



ALASKA JUNEAU

Answer to Motion to reopen Selection of Carriers for Dockets 2002-12014 and 2008-0217

Alaska Juneau Aeronautics, Inc. ("AJA") objects to Air Excursions, L.L.C.'s ("AE") Motion to Reopen the Selection of Carriers dated February 2, 2010 for the following reasons.

AE's allegation that AJA does not have the necessary Caravans to fulfill its contractual obligations to the Department to provide air service to Kake and Excursion Inlet AK is false. AJA currently leases 2 Caravans and 3 Cessna 207s and will continue to have the needed aircraft to meet its contractual obligations to the DOT.

AE's allegation that AJA has over-charged the Department by substituting aircraft is false. AJA bills the Department \$307.54 for departures in a C208 and \$170.86 for departures in a C207. This represents a 45% savings to the department which is more than the cost difference Mr. Myers claims of 40%. The reduction in subsidy is by departure, so it automatically accounts for the difference in indirect expense. AJA could have run the more expensive aircraft on the route and needlessly billed the department for empty seats. However, this seems fiscally irresponsible.

AE's allegations that AJA has not flown all required flights to Kake and Excursion Inlet is false. AJA has completed every flight to these communities that were safe to do so. AJA has done so in the most efficient aircraft possible. In no case did we turn passenger traffic away to fly a smaller aircraft.

Contrary to AE's allegations, AJA has actually gone beyond its contractual obligations as follows:

1. Even though only contractually obligated to provide two round trips per day, AJA provided three round trips last summer at our own risk. Additionally, the statistics provided end last November 2009. In December 2009 AJA flew every trip to Kake in a C208.
2. In about two months AJA will have its entire inventory distributed on all on-line travel agencies (Expedia, Travelocity, etc.) This level visibility in the global distribution system is unprecedented for these rural communities. AJA has taken this step at its own expense and outside of the costs contemplated in its original bid.



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We submit that AJA has faithfully, and diligently upheld its obligations to the Department and the communities, that Air Excursion's false accusations should be disregarded, and that their Motion should be denied.

Sincerely,

Rob McKinney
President
Alaska Juneau Aeronautics, Inc.