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Order 2000-10-24

Served; October 20, 2000



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

Issued by the Department of Transportation
on the 20th day of October, 2000

In the matter of the 45-day notices of

ALASKA ISLAND AIR, INC.

to resume interstate scheduled passenger operations
under its certificate of public convenience and necessity

Dockets OST-95-249 - 14
OST-00-6948 - 5

In the matter of the revocation of the interstate
scheduled passenger air transportation certificate issued
to

ALASKA ISLAND AIR, INC.

pursuant to the provisions of §204.7 of the Department's
Regulations

Docket 40925

ORDER DISMISSING NOTICES AND REVOKING CERTIFICATE

Summary

By this order, we dismiss the applications filed by Alaska Island Air, Inc. (AIA) in Dockets OST-95-249 and 00-6948 for a fitness redetermination in order to resume operations; and revoke the section 41102 certificate held by AIA for reason of dormancy.

Background

By Order 82-11-12, AIA was found fit, willing and able to conduct interstate air transportation of persons, property and mail as a certificated air carrier. The carrier's certificate was made effective on November 23, 1982.

AIA operated under its certificate on and off until June 1, 1995, when the Federal Aviation Administration (FAA) suspended its authority for a 30-day period resulting in its cessation of operations.¹ In accordance with section 204.7 of our rules (14 CFR

¹ On November 14, 1989, the carrier ceased operations upon issuance of an Emergency Order of Revocation by the FAA. The carrier appealed the FAA certificate action and the FAA subsequently withdrew its emergency revocation declaration. The Department authorized the carrier to resume its certificate operations on January 4, 1990.

204.7), AIA's DOT certificate was automatically suspended as a result of its cessation of operations. On June 16, 1995, the carrier filed a request with the Department to be allowed to recommence operations once the FAA suspension was lifted. Although the FAA authority was subsequently restored, we notified the carrier on June 21, 1995, that we were deferring action on its request to resume operations under its certificate due to the number and seriousness of the violations which led to the suspension and the fact that there were a number of other open enforcement cases against the carrier which were serious in nature. After the FAA authority was restored on July 1, 1995, AIA began operations as an intrastate on-demand air carrier.

Although the carrier made subsequent requests to resume operations under its certificate, we continued to advise it that we were not prepared to allow it to resume certificate operations pending resolution of the enforcement cases because the carrier had failed to demonstrate that it had the requisite compliance disposition to meet our fitness test. We stated that, once AIA established a record that it had conducted its on-demand operations in full compliance with all regulatory requirements, we would reconsider our position. To date, the carrier continues to operate as an on-demand operator.

On February 15, 2000, AIA filed another notice with the Department (in Docket OST-00-6948) of its intent to resume scheduled passenger operations under its certificate. The carrier submitted updated fitness information which, among other things, indicated that there had been a complete change in ownership.² However, because of some FAA concerns about the lack of experience of the new owners and managers in running an air carrier operation, we deferred action on AIA's application.

On October 3, 2000, AIA withdrew its 45-day notice of intent to resume operations under the dormant DOT certificate. The carrier indicates that it is currently conducting on-demand service and is working to satisfy the FAA's requirements to operate as a scheduled passenger carrier. Due to the uncertainty as to when the carrier will complete these steps, it has advised the Department that it has decided not to pursue resumption of certificated operations at this time.

Decision

In light of this latest information, we are dismissing AIA's notices of intent to resume operations as a certificated air carrier filed, most recently, in Docket OST-00-6948 and, previously, in Docket OST-95-249, as moot.

AIA's DOT certificate has been dormant since June 1995. Section 204.7 of our rules provides for the revocation of dormant certificates after one year if a carrier has not re-established its fitness to operate. In this case, because the carrier had filed a notice of intent to resume operations, which we deferred because of the then-pending FAA enforcement actions involving AIA under its prior ownership, we allowed the certificate to remain in a dormant state. In February 2000, AIA was sold. It now has an entirely new management team, different aircraft, and different operations under its new owners

² Moreover, we received notification from the FAA that all of the pending enforcement actions against AIA under its previous owner (Michael Spisak) had been resolved.

than under its previous ownership. The only constant is its name. Because of the length of time that the certificate has been dormant and the uncertainty of when AIA will receive FAA authority to conduct scheduled passenger service, we have decided to revoke AIA's dormant certificate authority. AIA currently operates intrastate on-demand service and revocation of the certificate should in no way affect its current operations or its FAA authority. If AIA desires to obtain a DOT certificate in the future—in order to operate scheduled passenger service or so that it can carry the mail—it can file for a new certificate at that time.

ACCORDINGLY, acting under authority assigned by the Department in its Regulations 14 CFR 385.12:

1. We dismiss, as moot, the 45-day notices filed by Alaska Island Air, Inc., to resume interstate scheduled passenger operations under its section 41102 certificate.
2. We revoke, without prejudice, the certificate issued to Alaska Island Air, Inc., by Order 82-11-12 authorizing it to engage in interstate air transportation of persons, property, and mail.
3. We will serve a copy of this order on the persons listed in Attachment A.

Persons entitled to petition the Department for review of this order under 14 CFR 385.30 may file their petitions within 10 days of the date of service of this order.

This order shall become effective immediately and the filing of a petition for review shall not alter its effectiveness.

By:

RANDELL D. BENNETT
Acting Director
Office of Aviation Analysis

(SEAL)

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

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