



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

Issued by the Department of Transportation on April 17, 2020

NOTICE OF ACTION TAKEN -- DOCKET DOT-OST-2020-0037

On March 27, 2020, the President signed the Coronavirus Aid, Recovery, and Economic Security Act (CARES Act) into law. Sections 4005 and 4114(b) of the CARES Act authorize the Secretary of the U.S. Department of Transportation (Secretary) to require, “to the extent reasonable and practicable,” an air carrier receiving financial assistance under the act to maintain scheduled air transportation service as the Secretary deems necessary to ensure services to any point served by that air carrier before March 1, 2020 (Service Obligation). By Order 2020-4-2, the U.S. Department of Transportation established the parameters for implementation of the authority granted to the Secretary under the CARES Act, including an exemption process as described at pages 9-10 and in Appendix D of that order. This serves as notice to the public of an action taken by a Department official with regard to exemption(s) from Order 2020-4-2. No additional confirming order will be issued in this matter.

Applicant: **Alaska Airlines, Inc.**¹

Date Filed: **April 13, 2020**

XX Service Level Exemption – Alaska Airlines, Inc. requests that the Department approve temporary suspension of service to the following covered points from its Service Obligation under the provisions of Order 2020-4-2.

- (1) KOA – Kona, HI
- (2) LIH – Lihue, HI
- (3) OGG – Kahului, HI

XX Seasonal Exemption – Alaska requests that the Department approve temporary suspension of service (for the period April, 2020 – May, 2020) to the following covered point in its Summer 2019 baseline schedule from its Service Obligation under the provisions of Order 2020-4-2.

- (4) SUN – Sun Valley, ID

Responsive pleadings: None

DISPOSITION

XX **Granted, in part (see below)**

Action date: **April 17, 2020**

Effective dates of authority granted: ²

¹ A copy of Alaska’s application and the basis for its exemption request can be found at: <https://www.regulations.gov/document?D=DOT-OST-2020-0037-0061>. In this application, Alaska also notes that in its response to Show Cause Order 2020-3-10, it requested that Unalaska (Dutch Harbor), AK (DUT) be removed from its covered points because it had not served the point since October 19, 2019; that the Department removed Unalaska as a covered point in Final Order 2020-4-2; but that the point incorrectly remained as a summer seasonal point for Alaska in Appendix C to that Final Order. By this Notice, we confirm that DUT is not a covered point for Alaska.

² The effectiveness of this authority will terminate on the date specified above. Should the air carrier wish to extend the date of effectiveness, it must file another request for an exemption in accordance with the exemption process as described in Appendix D of Order 2020-4-2.

For covered points 1 through 3: **April 17, 2020 through September 30, 2020**

For covered point 4: **April 17, 2020 through May 31, 2020**

This authority is subject to the terms, conditions, and limitations indicated:

XX Holder's certificate(s) of public convenience and necessity
XX Standard exemption conditions (attached)

Basis for approval: We find that granting Alaska's request for exemption as it concerns Kona, Lihue, and Kahului, Hawaii is warranted under the provisions of Order 2020-4-2, insofar as it would allow the carrier to suspend service temporarily to these points from its Service Obligation. Alaska's service to these points requires long travel distances of several thousand miles, and the imposition of Hawaii's mandatory 14-day quarantine order for all travelers to or within Hawaii impacts severely and discourages such passenger travel. Moreover, various Hawaiian State and local government officials have submitted filings in Docket DOT-OST-2020-0037 noting the existence of the 14-day quarantine period and the goal of minimizing the number of visitors to Hawaii until the current coronavirus (COVID-19) public health emergency has ended.³ Further, Alaska continues to provide scheduled service to Honolulu, Hawaii. In light of all of the above concerns, it would not be reasonable or practicable for Alaska to serve Kona, Lihue, and Kahului, Hawaii under the terms of Order 2020-4-2.

For the remaining covered point for which an exemption is sought, Sun Valley, Idaho, Alaska confirmed its selection of the Summer 2019 baseline schedule and is requesting that the Department not require it to serve this seasonal covered point, or at a minimum, not serve it during the months of April and May because the air carrier has not served this point during this period historically. Alaska notes that its service to Sun Valley has been supported by Fly Sun Valley, Inc. financially, and that the air carrier is working with this organization concerning the possibility of continued funding for the 2020 summer season. Until such time as Alaska submits a letter or agreement from the funding party indicating that the direct financial support has ceased, we will require Alaska to serve Sun Valley, Idaho, beginning June 1, 2020.

We may amend, modify, or revoke this exemption at any time without hearing at our discretion.

Persons entitled to petition the Department for reconsideration of the action set forth in this Notice under the Department's regulations, 14 CFR § 302.14, may file their petitions within ten (10) days after the date of issuance of this Notice. This action was effective when taken, and the filing of a petition for reconsideration will not alter such effectiveness.

Action taken by: David Short
Deputy Assistant Secretary
Aviation and International Affairs

An electronic version of this document is available at: <http://www.regulations.gov>

³ See, e.g., Letter of David Y. Ige, Governor of Hawaii, Docket DOT-OST-2020-0037 at entry 54.

U.S. Carrier Exemption Conditions

In the conduct of the operations authorized, the U.S. carrier applicant(s) shall:

- (1) Hold at all times effective operating authority from the government of each country served;
- (2) Comply with consumer protection and civil rights requirements, including, but not limited, to requirements contained in 14 CFR Parts 250, 254, 257, 259, 374, 382 and 399;
- (3) Comply with the requirements for reporting data to the Department, including, but not limited, to requirements contained in 14 CFR Parts 234, 241, and 244;
- (4) Comply with requirements for minimum insurance coverage, and for certifying that coverage to the Department, contained in 14 CFR 205;
- (5) Except as specifically exempted or otherwise provided for in a Department Order, comply with the requirements of 14 CFR 203, concerning waiver of Warsaw Convention liability limits and defenses;
- (6) Comply with all applicable requirements of the Federal Aviation Administration, the Transportation Security Administration, and with all applicable U.S. Government requirements concerning security, including, but not limited to, 49 CFR Part 1544. To assure compliance with all applicable U.S. Government requirements concerning security, the holder shall, before commencing any new service (including charter flights) to or from a foreign airport, contact its Principal Security Inspector (PSI) to advise the PSI of its plans and to find out whether the Transportation Security Administration has determined that security is adequate to allow such airport(s) to be served;
- (7) Comply with such other reasonable terms, conditions, and limitations required by the public interest as may be prescribed by the Department of Transportation, with all applicable orders and regulations of other U.S. agencies and courts, and with all applicable laws of the United States.

The authority granted shall be effective only during the period when the holder is in compliance with the conditions imposed above.