



Order: 2020-6-8  
Issued: June 23, 2020

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

Issued by the Department of Transportation  
on the 23<sup>rd</sup> of June, 2020

**INTRA-ALASKA MAINLINE  
SERVICE MAIL RATES**

**Docket OST-2003-14695**

under 49 U.S.C. § 41901 *et seq.*

**MAINLINE QUARTERLY FUEL UPDATE**

By this Order, the U.S. Department of Transportation (the Department) updates the intra-Alaska mainline service mail rates to reflect the most recent data available<sup>1</sup> used to adjust the fuel portion of the linehaul rates. Order 2020-3-7 (March 24, 2020) established the service rates currently in effect, using fuel data for the quarter ended June 30, 2019. Since the carriers' traffic and financial data are reported 45 days after the end of each quarter, for this Order we are using data for the quarter ended September 30, 2019.

The next update will be based on data for the quarter ended December 30, 2019, and is currently planned to be effective in late Summer 2020.

**ACCORDINGLY,**

1. The Department makes final the rates set forth in Appendix A of this Order, effective July 4, 2020;
2. This docket shall remain open until further Order of the Department; and

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<sup>1</sup> Data for the most recent quarter available – September 30, 2019, in this case, often requires revisions and restatements.

3. We will serve this Order upon all parties on the Service List for this Docket.

By:

**TODD M. HOMAN**  
Director  
Office of Aviation Analysis

(SEAL)

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<http://www.regulations.gov>

**INTRA-ALASKA MAINLINE SERVICE MAIL RATES**  
**QUARTER ENDED SEPTEMBER, 2019**

	(1)	(2)	(3)	(4)	(5)
	Base Year Rates <u>1/</u>	Adjustment Factors <u>2/</u>	Effective 07/4/2020 Final Rates <u>3/</u>	Current Rate <u>4/</u>	Change from Current Rate <u>5/</u>
<hr/> Linehaul Charge per Billing Ton-Mile <hr/>					
Priority	\$1.1969	247.74%	\$4.1621	\$4.2482	-2.03%
Non-priority	\$0.7246	247.74%	\$2.5197	\$2.5718	-2.03%
<hr/> Terminal Charge per Pound Originated <hr/>					
Priority	\$0.1697	158.94%	\$ .4394	\$ .4394	0.00%
Non-priority	\$0.1458	158.94%	\$ .3775	\$ .3775	0.00%

1/ Per Order 82-11-23.

2/ See Appendix B of this order. Unlike the linehaul charge, the terminal charge only changes as a result of an annual update released in Final Order 2018-11-2.

3/ Column (1) increased by Column (2).

4/ Appendix A of Order 2020-3-7

5/ Column 3 ÷ Column 4 minus 1. Any differences between priority and nonpriority elements are due to rounding.

**INTRA-ALASKA MAINLINE SERVICE MAIL RATES COST ADJUSTMENT FACTORS**  
**QUARTER ENDED SEPTEMBER, 2019**

	Base Year Ended <u>9/30/80</u>	Current Costs <u>2/</u>	New Costs
Unit Cost per Available Ton-Mile			
Fuel		\$0.31486	\$0.28615 <u>3/</u>
<u>Nonfuel</u>		<u>\$1.10296</u>	<u>\$1.10296</u> <u>4/</u>
Total	\$0.399469 <u>1/</u>	\$1.41782	\$1.38911
Percentage Change from Base Year		254.93%	247.74% <u>5/</u>
Unit Cost per Ton Enplaned	\$191.54 <u>1/</u>	\$495.97	\$495.97 <u>4/</u>
Percentage Change from Base Year		158.94%	158.94% <u>6/</u>

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1/ Order 82-11-23, updated most recently in Order 97-12-24.

2/ Appendix B of Order 2020-3-7

3/ Appendix C of this Order.

4/ Appendix B of Order 2020-3-7

5/ (\$1.38911/\$0.399469)-1.

6/ (\$495.97/\$191.54)-1.

