

June 19, 2020

Lauralyn J. Remo Associate Director, Air Carrier Fitness Division Office of Aviation Analysis

RE: Docket DOT-OST-2020-0050 Application of Reeve Air Alaska, LLC For Authority to Conduct Commuter Operations

Dear Mrs. Remo:

Thank you for the opportunity to respond to the Department's Request for Information regarding Reeve Air Alaska, LLC application for Authority to Conduct Commuter Operations.

#### **General Information**

1. By the time an application is filed with the Department for commuter authority, the applicant should have also contacted its local FAA Flight Standards District Office and filed its Pre-Application Statement of Intent, or PASI, with that office. Please submit a copy of Reeve Air's PASI filed with the Federal Aviation Administration.

Reeve Air is in continuous contact with both our FAA Primary Operations Inspector, Mark Heritage and our FAA Primary Maintenance Inspector, Shawn Toth. Our POI Mark Heritage is the person that provided us with contact information and instructions on how to apply for commuter authority through your office. Although I do not believe we have completed a PASI since 2006, we usually submit a letter on company letterhead asking for a specific OpsSpec change. I have refrained from asking our Inspectors for changes or modifications to our OpsSpecs related to our request for Commuter Authority until we were confident it would be approved. They are both very helpful and well informed of our intentions via email and phone conversations. I will inquire to our POI Mark Heritage if now is an appropriate time to submit our formal letter.

2. Please submit an affidavit of citizenship for the applicant.

An affidavit of citizenship was provided as Exhibit C in the original submitted application. A copy of the affidavit of citizenship is provided as an attachment to this letter. Please indicate if it was improperly completed or if something was inaccurate.

## Operations and Financial Position

3. The application does not include Reeve Air's pre-operating expenses for the proposed expansion of air service. Therefore, please provide an itemization of all pre-operating and startup costs associated with the initiation of the proposed service. Pre-operating and start-up costs should include, but are not limited to, the following: Obtaining necessary government approval: establishing stations; introductory advertising; aircraft, equipment and space facility deposits



and rent; training; and salaries earned prior to start-up. Additionally, such list should distinguish between pre-operating expenses that have been paid, and those which remain to be paid. If pre-operating expenses will not be incurred, please explain why not.

Regarding pre-operating expenses, our proposed service as a commuter operator is to be able to provide one more scheduled flight per week than we are currently authorized to provide under our authority as an On-demand operator. The proposed additional service will be between Anchorage and McGrath, Alaska. Reeve Air is currently established with an Anchorage base of operations including maintenance hangar, a lease on passenger facility, and use agreement for the Passenger Terminal at the Ted Stevens Anchorage International Airport.

McGrath currently has two airport based companies that can provide "turn services" on a perflight and per-pound basis for passenger, freight and mail. No McGrath terminal lease or airport lease is required or necessary. No pre-operating expenses will be incurred with selecting one of these companies once service is about to begin.

We will likely hire a single part-time station agent once service is about to begin. We are aware of a few interested applicants that are former employees of the now bankrupt air carrier that serviced McGrath. No additional training or start-up expenses other than a pre-employment drug test are expected.

Advertising for our proposed flights is as simple as posting it to the McGrath Message Board and adding it to our reeveairalaska.com website. No pre-operating expenses for advertising.

4. In establishing financial fitness, the Department asks the applicant to demonstrate that it has access to financial resources sufficient to cover its pre-operating expenses plus a working capital reserve equal to the operating costs that are reasonably projected to be incurred during three months of "normal" operations. Because projected expenses during the first several months of air service frequently do not include all costs that will be incurred during a "normal" period of operations, it is our practice to base our three-month test on one-quarter of the first year's operating costs. In this regard, please provide a description of the proposed form and source of capital to support the applicant's operations.

Regarding financial fitness, Reeve Air submits an attached letter from Northern Skies Federal Credit Union regarding deposits on hand for the Applicant. Deposits are in excess of \$200,000 which is greater than 3 months of projected costs for the proposed service. The Applicant is financially self-sufficient for the proposed service.

 If the resources of an individual(s) or other organization(s) will be made available to the applicant to support its operations, provide a statement from such individual(s) or organization(s) of the amount of such available resources and the terms or conditions under which such funds will be provided. Copies of the personal or corporate financial statements of the individual(s) or organization(s) should also be provided. Such documentation should clearly establish the capability of the individual(s) or organization(s) to fulfill any financial commitment made to or on behalf of the applicant. In this connection, the liquidity of any assets, other than cash, contained in these documents should be made clear through appropriate footnotes (e.g., the current market value of stocks and bonds that can be readily converted to cash should be noted). Whenever possible, third-party verification of the assets and values should be provided (e.g., letters from banks or stockbrokers holding liquid assets, or recent appraisals of real assets).



