

BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

)	
Application and Notice of)	
)	
CORVUS AIRLINES, INC.)	Docket DOT-OST-2020-0134
)	
for a waiver of the 45-day advance filing)	
requirements of 14 C.F.R. § 204.7 and Notice of)	
intent to resume interstate scheduled air)	
transportation)	
)	
)	
Essential Air Service at)	
)	Docket DOT-OST-2019-0038
St. Paul Island, Alaska)	
)	
Under 49 U.S.C. § 41731 <i>et seq.</i>)	
)	

**JOINT MOTION AND REPLY OF FLOAT ALASKA, LLC AND CORVUS AIRLINES, INC.
TO OPPOSITION AND RESPONSE OF ALASKA CENTRAL EXPRESS, INC.**

Communications with respect to this document should be addressed to:

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August 25, 2020

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In a transparent attempt to delay the resumption of scheduled air service by Corvus to isolated communities throughout Alaska, including St. Paul Island, Alaska Central Express, Inc. (“ACE”) has filed yet another pleading, this time a combined opposition to the Application and Notice of Intent to Resume Service of Corvus Airlines, Inc. d/b/a Ravn Alaska (“Corvus”), dated August 11, 2020, and a response to the Joint Reply of FLOAT Alaska, LLC (“FLOAT Alaska”) and Corvus, dated August 21, 2020, to ACE’s previously filed objection to Corvus’s resumption of essential air service (“EAS”) at St. Paul Island, Alaska (“STP”).²

2 This narrowly-tailored Joint Reply addresses ACE's mischaracterizations, inaccuracies, and red herring assertions so that the Department will have a more accurate and complete record upon which to base its consideration of Corvus's Application/Notice and next steps for EAS at STP. Accordingly, to the

ACE's purported opposition to Corvus's Application and Notice of intent to resume service ("Application/Notice") does not discuss a single issue relevant to the Application/Notice filed in DOT-OST-2020-0134. Indeed, the ACE Opposition/Response fails to even mention much less challenge the evidence that Corvus submitted with its Application/Notice.

Instead, in its latest submission, ACE focuses solely on EAS at STP and regurgitates the meritless claims and mischaracterizations that it previously included in its August 19th Opposition to FLOAT Alaska's Statement of Position on EAS at STP. ACE even repeats its own language and the exact same quotes from the Asset Purchase Agreement and Bankruptcy Court Order. Compare ACE Opposition/Response at 3 – 4 with ACE August 19th Opposition at 2 – 3.

ACE's latest filing raises the same baseless arguments that have already been thoroughly refuted by FLOAT Alaska and Corvus in their Joint Motion and Reply, dated August 21, 2020. The Department should therefore recognize this latest ACE filing for what it is: An anti-competitive tactic to use the DOT regulatory process to delay Corvus's resumption of service to Alaskan communities, including St. Paul Island.

The Department's Order seeking service proposals for EAS at St. Paul Island was very clear:

"If Ravn resumes EAS for St. Paul prior to the Department selecting a carrier to provide EAS at St. Paul, or if an entity that acquires RAVN assumes the EAS contract for St. Paul prior to that time, however, the Department may rescind this request for proposals and terminate the carrier selection case." DOT Order 2020-6-16 at 2 (italics emphasis in original; underline emphasis added).

extent the Department considers the ACE Opposition/Response and leave to file this Joint Reply is necessary, good cause exists for the Department to consider this Joint Reply.

It is beyond doubt that FLOAT Alaska “acquired” Corvus Airlines, Inc. and its principal assets, including key operational assets, as the Asset Purchase Agreement (“APA”) approved by the Bankruptcy Court makes clear by identifying the following, among others, as “Acquired Assets”:

- “[A]ll of the capital stock of Corvus Airlines, Inc., a Washington corporation, and the corporate books and records of such corporation and corporate proceedings, financial and Tax records, work papers and other records that such corporation is required by Law to retain.”
- Six Dash-8 aircraft, forklifts, de-ice trucks, GPUs, and other ground equipment.
- The Certificate of Public Convenience and Necessity (subject to Department approval), the Air Carrier Certificate and Operations Specifications (subject to FAA approval), and all related manuals.
- “[A]ll Seller’s rights to subsidies or other benefits under the Essential Air Service program”, subject to “any required consent by any Governmental Body.”
- Intellectual property including trademarks for Ravn Alaska and related domains.
- IATA Code 7H (subject to any required consent of IATA).
- All Passenger Service System assets and agreements (subject to any required consent of Sabre), among other items.

See APA § 1.1(a) - (f), (h) - (j).³

Corvus plans to offer service to destinations it previously served, with many of the same personnel (including most of the same key technical/operational managers) as were at Corvus prior to the bankruptcy filing and cessation of operations.

ACE’s futile attempt to delay Corvus’s resumption of service at STP with Dash-8 aircraft should be rejected. The City of St. Paul clearly wants Corvus’s service and not

³ The Asset Purchase Agreement is contained in Attachment 1 to ACE’s August 19th Opposition.

the service proposed by ACE with smaller aircraft than the community wants and the Department's solicitation Order requested. As the Department stated in DOT Order 2020-6-16 at 2, "[t]he Department expects proposals that are commensurate with St. Paul's current level of air Service. For St. Paul, that is at least three weekly round trips to Anchorage using Bombardier Dash 8 series 100 aircraft or similar-sized aircraft, or large aircraft."

In comments filed on August 24, 2020, the City of St. Paul twice underscored the inadequacy of ACE's proposal:

- "[T]he community finds that the provision of passenger services with the Beechcraft 1900C "combi" aircraft [as ACE proposes] is inadequate on a long term basis and nonresponsive in meeting the specific EAS requirements."
- "Unfortunately, provision of passenger services with the Beechcraft 1900C "combi" aircraft is inadequate as a long-term solution and does not satisfy the specific requirements in the current RFP. Nor does the proposal satisfy the level of service requirements for SPI as established for the EAS program going back to 1976-1978 and continued through the years to present day."

EAS Comments of the City of St. Paul, dated August 24, 2020. The community recommended that the Department take the following initial steps (at 3):

"Suspend the current EAS solicitation and defer making a decision pursuant to the Order Requesting Proposals dated June 29, 2020 until a determination is made regarding whether FLOAT Alaska, LLC (acting as Corvus) is granted authority by the Federal Aviation Administration (FAA) to resume service to Saint Paul Island and begins to operate an acceptable, safe and reliable level of aviation services under the existing EAS contract awarded to Corvus.

Rescind the current RFP and terminate the carrier selection case if FLOAT Alaska LLC (FLOAT) is granted FAA approval to resume service to SPI and an acceptable level of service under the existing EAS contract is provided in a reliable and safe manner for a period of at least ninety (90) days.”

The Department should reject ACE’s efforts to delay Corvus’s resumption of service. Corvus looks forward to resuming service as soon as the requisite DOT and FAA approvals are received.

Respectfully submitted,

A handwritten signature in black ink, reading "Robert E. Cohn", enclosed within a thin black rectangular border.

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Counsel for
FLOAT Alaska, LLC and Corvus Airlines, Inc. d/b/a
Ravn Alaska

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Joint Motion and Reply of FLOAT Alaska, LLC and Corvus Airlines, Inc. has been served this August 25, 2020, upon each of the following addressees:

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