INTRA-ALASKA MAINLINE SERVICE MAIL RATES - QUARTER ENDED SEPTEMBER, 2019

		Alaska Airlines				Corvus	Lynden Air Cargo	Northern Air Cargo			Everts		
Not by Aircraft Type		AS				7H	L2	NC			5V		
1 Skd. P-12, Skd. Intra-Alaska Costs		\$10,725,681					\$1,224,002	\$1,870,422			\$2,574,728		
2 Skd. P-12, Skd. Intra-Alaska Gallons		5,509,693					544,562	914,479			1,027,350		
3 Cost per Gallon 1/		\$1.95					\$2.25	\$2.05			\$2.51		
By Aircraft Type		Total	AS #612	AS #614	AS #617	7H #483	L2 #556	NC #617	NC #619	NC #620 11/	5V #218	5V #640	5V #655
			B-737-700	B-737-800	B-737-400	DHC-8-100	Hercules	737-40	737-300	737-200	DC-6	DC-9	MD-82
4 Domestic Gallons 2/		7,584,000	46,547,000	0	1,107,087	954,964	216,766	259,628	0	221,696	184,717	837,652	
5 Burn per Hour 3/		699	794	0	194	701	412	408	0	442	1,062	1,197	
6 Fuel 4/					\$2,404,627					\$979,930	\$402,628	\$1,928,133	
7 Intra-AK Skd. Blk. Hrs. 5/		15,810	5,852	2,110	0	4,927	788	494	570	0	314	171	584
8 Domestic Block Hours 6/		79,068	10,843	58,632	0	5,692	1,362	526	637	0	502	174	700
9 Intra-AK Fuel Exp. 7/		\$18,079,026	\$7,976,569	\$3,266,913	\$0	\$2,081,447	\$1,242,873	\$417,232	\$476,748	\$0	\$612,944	\$395,686	\$1,608,614
10 Intra-AK Skd. ATMs 5/		63,935,524	30,914,479	12,389,582	0	3,768,722	4,686,111	2,827,374	3,064,807	0	896,144	1,073,125	4,315,180
11 Unit Cost/ATM, Fuel 8/		\$0.282770	\$0.258020	\$0.263682	\$0.000000	\$0.552295	\$0.265225	\$0.147569	\$0.155556	\$0.000000	\$0.683979	\$0.368723	\$0.372780
12 Intra-AK Mail RTMs 5/		5,189,064	1,099,728	54,618	0	63,372	1,054,577	669,496	654,030	0	251,772	204,653	1,136,818
13 RTM Percent of Total 9/		100.00%	21.193%	1.053%	0.000%	1.221%	20.323%	12.902%	12.604%	0.000%	4.852%	3.944%	21.908%
14 Wtd. Cost/ATM, Fuel 10/		\$0.28615	\$0.05468	\$0.00278	\$0.00000	\$0.00674	\$0.05390	\$0.01904	\$0.01961	\$0.00000	\$0.03319	\$0.01454	\$0.08167

1/ Row 1 ÷ Row 2. Corvus does not report Schedule P12. Everts files that report but fuel expense is calculated per Form 41 for better accuracy; it is included for comparison purposes only (see Order 2013-12-3 at page 3).

2/ Per Form 41, except for Corvus, where we rely on Schedule F2.

3/ Row 4 ÷ Row 8. However, we divide Lynden's intra-Alaska Scheduled Gallons by its intra-Alaska Scheduled Block Hours. Because Lynden only operates one aircraft type, that calculation should accurately reflect its fuel burn.

4/ Per Form 41 for Everts, Schedule F2 for Corvus. AS, L2, and NC are excluded, as we rely on their Schedule P12 above.

5/ T-100 Segment Report.

6/ T-100 Segment Report.

7/ For AS, L2, and NC: Row 3 x Row 5 x Row 7;

For 5V and 7H: Row 6 ÷ Row 8 x Row 7.

8/ Row 9 ÷ Row 10.

9/ Row 12 for each individual carrier ÷ Total Mail RTMs for all carriers on Row 12.

10/ Row 13 x Row 11 for individual carriers, and then summed across.

11/ Northern Air Cargo reported a \$242,945 for Direct Expense-Flying Operations-Aircraft Fuel And Oils and \$1,964,309 for Total Direct Expenses incurred by aircraft #620.

The carrier also reported that 0 gallons of fuel were used for this aircraft. Due to this discrepancy, all line items for Northern Air Cargo aircraft #620 have been zeroed out.