



October 19, 2020

Mr. Michael Gormas
Office of Aviation Analysis
U.S. Department of Transportation
1200 New Jersey Ave, S.E.
Washington, D.C. 20590

Re: Proposal to Provide Essential Air Service at Cordova, Gustavus, Petersburg, Wrangell and Yakutat.

Dear Mr. Gormas:

Please see the enclosed essential air service proposal from Alaska Airlines, Inc. for the communities of Cordova, Gustavus, Petersburg, Wrangell and Yakutat.

Also attached is the certification for a drug-free workplace, certification of nondiscrimination and the certification pertaining to influencing activities.

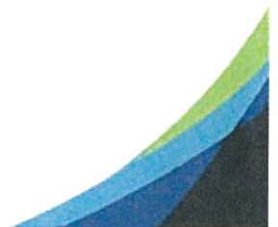
Please contact me if you need additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kate Geldaker", with a long horizontal line extending to the right.

Kate Geldaker
Director, Government Relations

Enclosures



Alaska Airlines, Inc.
Essential Air Service at Cordova, Gustavus, Petersburg, Wrangell and Yakutat

Index of Exhibits

<u>Exhibit</u>	<u>Title</u>	<u>Pages</u>
AS-1	Narrative Statement	2
AS-2	Subsidy Request <ul style="list-style-type: none">- Combined- Passenger- Freighter	3
AS-3	Allocations by Community	1
AS-4	Schedules (Estimated)	2
AS-5	Completion Factors	1
AS-6	Freighter Support Materials	4

Alaska Airlines, Inc.
Compensation Requirement
Order 2020-9-11
Essential Air Service to Cordova, Gustavus, Petersburg, Wrangell and Yakutat
DOT-OST-1998-4899

Narrative Statement

Alaska Airlines, Inc. ("Alaska Airlines") is pleased to submit this proposal to serve the Southeast Alaska EAS points of Cordova, Gustavus, Petersburg, Wrangell and Yakutat in response to Order 2020-9-11. Alaska Airlines requests an EAS averaged compensation level of \$9.3 million per year for a two-year contract period, which includes an \$8.7 million bid for passenger service and a \$0.6 million bid for freighter service. This combined bid will enable Alaska Airlines to continue offering the levels of service these communities need, with appropriate seasonal adjustments.

The COVID-19 pandemic has caused unprecedented disruption to the airline industry. Demand is severely depressed, and it is unclear when airlines will experience a return to pre-pandemic demand levels, with some estimates forecasting full recovery as late as 2024. Alaska Airlines' proposal reflects these current economic realities, including an associated forecasted reduction in revenue combined with anticipated increases in costs. However, despite the dire industry outlook, Alaska Airlines' bid reflects only a modest 3% increase compared to the current contract subsidy amount to serve these markets.

Alaska Airlines is proposing to continue operating all-passenger jet aircraft service to these communities, with First Class, Premium and main cabin seating options for our guests. Each passenger flight to/from these Southeast Alaska communities will offer passengers as well as shippers single-plane jet service to Juneau or Ketchikan and on to Alaska Airlines' Anchorage and Seattle hubs. For service to/from Gustavus, Alaska Airlines proposes seasonal (summer-only) service to/from Juneau with the aircraft continuing on to either Anchorage or Seattle.¹ The proposed schedule and routing for passenger service to these communities is similar to the schedule under the current order and is included in the enclosed documents. Given the COVID-19 crisis, Alaska Airlines requests that the Department afford it flexibility to adjust the schedule as necessary in the future.

Alaska Airlines' request for \$8.7 million in average annual compensation for passenger services is approximately 3% higher than its 2018 bid. Alaska Airlines forecasts that in 2021 (Year 1), passenger revenue will be down by at least 24% due to reduced travel demand attributed to the COVID-19 crisis. While revenue forecasting remains unpredictable and Alaska Airlines does not know when demand will return to pre-pandemic levels, for the purposes of this bid, Alaska Airlines is forecasting a return to 2019 passenger revenue for 2022 (Year 2). Finally, Alaska Airlines also includes calculations highlighting relevant increased labor and maintenance costs and provides updated financial information on the 737 Next Generation fleet.

¹ In Year 1, Alaska Airlines intends to start service at Gustavus on a date to be determined between May 20, 2021 and June 3, 2021 and end summer service between August 16, 2021 and August 30, 2021. In Year 2, Alaska Airlines intends to start service at Gustavus on a date to be determined between May 26, 2022 and June 9, 2022 and end summer service between August 15, 2022 and September 9, 2022.

