK						
AKN-IGG	158	33	5,148.0						
IGG-AKN	158	32	4,992.0						
TOTAL	312		10,140.0						
		Block Hours	169.0						
EXPENSES									
Item	Units	Current Unit Costs	1st Year Expenses	2nd Year Expenses	3rd Year Expenses	4th Year Expenses	5th Year Expenses		
Pilot & CoPilot	169.0	\$241.00	\$43,987.32	\$47,508.31	\$51,308.81	\$55,411.35	\$59,844.26		
Fuel & Oil	169.0	\$122.00	\$21,442.72	\$22,300.43	\$23,192.45	\$24,352.07	\$25,569.87		
All Insurance	169.0	\$110.00	\$19,333.60	\$20,108.94	\$20,911.22	\$21,956.78	\$23,054.62		
Maintenance	169.0	\$320.00	\$56,243.20	\$58,492.93	\$60,832.65	\$63,874.28	\$67,067.99		
Aircraft Lease/Depr	169.0	\$125.00	\$21,970.00	\$22,848.80	\$23,762.75	\$24,950.89	\$26,198.43		
TOTAL DIRECTS		\$918.00	\$162,976.84	\$171,255.41	\$180,005.87	\$190,545.37	\$201,734.98		
Traffic Related	312	\$35.00	\$11,366.80	\$11,811.07	\$12,283.51	\$12,897.69	\$13,542.58		
Departure Related	312	\$105.00	\$34,070.40	\$35,433.22	\$36,850.54	\$38,603.07	\$40,627.73		
TOTAL INDIRECTS		\$140.00	\$45,427.20	\$47,244.29	\$49,134.06	\$51,590.76	\$54,170.30		
SUBTOTAL			\$208,404.04	\$218,499.69	\$229,139.93	\$242,136.14	\$255,905.28		
CAPACITY RELATED		10.00%	\$20,840.40	\$21,849.97	\$22,913.99	\$24,213.61	\$25,590.53		
TOTAL SYSTEM			\$229,244.44	\$240,349.66	\$252,053.93	\$266,349.75	\$281,495.81		
Specific Ground Support									
Contracted Ground Handling			\$53,200.00	\$55,328.00	\$57,541.12	\$59,842.76	\$62,834.90		
TOTAL OPERATING EXPENSES			\$282,444.44	\$295,677.66	\$309,595.05	\$326,192.51	\$344,330.71		
PROFIT @ 5% MARKUP			\$14,122.22	\$14,783.88	\$15,479.75	\$16,309.63	\$17,216.54		
TOTAL ALL EXPENSES			\$296,566.67	\$310,461.55	\$325,074.80	\$342,502.14	\$361,547.25		
ESSENTIAL AIR SERVICE AT IGIUGIK, AK				Cessna 207/Piper PA-32 SERVICE					
TRAFFIC	Total	Average Yield	First Year Revenue	Second Year Revenue	Third Year Revenue	Fourth Year Revenue	Fifth Year Revenue		
PASSENGERS	145	\$ 89.00	\$12,905	\$13,421	\$13,958	\$14,516	\$15,097		
FREIGHT	30000	\$ 1.00000	\$30,000	\$31,200	\$32,448	\$33,748	\$35,096		
MAIL	29000	\$ 1.26170	\$36,589	\$38,053	\$39,575	\$41,158	\$42,804		
TOTAL			\$79,494	\$82,674	\$85,981	\$89,420	\$92,997		
SUBSIDY NEED			\$217,072	\$227,787	\$239,094	\$253,082	\$268,550		
SUBSIDY NEED/DEPARTURE			\$695.74	\$730.09	\$766.33	\$811.16	\$860.74		
SUBSIDY NEED PER PASSENGER			\$1,497.05	\$1,570.95	\$1,648.92	\$1,745.39	\$1,852.07		
Note: Passenger fares and freight rates are those charged today.									
Mail rates are current class rate increased by 4% to reflect anticipated rates.									

