



Arctic Transportation Services, Inc., requests that a RSIA qualified bush cargo carrier be included in the bush mail rating process, that village agents be included in the expense category and that fuel adjustments be incorporated into the bush mail rates.

### **Background**

The Department asks carriers to comment on Order 2004-6-4 and Order 2004-7-11, setting final line haul and terminal rates for Intra Alaska Bush Service Mail Rates.

### **Discussion**

Although cargo carriers were excluded from the rate decision making process, Arctic Transportation Service, Inc., believes that RSIA qualified all cargo carriers expenses should be included. The RSIA sets aside 20% of the mail volume for qualified freight carriers, so it does make prudent sense to include qualified freight carriers in the mail rate making process.

Village agents were excluded from carriers expenses, based primarily on the premise that bush carriers were neither sophisticated and complex enough to produce good, reliable data. Arctic Transportation Services, Inc., disagrees. Bush carriers can produce reliable data. 8% of the total cost of operations for this carrier goes directly to village agents whose primary responsibility is to protect and deliver the USPS priority, non priority and bypass mail. It may hold true that village agents have other duties and responsibilities, such as reporting weather and checking runway conditions but their primary responsibility is to protect and to deliver the USPS mail. In most instances, the consignee picks up freight at the airport.

Fuel costs have risen dramatically over the last several months, an average rise of \$0.61 per gallon for both AV100LL and Jet A-50 fuel, collectively. All inflationary or deflationary fuel costs must be included in the rate making process, made retroactive, reflecting either increases or decreases in fuel prices.

Respectfully Submitted,

Wilfred P. Ryan  
President  
Arctic Transportation Services