Alaska Airlines also requests \$0.6 million to support separate B-737-700 freighter service throughout Southeast Alaska, which will allow Alaska Airlines to serve the air cargo needs of these communities. Due to the COVID-19 crisis, Alaska Airlines projects a 9% reduction in cargo demand tied to the seafood industry and a slower recovery in Year 2. While Alaska Airlines was able to reduce costs in many areas associated with freighter operation compared to costs reflected in Alaska Airlines' 2018 proposal, Alaska Airlines has seen an increase in overhead costs such as maintenance costs associated with these aircraft. From a scheduling perspective, Alaska Airlines is planning to operate 52 annual freighter flights for Cordova, Yakutat, Petersburg and Wrangell. While Alaska Airlines will commit to year-round freighter service and endeavor to provide consistent freighter service on a weekly basis for these communities, Alaska Airlines requests flexibility where necessary to adjust its schedule to meet the communities' needs. Without EAS subsidy support, year-round freighter service would not be sustainable due to seasonality of demand. Alaska Airlines' request will ensure the continued provision of year-round service that is critical to meeting the cargo needs of these communities.

For both passenger and freighter service fuel costs, Alaska Airlines predicts a decrease in fuel prices compared to 2018 by assuming a price of \$1.45/gallon in Year 1 and \$1.70/gallon in Year 2. This is forecasted based on Alaska Airlines' observed pricing and includes a 14% premium for the cost of fuel encountered within the state of Alaska.

Importantly, all of the jet aircraft Alaska Airlines would use to provide service to these communities are equipped with Required Navigation Performance (RNP) technology. All of the company's flight crews are trained in its use, enabling Alaska Airlines to reliably serve these communities, even in inclement weather. Alaska Airlines is the only airline serving Southeast Alaska with this capability, which includes special instrument approach procedures developed by and specifically for Alaska Airlines flight crews and aircraft. Alaska Airlines' high completion factor for flights to/from these communities speaks to this reliable service.

As has been noted for years in Alaska Airlines' prior proposals, Alaska Airlines takes seriously its unique obligation to continue fulfilling its longstanding role as the critical transportation link for these communities (without access to road systems) to hubs within and beyond the state of Alaska. Alaska Airlines is committed to providing these communities not only a vital transportation link, but excellent service as well. Alaska Airlines' passenger jet service, combined with its freighter operation, will best serve the needs of Southeast Alaska residents and visitors, particularly in these unprecedented times.

Passenger and Freight Service

	Year 1 Final Bid				Year 2 Final Bid				Consolidated Bid			
	May 2021 - April 2022				May 2022 - April 2023				May 2021 - April 2023			
	Cordova, Yakutat, Gustavus	Petersburg, Wrangell	Year 1 Total		Cordova, Yakutat, Gustavus	Petersburg, Wrangell	Year 2 Total		Cordova, Yakutat, Gustavus	Petersburg, Wrangell	Consolidated Total	
Operating Revenue												
Passenger	6,167,248	6,087,313	12,254,561		8,061,762	7,957,272	16,019,034		7,114,505	7,022,292	14,136,798	
Freight/Mail	1,819,515	1,777,959	3,597,474		1,945,874	1,895,468	3,841,341		1,882,694	1,836,713	3,719,408	
Trans. Related & Other	4,764,335	1,160,622	5,924,957		5,029,262	1,363,788	6,393,050		4,896,798	1,262,205	6,159,004	
Total Operating Revenue	12,751,098	9,025,895	21,776,993		15,036,898	11,216,527	26,253,425		13,893,998	10,121,211	24,015,209	
Operating Expenses												
Direct Operating Expenses												
Non-Fuel Expense	11,587,810	9,354,450	20,942,260		12,042,336	9,634,934	21,677,270		11,815,073	9,494,692	21,309,765	
Fuel Expense ²	2,253,834	1,838,900	4,092,734		2,653,716	2,192,196	4,845,911		2,453,775	2,015,548	4,469,323	
Total Direct Operating Expenses	13,841,644	11,193,350	25,034,994		14,696,052	11,827,129	26,523,181		14,268,848	11,510,240	25,779,088	
Indirect Operating Expenses												
Overhead	1,251,352	1,274,561	2,525,913		1,253,549	1,274,561	2,528,110		1,252,451	1,274,561	2,527,012	
Ownership	1,804,827	1,427,034	3,231,861		1,858,362	1,468,599	3,327,061		1,831,594	1,447,867	3,279,461	
Total Indirect Operating Expenses ³	3,056,179	2,701,595	5,757,774		3,111,911	2,743,260	5,855,171		3,084,045	2,722,428	5,806,472	
Total Operating Expenses	16,897,823	13,894,946	30,792,768		17,807,963	14,570,389	32,378,352		17,352,893	14,232,667	31,585,560	
Total Non-Operating Expenses	87,507	54,988	142,495		89,257	56,088	145,345		88,382	55,538	143,920	
Operating Profit (Loss)	(4,234,232)	(4,924,039)	(9,158,271)		(2,860,322)	(3,409,950)	(6,270,272)		(3,547,277)	(4,166,994)	(7,714,271)	
5% Return ⁴	849,266	697,497	1,546,763		894,861	731,324	1,626,185		872,064	714,410	1,586,474	
Compensation ⁵	(5,083,496)	(5,621,536)	(10,705,034)		(3,755,183)	(4,141,274)	(7,896,457)		(4,419,341)	(4,881,405)	(9,300,745)	