7/22/2021							Appendix A
ESSENTIAL AIR SERVICE AT PILOT POINT & UGASHIK Cessna 207/Piper PA-32 SERVICE							Page 1 of 1
OPERATIONS							
MARKET	DEPS	AVG BLOCK	TOTAL BLOCK				
AKN-PIP	208	45	9,360.0				
PIP-UGS	208	8	1,664.0				
UGS-PIP	208	5	1,040.0				
PIP-AKN	208	40	8,320.0				
TOTAL	832	98	20,384.0				
		Block Hours	339.7				
EXPENSES							
Item	Units	Current Unit Costs	1st Year Expenses	2nd Year Expenses	3rd Year Expenses	4th Year Expenses	5th Year Expenses
Pilot & CoPilot	339.7	\$241.00	\$88,425.79	\$95,499.86	\$103,139.84	\$111,391.03	\$120,302.31
Fuel & Oil	339.7	\$122.00	\$43,105.37	\$44,829.58	\$46,622.76	\$48,953.90	\$51,401.60
All Insurance	339.7	\$110.00	\$38,865.49	\$40,420.11	\$42,036.92	\$44,138.76	\$46,345.70
Maintenance	339.7	\$320.00	\$113,063.25	\$117,585.78	\$122,289.21	\$128,403.68	\$134,823.86
Aircraft Lease/Depr	339.7	\$125.00	\$44,165.33	\$45,931.95	\$47,789.22	\$50,157.69	\$52,665.57
TOTAL DIRECTS		\$918.00	\$327,625.24	\$344,267.28	\$361,857.96	\$383,045.06	\$405,539.04
Traffic Related	832	\$35.00	\$30,284.80	\$31,496.19	\$32,756.04	\$34,393.84	\$36,113.53
Departure Related	832	\$105.00	\$90,854.40	\$94,488.58	\$98,268.12	\$103,181.52	\$108,340.60
TOTAL INDIRECTS		\$140.00	\$121,139.20	\$125,984.77	\$131,024.16	\$137,575.37	\$144,454.13
SUBTOTAL			\$448,764.44	\$470,252.05	\$492,882.12	\$520,620.42	\$549,993.18
CAPACITY RELATED		10.00%	\$44,876.44	\$47,025.20	\$49,288.21	\$52,062.04	\$54,999.32
TOTAL SYSTEM			\$493,640.88	\$517,277.25	\$542,170.33	\$572,682.47	\$604,992.49
Specific Ground Support							
Contracted Ground Handling			\$23,920.00	\$24,876.80	\$25,871.87	\$27,165.47	\$28,523.74
TOTAL OPERATING EXPENSES			\$517,560.88	\$542,154.05	\$568,042.21	\$599,847.93	\$633,516.23
PROFIT @ 5% MARKUP			\$25,878.04	\$27,107.70	\$28,402.11	\$29,992.40	\$31,675.81
TOTAL ALL EXPENSES			\$543,438.93	\$569,261.75	\$596,444.32	\$629,840.33	\$665,192.04
ESSENTIAL AIR SERVICE AT PILOT POINT & UGASHIK Cessna 207/Piper PA-32 SERVICE							
TRAFFIC	Total	Average Yield	First Year Revenue	Second Year	Third Year Revenue	Fourth Year Revenue	Fifth Year Revenue
PASSENGERS	400	\$ 75.00	\$30,000	\$31,200	\$32,448	\$33,746	\$35,096
FREIGHT	39000	\$ 1.00000	\$39,000	\$40,560	\$42,182	\$43,870	\$45,624
MAIL	110000	\$ 1.58000	\$171,600	\$178,464	\$185,603	\$193,027	\$200,748
TOTAL	175590		\$240,600	\$250,224	\$260,233	\$270,642	\$281,468
SUBSIDY NEED			\$302,839	\$319,038	\$336,211	\$359,198	\$383,724
SUBSIDY NEED/DEPARTURE			\$970.64	\$1,022.56	\$1,077.60	\$1,151.28	\$1,229.88
SUBSIDY NEED PER PASSENGER			\$757.10	\$797.59	\$840.53	\$898.00	\$959.31
Note: Passenger fares and freight rates are those charged today.							
Mail rates are current class rate increased by 4% to reflect anticipated rates.							