Reeve Air is financially self-sufficient and will not be using the resources of any individual or other organization to support our proposed operation.

b. If borrowed capital or a line-of-credit is to be employed, the total amount, current balance, source, security, provisions to convert the debt to equity, and terms of repayment to the lender should be stated. Verification of this information from the lender should be provided.

The Applicant will not be borrowing against a line-of-credit. Reeve Air is financially selfsufficient with adequate cash on hand for our proposed operation.

c. A letter from the applicant's bank confirming the amount on deposit and bank loans and lines-of-credit, if any, should be provided.

Attached is a letter from Northern Skies Federal Credit Union regarding funds availability.

5. Please submit an updated resume containing all previous employment including name of employer, location (city, state), type of business, position held, and dates employed. If the previous employer held any aviation authority, state the type (e.g., air taxi, commuter, fixed base operator, certificated air carrier). Any periods of unemployment should be accounted for. Please include education and training, including names of institutions, dates attended, and any certificates or degrees received. Any certificate or license from the FAA (such as an Airline Transport Pilot certificate or Airframe & Powerplant Mechanic license), should be listed, as well as the number of recorded hours of flying time.

An updated resume for Michael Reeve is included in this response.

6. Are the Navajo and King Air, identified in the application, currently owned or leased? If leased, please identify the lessor. If an additional King Air will be leased, please provide a copy of the contract or letter of intent with the lessor.

The Navajo and King Air identified in the application are owned by Reeve Air Alaska. No aircraft leases are in consideration for the Applicant.

7. Reeve Air is currently operating as a Single Pilot Operator with no other employees indicated in the application. With the proposed increase in air service, will Reeve Air be hiring additional employees? If so, a resume for each new employee must be submitted. In addition, updated forecasts must also be submitted to account for the increase in costs associated with the additional personnel.

The proposed service would increase hours of flight operations by 6.6 hours per week total (2.2 hours per flight ANC-MCG-ANC x 3 fights per week). The schedule commitments of Reeve Air would still fit within a five day a week schedule and total less than 10 hours of flying per week. Non-scheduled flying (on-demand charters) adds 5-10 hours of flying each week during the summer months but drop off significantly during the winter. The current staff of Reeve Air consists of the Pilot and Manager, Michael Reeve, our Maintenance Coordinator, Garrett



Reeve, and a part-time passenger service agent. The costs of these employees is already included in Exhibit J (204.3(t)(2).

Being a Single Pilot Operator and the Manager are not exclusive positions. I still very much enjoy flying but when there comes a time that I need another pilot to share the flight duties, a different pilot that has meet the qualifications and approval of the FAA may be placed on the OpsSpecs for Reeve Air as the named pilot. If this occurs, Michael Reeve would still remain in Operational Control as the manager.

Over the past decade of Reeve Air's operations, we have made enough profit to be in business each following year. Changes to our Operating Certificate have been deliberate and calculated to match our conservative growth. We don't hire employees we can't afford. We don't but equipment we can't pay for. We don't go into business ventures that don't pay for our effort. Adding schedule flights between Anchorage and McGrath will be a good use of our underutilized aircraft and bring some stability to seasonal lull in our schedule during the winter months.

The contents of this application and the attached exhibit (s) are true and correct to the best of my knowledge and belief. Pursuant to Title 18 United States Code Section 1001, I, Michael L Reeve, in my individual capacity and as the authorized representative of the applicant, have not in any manner knowingly and willfully falsified, concealed or failed to disclose any material fact or made any false, fictitious, or fraudulent statement or knowingly used any documents which contain such statements in connection with the preparation, filing or prosecution of the application. I understand that an individual who is found to have violated the provisions of 18 U.S.C section 1001 shall be fined or imprisoned not more than five years, or both.

Submitted by

Michael L Reeve, Owner

June 19, 2020

Attachments: Affidavit of Citizenship Letter from Northern Skies Federal Credit Union Bio/Resume for Michael Reeve Resume for Garrett Reeve

## AFFIDAVIT OF CITIZENSHIP

# STATE OF ALASKA COUNTY OF ANCHORAGE

Michael L Reeve being first duly sworn, deposes and says:

- 1. That he is duly elected, qualified, and serving as MANAGER of Reeve Air Alaska, LLC and that he is authorized to and does make this affidavit for it.
- 2. That Michael L Reeve is a citizen of the United States within the meaning of 49 U.S.C. 40102(a)(15).