Notes

Combined Passenger and Freight Service bid

1-Revenue forecast down in 2021 due to COVID-19, returning 2019 levels the year after

2-Reduced fuel expense due decrease in oil price. Fuel of \$1.45 in year 1 and \$1.70 in year 2, with a added 14% premium for AK fuel prices

3-increased due newer fleet vs. prior bid accounted for lower-cost 737 classic fleet

4-Return of 5%

5-Overall 3% increase, primary driver decrease in forecast revenue

6-Gustavus does not have freighter service; summer seasonal passenger service only

Freighter Service	Year 1 Final Bid May 2021 - April 2022			Year 2 Final Bid May 2022 - April 2023			Conso. dated Bld May 2021 - April 2023		
	Cordova, Yakutat, Gustavus	Petersburg, Wrangell	Year 1 Total	Cordova, Yakutat, Gustavus	Petersburg, Wrangell	Year 2 Total	Cordova, Yakutat, Gustavus	Petersburg, Wrangell	Consolidated Total
Operating Revenue									
Passenger									
Freight/Mail ¹	881,848	1,354,386	2,236,234	914,440	1,429,537	2,343,977	898,144	1,391,962	2,290,106
Trans. Related & Other									
Total Operating Revenue	881,848	1,354,386	2,236,234	914,440	1,429,537	2,343,977	898,144	1,391,962	2,290,106
Operating Expenses									
Direct Operating Expenses									
Non-Fuel Expense	624,146	885,968	1,510,114	636,413	835,512	1,471,925	630,280	860,740	1,491,020
Fuel Expense ²	119,786	545,440	665,226	151,729	675,725	827,454	135,758	610,583	746,340
Total Direct Operating Expenses	743,932	1,431,408	2,175,340	788,142	1,511,237	2,299,379	766,037	1,471,323	2,237,360
Indirect Operating Expenses									
Overhead ³	109,852	217,561	327,413	112,049	217,561	329,610	110,951	217,561	328,512
Ownership	60,997	114,680	175,677	62,217	116,974	179,191	61,607	115,827	177,434
Total Indirect Operating Expenses	170,849	332,241	503,090	174,266	334,535	508,801	172,558	333,388	505,946
Total Operating Expenses	914,781	1,763,649	2,678,430	962,408	1,845,772	2,808,180	938,595	1,804,711	2,743,305
Total Non-Operating Expenses	6,817	3,794	10,611	6,953	3,870	10,823	6,885	3,832	10,717
Operating Profit (Loss)	(39,750)	(413,057)	(452,807)	(54,921)	(420,105)	(475,026)	(47,336)	(416,581)	(463,917)
Return of 5% ⁴	45,080	88,372	134,452	48,468	92,482	140,950	47,274	90,427	137,701
Compensation	(85,830)	(501,429)	(587,259)	(103,389)	(512,587)	(615,976)	(94,609)	(507,008)	(601,618)

Notes

¹. 9% decline due to draw down in seafood industry demand from Covid, predicting slower recovery in year 2

². Fuel of \$1.45 in year 1 and \$1.70 in year 2, with a added 14% premium for AK fuel prices

³. Increase driven by burden of aging freighter fleet

⁴. Return of 5%

Gustavus does not have freighter service

Subsidy Allocations by Community (averaged over 2 years)

Allocation: Passenger	
Cordova	\$2,059,427
Yakutat	\$2,072,858
Gustavus	\$192,446
Total	\$4,324,731
Wrangell	\$2,258,269
Petersburg	\$2,116,128
Total	\$4,374,397

Allocation: Freighter	
Cordova	\$ 48,250
Yakutat	\$ 46,359
Total	\$ 94,609
Wrangell	\$ 259,895
Petersburg	\$ 247,113
Total	\$ 507,008

Passenger SE Alaska EAS Schedule (Estimated)