**Bidzy Ta Hot' Aana, Inc. d/b/a Tanana Air Service
Essential Air Service to be provided at Ekwok, Alaska
DOT-OST-2015-0175**

<u>Annual Subsidy:</u>	Year 1: \$63,089; Year 2: \$67,238; Year 3: \$71,684; Year 4: \$76,447; Year 5: \$81,553
<u>Contract Term:</u>	December 1, 2021, through November 30, 2026
<u>Hub:</u>	Dillingham Airport (DLG)
<u>Scheduled Service:</u>	Three weekly round trips
<u>Aircraft:</u>	Cessna C-207 / Piper PA-32
<u>Rate per Flight:</u> ¹	Year 1: \$202; Year 2: \$216; Year 3: \$230; Year 4: \$245; Year 5: \$261
<u>Weekly Ceiling:</u> ²	Year 1: \$1,212; Year 2: \$1,296; Year 3: \$1,380; Year 4: \$1,470; Year 5: \$1,566

Note: The air carrier understands that it may forfeit its compensation for any flights that it does not operate in conformance with the terms and stipulations of the rate Order, including the service plans outlined in the Order and any other significant elements of the required service, without prior approval. The air carrier understands that an aircraft take-off and landing at its scheduled destination constitutes a completed flight; absent an explanation supporting subsidy eligibility for a flight that has not been completed, such as certain weather cancellations, only completed flights are considered eligible for subsidy. In addition, if the air carrier does not schedule or operate its flights in full conformance with the Order for a significant period, it may jeopardize its entire subsidy claim for the period in question. If the air carrier contemplates any such changes beyond the scope of the Order during the applicable period of this rate, it must first notify the Office of Aviation Analysis in writing and receive written approval from the Department to be ensured of full compensation. Should circumstances warrant, the Department may locate and select a replacement air carrier to provide service on these routes. The air carrier must complete all flights that can be safely operated; flights that overfly points for lack of traffic will not be compensated. In determining whether subsidy payment for a deviating flight should be adjusted or disallowed, the Department will consider the extent to which the goals of the program are met and the extent of access to the national air transportation system provided to the community.

If the Department unilaterally, either partially or completely, terminates or reduces payments for service or changes service requirements at a specific location provided for under this Order, then, at the end of the period for which the Department does make payments in the stipulated service amounts, the air carrier may cease to provide service to that specific location without regard to any requirement for notice of such cessation. Those adjustments in the levels of subsidy and/or service that are mutually agreed to in writing by the Department and air carrier do not constitute a total or partial reduction or cessation of payment.

Subsidy contracts are subject to, and incorporate by reference, relevant statutes and Department regulations, as they may be amended from time to time. However, any such statutes, regulations, or amendments thereto shall not operate to controvert the foregoing paragraph.

Funds may not be available for performance under this Order beyond December 3, 2021. The Government's obligation for performance under this Order beyond December 3, 2021, is subject to the availability of funds from which payment for services can be made. No legal liability on the part of the Government for any payment may arise for performance under this order beyond December 3, 2021 until funds are made available to the Department for performance. If sufficient funds are not made available for performance beyond December 3, 2021, the Department will provide notice in writing to the air carrier.

¹ Annual compensation amount listed for each year divided by 312 annual flights (312 scheduled flights annually multiplied by 100% completion factor).

² 6 flights per week multiplied by Rate per Flight for each year.

All claims for payment, including any amended claims, must be submitted within 90 days of the last day of the month for which compensation is being claimed. For example, claims for service provided in July must be filed by October 31; August claims must be submitted by November 30, and so on.

**Bidzy Ta Hot' Aana, Inc. d/b/a Tanana Air Service
Essential Air Service to be provided at Igiugig, Alaska
DOT-OST-2015-0176**

<u>Annual Subsidy:</u>	Year 1: \$217,072; Year 2: \$227,787; Year 3: \$239,094; Year 4: \$253,082; Year 5: \$268,550
<u>Contract Term:</u>	December 1, 2021, through November 30, 2026
<u>Hub:</u>	King Salmon Airport (AKN)
<u>Scheduled Service:</u>	Three weekly round trips
<u>Aircraft:</u>	Cessna C-207 / Piper PA-32
<u>Rate per Flight:</u> ¹	Year 1: \$696; Year 2: \$730; Year 3: \$766; Year 4: \$811; Year 5: \$861
<u>Weekly Ceiling:</u> ²	Year 1: \$4,176; Year 2: \$4,380; Year 3: \$4,596; Year 4: \$4,866; Year 5: \$5,166

Note: The air carrier understands that it may forfeit its compensation for any flights that it does not operate in conformance with the terms and stipulations of the rate Order, including the service plans outlined in the Order and any other significant elements of the required service, without prior approval. The air carrier understands that an aircraft take-off and landing at its scheduled destination constitutes a completed flight; absent an explanation supporting subsidy eligibility for a flight that has not been completed, such as certain weather cancellations, only completed flights are considered eligible for subsidy. In addition, if the air carrier does not schedule or operate its flights in full conformance with the Order for a significant period, it may jeopardize its entire subsidy claim for the period in question. If the air carrier contemplates any such changes beyond the scope of the Order during the applicable period of this rate, it must first notify the Office of Aviation Analysis in writing and receive written approval from the Department to be ensured of full compensation. Should circumstances warrant, the Department may locate and select a replacement air carrier to provide service on these routes. The air carrier must complete all flights that can be safely operated; flights that overfly points for lack of traffic will not be compensated. In determining whether subsidy payment for a deviating flight should be adjusted or disallowed, the Department will consider the extent to which the goals of the program are met and the extent of access to the national air transportation system provided to the community.

