

## Togiak official stresses air cargo service need

To Rep. Adams:

Thank you for your prompt reply to my letter and your comments in regard to HJR 11.

I do agree with you that the issue of postal fees to mainline and Bush carriers is not an all or nothing proposition. However, I do feel that HJR 11, if applied, would be an all or nothing solution. Therefore, I would like to address a few points mentioned in your letter.

1. In your letter you stated "...that current U.S. Postal Service mail distribution policy is causing severe problems for most of the major airlines and Bush carriers in Alaska."

"Specifically, the policy of allocating mail to cargo-only carriers, which bypass regional hubs, has removed critical mail revenue from the vast majority of carriers who also provide passenger service to rural Alaska."

First of all, I do have questions as to how severe the problem of decreased postal revenue to certain airline and air cargo carriers actually is and how this problem will actually affect Bush passenger fares. I will, however, address this question below.

Secondly, I do question the overall concept of "regional hubs," which in practice seems to be restrictive to the growth of the outlying villages.

Nevertheless, while it is true that a loss of revenue to a business, whether it be from the Postal Service or elsewhere, can negatively effect that business, I think it is misleading and inappropriate to say that the Postal Service has a policy to allocate mail only to cargo carriers and to disregard passenger carriers and that this policy is the cause of some carriers' financial problems.

The Postal Service has a duty to deliver mail in the most expedient, safe, inexpensive manner. If one air carrier, whether it be cargo, passenger or a combination of the two, is available at the first opportuni-

ty to carry this mail, then it is the Postal Service's duty to assign the mail to the carrier. If this exercise of duty precludes some air carriers from obtaining Postal Service revenue, then it is a result of those carriers' operational policy and not the fault of any policy of the Postal Service.

If HJR 11 was introduced in order to change a policy of the Postal Service, then it is not needed because that policy does not exist. It appears, however, that the real purpose of HJR 11 is to force the Postal Service into a new policy that favors passenger carriers over cargo carriers. In your letter you stated, "(I)t seems inappropriate that the federal government has been paying a subsidy to improve passenger service through one agency, the U.S. Department of Transportation, and hindering through the policy of another agency, the U.S. Postal Service."

Just because the exercise of one agency's duty may not complement another agency's duty does not mean the two have conflicting policies. In this instance a more correct interpretation would be that the Postal Service's current mail distribution policy is complementing the Department of Transportation's policy providing a source of revenue to not just all passenger air carriers, but also to all cargo and the combination cargo and passenger air carriers.

HJR 11, if passed by the Alaska Legislature and acted upon by the federal government, would create a situation wherein agency policy would truly be designed to hinder one business while unfairly favoring another.

But regardless of whatever the Postal Service policy might be, Bush Alaska needs not only reliable and fairly priced air passenger service, but also reliable and fairly priced air cargo service.

In fact, if one service has to be favored over the other, then it must be cargo. Air cargo service and its rates

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both have a more immediate long-term impact on the Bush. This, then, brings me to another point raised in your letter.

2. In your letter you stated "...that there are some benefits to Bush residents receiving direct mail flights, but the benefits lost are potentially much greater. Continued reliable scheduled passenger flights at reasonable rates is extremely important to all of us. It does not seem prudent to risk this for more direct mail service."

While I agree with you that the reduction of passenger services and/or increase of passenger fares is not in the best interest of rural residents, I believe that the greater interest to rural residents is in the lowering of the cost of living and the raising of the standard of living in their home communities.

Travel out of the local community by airlines, while sometimes a necessity, is primarily a luxury, but keeping the cost of living down at home is always a necessity. The current policy of the Postal Service is helping to keep the cost of living down in all of rural Alaska.

Not only is mail delivered quicker and in better condition under the Postal Service's current policy, but also and more important, many Bush communities that now, and many more that can in the future, receive direct mail flights also receive, at the same time, direct cargo flights at greatly reduced rates compared to when cargo goes first to a hub before going to its final destination.

To stop the current system of Bush mail delivery, prevent the expansion of direct mail delivery and thus stop the direct cargo flights to Bush com-

munities is a step backward. Affordable cargo rates, and prompt, direct "By-Pass" mail are assisting communities such as Togiak to not only sustain themselves during Alaska's current economic slump, but also to grow into economic self-sufficient communities.

3. Your letter stated both directly and through several implications that if air carriers do not receive a greater share of the Postal Service's dollar, then service will be lessened, discontinued or fares will rise. I do not think that this condition is necessarily a certainty at this time.

Some carriers may have to choose one or all of these alternatives, but others will continue to operate, and still others will replace those that cannot compete in an open market.

There are currently air passenger and cargo carriers operating in rural Alaska that are not only surviving, but also growing without any large share of Postal Service revenue. Those airlines that need a greater share of postal revenue than that gained through fair competition should look to these successful air carriers as models and not try to gain the upper hand through political manipulations that in the long run will hurt both their industry and the public they serve.

I urge you and other members of the Finance Committee, as well as the entire Legislature, to consider very carefully the impact of HJR 11 on the entire rural Alaska population, rather than considering just the benefits it will give to a few air carriers seeking a political solution to a private enterprise financial problem.

Sincerely,  
Robert Nanalook  
President, Togiak Natives Ltd.