AS-4

Flight #	Off-Peak				
	65	61	64	66	
Seattle	650	0745	2035	2349	
Ketchikan	0805		1735		
	0850		1652		
Wrangell	0932		1610		
	1015		1525		
Petersburg	1037		1500		
	1120		1415		
Juneau	1202	1015	1325	2025	
	1250	0929	1239	1919	
Yakutat		1200		1830	
		1117		1746	
Cordova		1335		1655	
		1250		1609	
Anchorage	1440	1422	1100	1520	

Flight #	Peak (Summer)						
	65	61	71	77	64	66	
Seattle	0715	0745	1435		2042	2322	
Ketchikan	0813				1750		
	0900				1701		
Wrangell	0937				1630		
	1025				1541		
Petersburg	1046				1520		
	1135				1430		
Gustavus				1820			
Juneau	1212	0908	1610	1845	1350	2005	
	1305	1000	1700	1935	1300	1914	
Gustavus			1735				
Yakutat		1051				1830	
		1140				1743	
Cordova		1228				1655	
		1315				1606	
Anchorage	1445	1403		2115	1125	1515	

Source:

Off Peak: Spring 2020 schedule

Peak: Summer 2019 schedule

Freighter SE Alaska EAS Market Schedule (Estimated – Flexibility Requested)
Not all flights operate on the same day of the week

AS-4

Origin	Destination	Est. Dprt Tm	Est. Arrv Tm
SEA	WRG	7:15	8:45
WRG	JNU	9:30	10:20
SEA	PSG	8:10	9:35
PSG	JNU	10:20	11:00
ANC	CDV	14:00	14:50
CDV	YAK	15:35	16:25
YAK	JNU	17:10	18:00