If the Department unilaterally, either partially or completely, terminates or reduces payments for service or changes service requirements at a specific location provided for under this Order, then, at the end of the period for which the Department does make payments in the stipulated service amounts, the air carrier may cease to provide service to that specific location without regard to any requirement for notice of such cessation. Those adjustments in the levels of subsidy and/or service that are mutually agreed to in writing by the Department and air carrier do not constitute a total or partial reduction or cessation of payment.

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¹ Annual compensation amount listed for each year divided by 312 annual flights (312 scheduled flights annually multiplied by 100% completion factor).

² 6 flights per week multiplied by Rate per Flight for each year.

All claims for payment, including any amended claims, must be submitted within 90 days of the last day of the month for which compensation is being claimed. For example, claims for service provided in July must be filed by October 31; August claims must be submitted by November 30, and so on.

Bidzy Ta Hot' Aana, Inc. d/b/a Tanana Air Service
Essential Air Service to be provided at Pilot Point and Ugashik, Alaska
DOT-OST-2015-0178/0179

<u>Annual Subsidy:</u> (Total for both)	Year 1: \$302,839; Year 2: \$319,038; Year 3: \$336,211; Year 4: \$359,198; Year 5: \$383,724
<u>Contract Term:</u>	December 1, 2021, through November 30, 2026
<u>Hub:</u>	King Salmon Airport (AKN)
<u>Scheduled Service:</u>	Four weekly round trips
<u>Aircraft:</u>	Cessna C-207 / Piper PA-32
<u>Rate per Flight:</u> ¹	Year 1: \$363; Year 2: \$383; Year 3: \$404; Year 4: \$432; Year 5: \$461
<u>Weekly Ceiling:</u> ² (per community)	Year 1: \$2,912; Year 2: \$3,068; Year 3: \$3,233; Year 4: \$3,454; Year 5: \$3,690

Note: The air carrier understands that it may forfeit its compensation for any flights that it does not operate in conformance with the terms and stipulations of the rate Order, including the service plans outlined in the Order and any other significant elements of the required service, without prior approval. The air carrier understands that an aircraft take-off and landing at its scheduled destination constitutes a completed flight; absent an explanation supporting subsidy eligibility for a flight that has not been completed, such as certain weather cancellations, only completed flights are considered eligible for subsidy. In addition, if the air carrier does not schedule or operate its flights in full conformance with the Order for a significant period, it may jeopardize its entire subsidy claim for the period in question. If the air carrier contemplates any such changes beyond the scope of the Order during the applicable period of this rate, it must first notify the Office of Aviation Analysis in writing and receive written approval from the Department to be ensured of full compensation. Should circumstances warrant, the Department may locate and select a replacement air carrier to provide service on these routes. The air carrier must complete all flights that can be safely operated; flights that overfly points for lack of traffic will not be compensated. In determining whether subsidy payment for a deviating flight should be adjusted or disallowed, the Department will consider the extent to which the goals of the program are met and the extent of access to the national air transportation system provided to the community.

If the Department unilaterally, either partially or completely, terminates or reduces payments for service or changes service requirements at a specific location provided for under this Order, then, at the end of the period for which the Department does make payments in the stipulated service amounts, the air carrier may cease to provide service to that specific location without regard to any requirement for notice of such cessation. Those adjustments in the levels of subsidy and/or service that are mutually agreed to in writing by the Department and air carrier do not constitute a total or partial reduction or cessation of payment.

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¹ Annual compensation amount listed for each year divided by 416 annual flights (416 scheduled flights annually multiplied by 100% completion factor), divided by two (communities).

² 8 flights per week multiplied by Rate per Flight for each year.

All claims for payment, including any amended claims, must be submitted within 90 days of the last day of the month for which compensation is being claimed. For example, claims for service provided in July must be filed by October 31; August claims must be submitted by November 30, and so on.