Michael L Reeve

(SEAL)

STATE OF ALASKA
NOTARY PUBLIC
J. T. Naea
My Commission Expires: February 7, 2023

June 15, 2020

## **FUNDS AVAILABILITY**

Re: REEVE AIR ALASKA, LLC

To Whom It May Concern:

This letter is written to confirm that Mr. Michael Reeve, sole proprietor of Reeve Alaska Air, LLC has available funds in excess of \$200,000.00 in his accounts with Northern Skies Federal Credit Union.

If you have any questions, please do not hesitate to contact me directly.

Sinc@rely

Gubby Spring

Vice President of Lending

907-550-4225

gspring@nsfcu.org



# Michael L. Reeve, Owner Reeve Air Alaska, LLC

Reeve Air Alaska, LLC evolved from a lifetime of aviation and family business experience. I provide safe and professional aviation flight and consulting services for Alaska. Reeve Air operates throughout Alaska providing chartered and scheduled flights. Reeve also provides consulting services to many small communities and regional commissions as well as independent fishing/processing business throughout Alaska. Additionally, Reeve provides transportation coordination for the mineral industry and runway/equipment assessment.

## Recent endeavors:

2006-2019	Owner/manager/pilot for Reeve Air Alaska, LLC, providing scheduled and chartered flight services throughout Alaska for the US DOT Essential Air Service program and federal agencies including FEMA, Homeland Security, Federal Aviation Administration, Forestry Service and US Park Service. State of Alaska customers include State DOT, Administration Department, Alaska State Troopers, Office of Child Services, ANTHC, ANMC and Medicaid flights. Flights continuously provided for Alaskan native corporations, local governments, construction and related professions, and anyone that needs a flight.
2006-2009	Pilot for regional air carrier: Peninsula Airways (Penair), Anchorage, Alaska (FAR 121).
2005-2008	Aviation Auditor for Chevron Oil and the Cook Inlet Pipeline (Anchorage, Alaska).
2003-2005	Seafood Transportation Research Project; an AFDF study to identify transportation short falls in communities wishing to enter the fresh seafood industry and the feasibility of a dedicated seafood transportation system. Seafood Transportation Project Phase II; development of locally managed fresh seafood services and transportation coordination to provide local fishermen with an opportunity to raise the overall quality of their commercial catch and better their local economy. (Alaska)
2002-2004	Transportation and logistics coordinator for the Shell Mining Company (Dollar Creek and Bear Creek, Alaska). This project included the development of two runways (one capable of a C-130 delivering a maximum payload) and delivery of equipment and fuel in excess of 600,000 pounds.
1998-2002	Search and Rescue (SAR) pilot for the Polaris Squadron and Assistant Wing Maintenance Officer for the US Air Force Auxiliary, Civil Air Patrol (Statewide, Alaska)



Other Relevant Work Experience

1986 – 2006 The Reeve Corporation, Reeve Aleutian Airways, Inc., Pavlof Services, Inc., Frosty Fuels, Inc., Reeve Air Motive, Inc., and The Heritage Corporation.

2000-2006 General Manager for the Reeve Corporation and the Reeve Air Center.

During airline operations for Reeve Aleutian Airways, I served as the Director of Station Operation and Director of Flight Safety. My employment with Reeve Aleutian began with summers in Cold Bay, Alaska restocking aircraft galleys and then continued on to fulltime work in the Anchorage hangar. During 22 years of wonderful service to the family business I was involved in just about every aspect of airline operations.

As the Director of Station Operation I was tasked with directing the operations of our 7 domestic and two international destinations. Through continuous market evaluation I advised on entering and/or exiting markets.

The Director of Flight Safety is one of five key positions required by the FAA for holders of FAR 121 operating certificates.

Aviation Ratings: Airline Transport Pilot, Commercial pilots license with instrument, multi engine, single engine, and sea plane ratings and all relevant endorsements. Type Ratings for SA340 and BE300. Flight time PIC in excess of 8,000 hours.

Michael Reeve is a second generation Alaskan. Raised and educated in Anchorage. A graduate of West Anchorage High School. Reeve earned an Associate's Degree from the University of Alaska, Anchorage in 1993. Reeve has been in the operations, management and research side of the transportation business for over 30 years. The Reeve family has been in continuous aviation business in Alaska since 1932.

Thank you for taking the time to read about me.