Completion Factors for SE AK EAS Markets

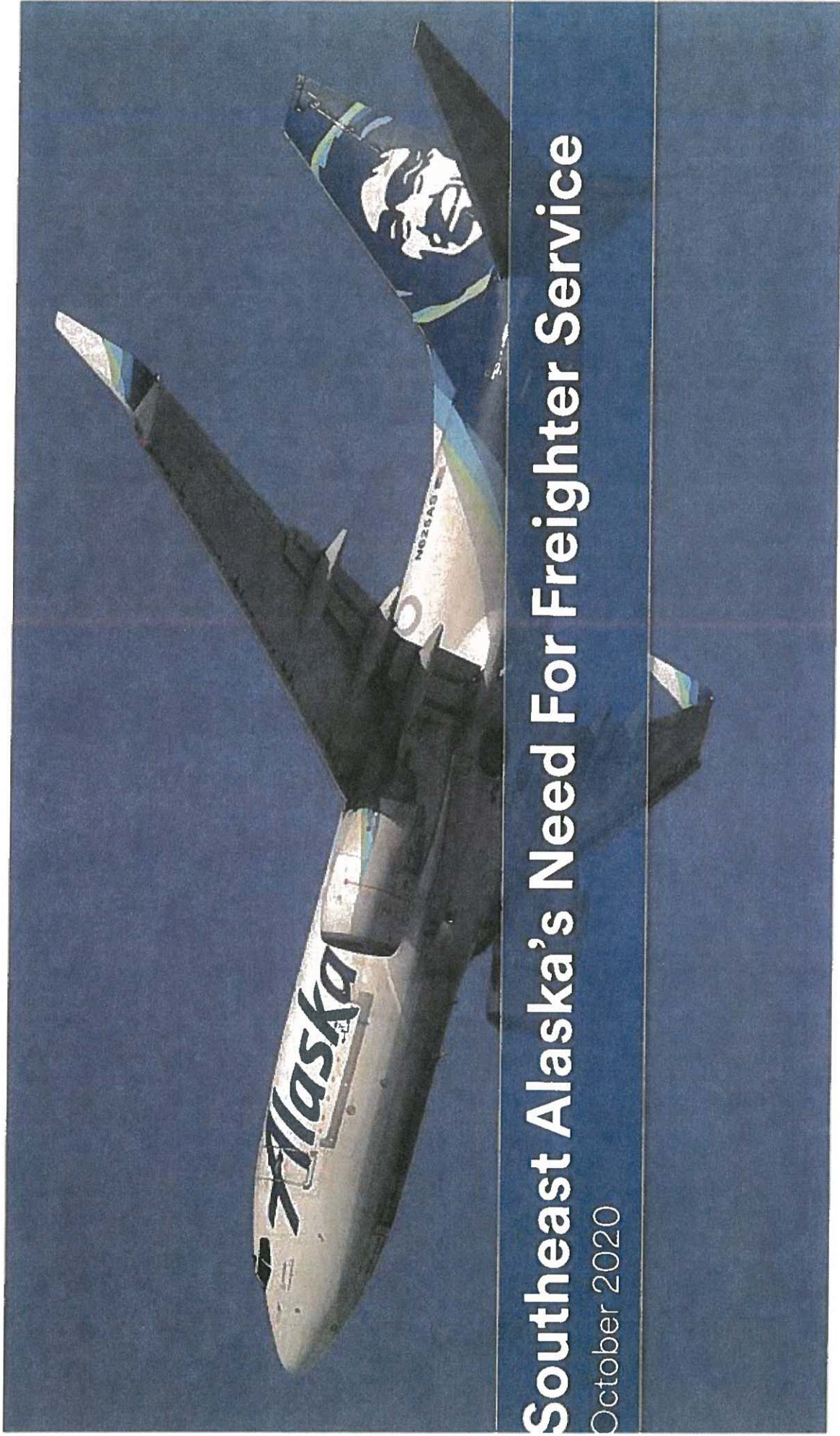
AS-5

Market	Passenger Operating Stats			Completion Factor
	Scheduled Flights	Operated Flights		
ANCCDV	1,446	1,423		98.41%
CDVYAK	1,448	1,386		95.72%
GSTJNU	328	316		96.34%
JNUPSG	1,455	1,412		97.04%
JNUYAK	1,450	1,386		95.59%
KTNWRG	1,453	1,418		97.59%
PSGWRG	1,450	1,413		97.45%
Grand Total	9,030	8,754		96.94%

* Data represents a 2-year average from October 2018 to September 2020

Station	Freighter Operating Stats			Completion Rate
	Operated	Scheduled		
CDV	98	74		132%
YAK	118	73		162%
PSG	95	74		128%
WRG	58	89		65%
Total	369	310		119%

*Since January 1st 2019



Southeast Alaska's Need For Freightier Service

October 2020



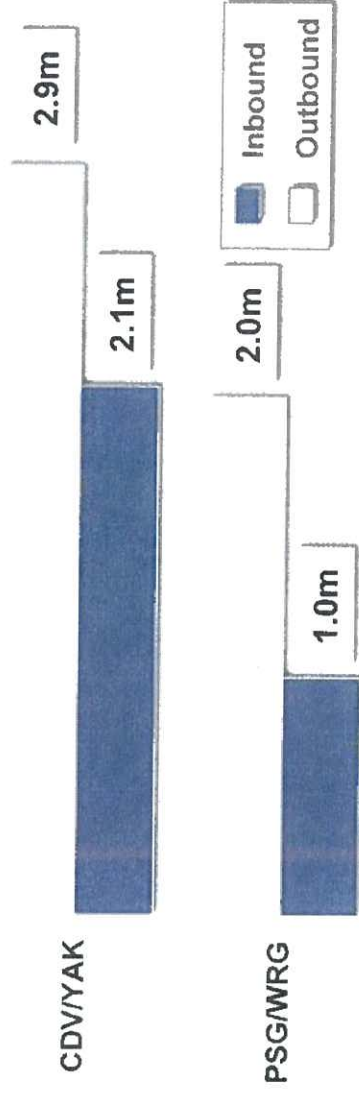
Last Year Alaska Airlines freighter flights transported 40% of CDV/YAK/PSG/WRG's essential needs and commercial support

Annual Volume Moved by AS (000,000's)

Year	Total
2016	7.9m
2017	7.1m
2018	7.0m
2019	8.1m

- Since implementing expanded air cargo service into the CDV/YAK/PSG/WRG stations, AS's support has grown in the communities carrying more cargo then in the last 4 years.
- 2019 was the highest year on record for the inbound movement of essential goods with over 3 million lbs inbound.
- Alaska Airlines freighter served over 40% of the communities overall air cargo needs year round for everyday essential and commercial needs.

Full Year 2019 Volume Handled Community Pairing



2019 in Review

- Over 40% off all air freight for the communities was transported via Alaska Airlines freighter flights.
- Over 1.3m lbs of produce transported into communities.
- Over 2.1m lbs of oversized cargo to large for belly or other air carriers in market.
- Over 4m lbs of seafood transported in support of the Alaska seafood industry.
- Over 1,000 medical shipments supporting community health care needs.



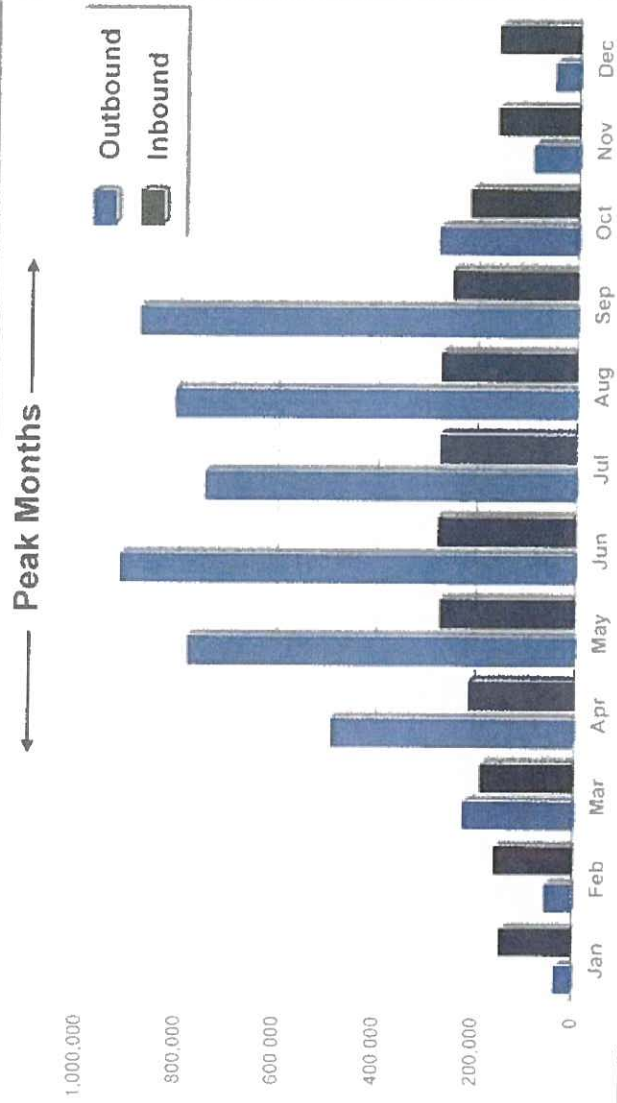
Limited shipping solutions outside of peak summer months makes Air Cargo essential for communities

- Outside of summer peak, Alaska ferry service reduces making air cargo the primary means of shipping essential goods for remote communities.
- Both Yakutat and Wrangell will have months this winter of no ferry service making air cargo the only scheduled option for the movement of essential goods.
- Alaska Airlines provide only timely supply chain solution of sourcing perishable grocery goods from both Seattle & Anchorage the communities rely on today.
- Alaska Airline's continued weekly freighter service enables palletized capability for larger scale needs from both Seattle and Anchorage for goods.



Alaska
AIRLINES

Seasonality of CDV/YAK/PSG/WRG Air Cargo Needs



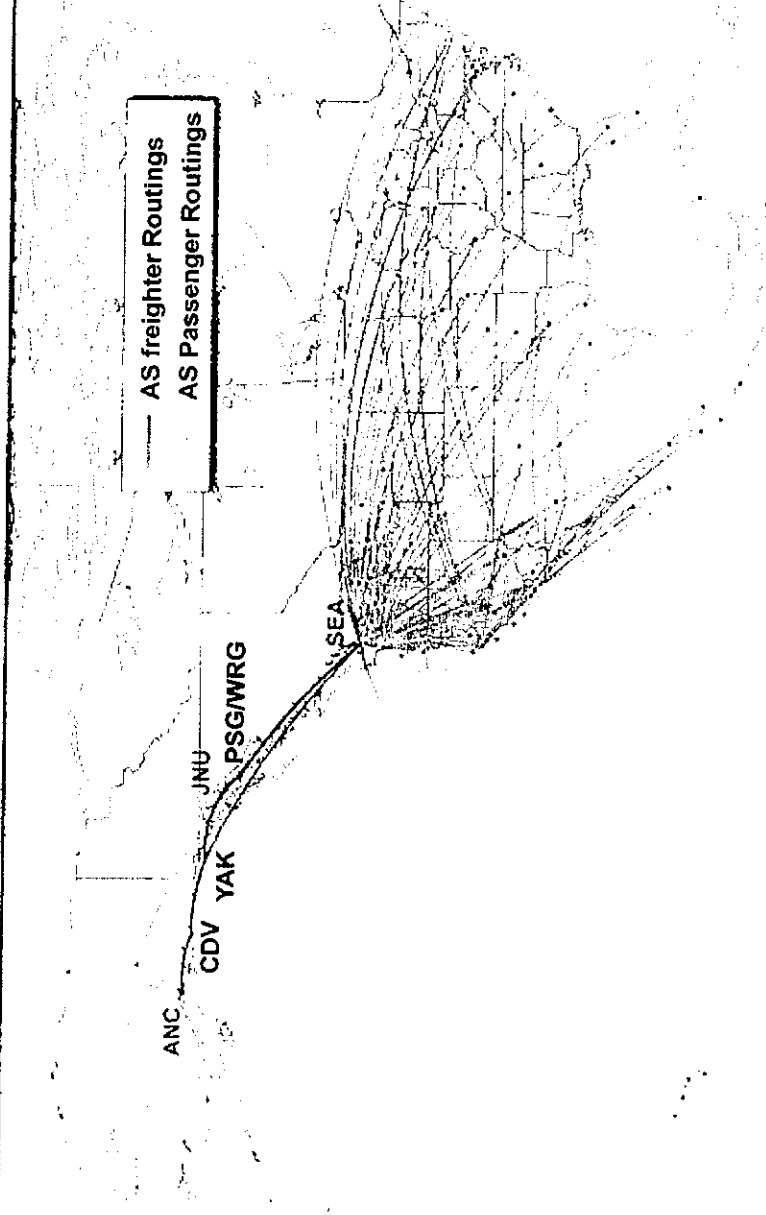
For the 6 months outside of peak demand, Alaska Airlines transported 1.1m lbs of cargo into remote communities, providing vital link for essential goods.