Mike Reeve, Owner Reeve Air Alaska, LLC

RESUME

# Garrett I. Reeve

# **Employment History**

# 4/2019 – Present

#### Reeve Air Alaska

Anchorage, AK

## **Maintenance Coordinator**

- Maintenance Planning
  - Create inspection packages
  - Schedule inspections, parts and labor for aircraft maintenance
  - -Review SB's, NPRM's, AD's, FAR's and maintain compliance thereof
- Maintenance Records
- Assist in aircraft maintenance, fueling and readiness

## 7/2017 - 3/2019

## Ravn Alaska

Anchorage, AK

## **Director of Engineering**

- Oversee operations of Ravn Avionics & Instruments (FAA Part 145 Repair Station)
- Oversee operations of Aircraft Instrument Repair (FAA Part 145 Repair Station)
- Coordinate use of aviation technology for Ravn Alaska operating certificates
  - Corvus Airlines (Part 121 Air Carrier Transport Category)
  - Hageland Aviation (Part 135 Air Carrier)
  - Frontier Flying Service (Part 135 Carrier)
- Design and manage installation of Flight Data Acquisition Systems to support FOQA in all aircraft

## 3/2015 - 7/2017

## Corvus Airlines (Ravn Alaska)

Anchorage, AK

# Technical Services Manager, Inspection Department, Part 121 Air Carrier Transport Category

- Manage Technical Services Department responsible for Aircraft Alterations and Repairs
- Engineering Liaison (See below)
- Avionics Coordinator (See below)
- CASS Board Member
- FOQA Monitoring Team Technical Advisor and Data Analyst

## 1/2015 - 7/2017

## Corvus Airlines (Ravn Alaska)

Anchorage, AK

# Engineering Liaison, Inspection Department, Part 121 Air Carrier Transport Category

- Coordinate Structural Repairs and Alterations for engineering approval
- Coordinate Electrical and Avionics Alterations for engineering approval
- Coordinate Flight Manual Supplement and Operator Manual changes for approval

## 12/2012 - 7/2017

## Era Aviation/Corvus Airlines (Era Alaska/Ravn Alaska)

Anchorage, AK

# Avionics Coordinator, Inspection Department, Part 121 Air Carrier Transport Category

- Ensure accuracy and completeness of Aircraft Modification Records
- Justify, design and coordinate Avionics Installations and Upgrades
- Coordinator Flight Training Device (Flight Simulator) Design/Build (Beech 1900C/D)
- Project Manager Flight Training Device (Simulator) Design/Build (deHavilland Dash 8)
- Flight Data Recorder Analyst

## 3/2010 - 12//2012

## Era Avionics & Instruments (Era Alaska)

Anchorage, AK

# Avionics Office Manager, Part 145 Repair Station

- Manage technicians, installations and benchwork
- Design, documentation and oversight of Alterations, 337's and Field Approvals
- Design and fabricate bench test equipment
- Perform Avionics benchwork, line troubleshooting and repair
- Flight Data Recorder Analyst
- Special Projects (Satellite Tracking, Flight Data Acquisition Systems, Flight Training Devices)

# Maintenance Manager / Assistant Director Maintenance, Part 135 Air Carrier

- Airworthiness Assurance review SB's, NPRM's, AD's, FAR's, maintain compliance thereof
- Maintenance Planning
- Maintenance Records
- Maintenance Training
- Manage Parts Department
- Maintenance, Airframe and Powerplant (Piston and Turbine)
- Avionics Line Maintenance

## 11/1997 - 5/2002

## Reeve Aleutian Airways, Inc.

Anchorage, AK

# **Director Communications (Information Technologies)**

All duties and responsibilities from Manager Communications job, below, in addition to the following:

- Establish corporate technology need, direction and pace
- Oversee all corporate technology purchases and implementation
- Creation of software and hardware specifications for system security and integration
- Creation and implementation of system backup and disaster recovery plans

## 9/1991 - 10/1997

# Reeve Aleutian Airways, Inc.

Anchorage, AK

## Manager Communications (Information Technologies)

Assisted Director of Avionics / Communications in:

- Consolidate all ground based electronic systems into a non-FAA regulated Communications department
- Staff department to support LAN, Software design, RF, Security devices, WAN and Telephone
- Establish departmental budget

Personal Responsibilities:

- Create software specifications for various departments and direct programmers in program creation
- Software application support and user training
- Programming, design and trouble-shooting of WAN
- Design and installation of LAN and building of PC's
- Programmed and maintained Northern Telecom SL-1 telephone switch
- Installation and maintenance of telephones, RF and security equipment at remote locations

#### 6/1983 - 3/1990 & 6/1991- 8/1991

## Reeve Aleutian Airways, Inc.

Anchorage, AK

# Avionics Technician & CADD Draftsman (Full Time during summer & college vacations)

- Draftsman / CADD operator Electronic schematics and mechanical / structural drawing
- Aircraft line maintenance, scheduled maintenance and bench repair
- Installation and maintenance of ground-based UHF, VHF and HF radio systems.
- Installation and maintenance of WAN for Airline reservations system Local and Satellite circuits
- Installation and maintenance of baggage x-ray machines, walk-through and handheld metal detectors

## **Education**

9/1984 - 5/1991

Western Washington University

Bellingham, WA

**Electronics Engineering Technology Program**