Continued year round service by Alaska Airlines freighter flights would keep remote communities tied to wide range logistics

- Alaska Airlines freighter and passenger flights serving remote Southeast Alaska communities CDV/YAK/PSG/WRG provide connection opportunities for cargo transiting across North America.
- 84% of communities shipping needs in these locations goes beyond the state of Alaska, providing ability to provide logistical solutions well beyond local intra state service.
- Continued weekly 737 freighter service will ensure community needs remain tied in with critical supply chain.

Percent of Shipments Transiting Beyond state of Alaska 84%



UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
OFFICE OF AVIATION ANALYSIS

**CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS
IN THE PERFORMANCE OF SUBSIDIZED ESSENTIAL AIR SERVICE**

A. The subsidized essential air service carrier certifies that it will, or will continue, to provide a drug-free workplace by:

- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the carrier's workplace, and specifying the actions that will be taken against employees for violation of such prohibition;
- (b) Establishing an ongoing drug-free awareness program to inform employees about--
 - (1) The dangers of drug abuse in the workplace;
 - (2) The grantee's policy of maintaining a drug-free workplace;
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- (c) Making it a requirement that each employee to be engaged in the performance of work supported by the subsidy be given a copy of the statement required by paragraph (a);
- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment supported by the subsidy, the employee will--
 - (1) Abide by the terms of the statement; and
 - (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- (e) Notifying the agency in writing, within ten calendar days after receiving notice under paragraph (d)(2) from an employee or otherwise receiving actual notice of conviction. Employers of convicted employees must provide notice, including position title, to the Office of Aviation Analysis. Notice shall include the order number of each affected subsidized service;
- (f) Taking one of the following actions, within 30 days of receiving notice under paragraph (d)(2), with respect to any employee who is so convicted--
 - (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended, or
 - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement, or other appropriate agency;

INSTRUCTIONS FOR CERTIFICATION

1. By signing and/or submitting this application or grant agreement, the subsidized essential air service carrier is providing the certification
2. The certification is a material representation of fact upon which reliance is placed when the agency awards the subsidy. If it is later determined that the subsidized carrier knowingly rendered a false certification, or otherwise violated the requirements of the Drug-Free Workplace Act, the agency, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the subsidy application. If the subsidized carrier does not identify the workplaces at the time of application, or upon award if there is no application, the carrier must keep the identity of the workplaces on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the subsidized carrier's drug-free workplace requirements.
4. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all counters at the airports served by the carrier).
5. If the workplace identified to the agency changes during the performance of the subsidized service, the subsidized carrier shall inform the agency of the change, if it previously identified the workplace in question.
6. Definitions of terms in the Nonprocurement Suspension and Debarment common rule (49 CFR Part 29) and Drug-Free Workplace common rule (49 CFR Part 29, Subpart F) apply to this certification. Carriers' attention is called, in particular, to the following definitions from these rules:

Controlled substance means a controlled substance in Schedules I through V of the Controlled Substances Act (21 USC 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

Conviction means a finding of guilt (including a plea of *nolo contendere*) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

Criminal drug statute means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

Employee means the employee of a subsidized carrier directly engaged in the performance of work supported by the subsidy, including: (i) All *direct charge* employees; (ii) All *indirect charge* employees unless their impact or involvement is insignificant to the performance of subsidized service, and (iii) Temporary personnel and consultants who are directly engaged in the performance of work supported by the subsidy and who are on the subsidized carrier's payroll. This definition does not include workers not on the payroll of the subsidized carrier (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the subsidized carrier's payroll; or employees of subrecipients or subcontractors in covered workplaces).

(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).

B The subsidized essential air service carrier *may*, but is not required to, insert in the space provided below the site for the performance of work done in connection with the specific grant.

Places of Performance (street address, city, county, state, zip code). For the provision of essential air service, workplaces include outstations, maintenance sites, headquarters office locations, training sites and any other worksites where work is performed that is supported by the subsidy.

Check ☐ if there are workplaces on file that are not identified here.

Juliette Rodas
Signature Alaska Airlines, Inc.

October 16, 2020
Date

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
OFFICE OF AVIATION ANALYSIS

TITLE VI ASSURANCE

(Implementing Title VI of the Civil Rights Act of 1964, as amended)

ASSURANCE CONCERNING NONDISCRIMINATION ON THE
BASIS OF DISABILITY IN FEDERALLY-ASSISTED PROGRAMS
AND ACTIVITIES RECEIVING OR BENEFITING FROM
FEDERAL FINANCIAL ASSISTANCE

(Implementing the Rehabilitation Act of 1973, as amended, and the
Air Carrier Access Act of 1986)

49 CFR Parts 21 and 27 and 14 CFR Parts 271, and 382

Alaska Airlines, Inc. (the Recipient) HEREBY AGREES THAT.
(Name of Recipient)

I. As a condition to receiving any Federal financial assistance from the Department of Transportation, it will comply with Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000d--42 U.S.C. 2000d-4; all requirements imposed by or pursuant to: Title 49, Code of Federal Regulations, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation--Effectuation of Title VI of the Civil Rights Act of 1964, and other pertinent directives so that no person in the United States shall, on the grounds of race, color, or national origin be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Recipient receives Federal financial assistance from the Department of Transportation. This assurance is required by Title 49, Code of Federal Regulations, section 21.7(a) and Title 14, Code of Federal Regulations, section 271.9(c).

II. As a condition to receiving any Federal financial assistance from the Department of Transportation, it will comply with: section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794); the Air Carrier Access Act of 1986 (49 U.S.C. 1374(c)) and all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Part 27, Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance, Title 14, Code of Federal Regulations, Part 382, Nondiscrimination on the Basis of Handicap in Air Travel; and other pertinent directives

so that no otherwise qualified person with a disability, be excluded from participation in, be denied the benefits of, be discriminated against by reason of such handicap in the provision of air transportation, or otherwise be subjected to discrimination under any program for which the Recipient receives Federal financial assistance from the Department of Transportation. This assurance is required by Title 49, Code of Federal Regulations, section 27.9 and Title 14, Code of Federal Regulations, sections 271.9(c) and 382.9.

III. It will promptly take any measures necessary to effectuate this agreement. The Recipient further agrees that it shall take reasonable actions to guarantee that it, its contractors and subcontractors subject to the Department of Transportation regulations cited above, transferees, and successors in interest will comply with all requirements imposed or pursuant to the statutes and Department of Transportation regulations cited above, other pertinent directives, and the above assurances.

IV. These assurances obligate the Recipient for the period during which Federal financial assistance is extended. The Recipient agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the statutes and Department of Transportation regulations cited above, other pertinent directives, and the above assurances.

V. These assurances are given for the purpose of obtaining Federal subsidy under the Essential Air Service Program and are binding on the Recipient, contractors, subcontractors, transferees, successors in interest, and all other participants receiving Federal subsidy in the Essential Air Service Program. The person or persons whose signatures appear below are authorized to sign this agreement on behalf of the Recipient.

VI. In addition to these assurances, the Recipient agrees to file: a summary of all complaints filed against it within the past year that allege violation(s) by the Recipient of Title VI of the Civil Rights Act of 1964, as amended, section 504 of the Rehabilitation Act of 1973, as amended, or the Air Carrier Access Act of 1986; or a statement that there have been no complaints filed against it. The summary should include the date the complaint was filed, the nature of the complaint, the status or outcome of the complaint (i.e., whether it is still pending or how it was resolved).

October 16, 2020
Date

JULIETTE RODDA
Legal Name of Recipient

By: Juliette Rodda
Signature of Authorized Official

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
OFFICE OF AVIATION ANALYSIS

CERTIFICATION REGARDING INFLUENCING ACTIVITIES

Certification for Contracts, Grants, Loans,
and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Influencing Activities," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.



Signature

10/19/2020

Date

Director, Government Affairs

Title

Alaska Airlines, Inc.

Air Carrier

Cordova, AK; Gustavus, AK; Petersburg, AK; Wrangell, AK; Yakutat, AK

Essential Air Service Point(s) To Which Certification Applies