

# Red Dodge Intention 'Not Valid'—

## Attempt to Get Contract on T-3 Fails, Goes to Interior Air

FAIRBANKS — Red Dodge Aviation's protest of the University of Alaska's announced intention to award a contract for T-3 Ice Island supply flights to Interior Airways was called "not valid" today at the conclusion of a one-hour public hearing on the university campus here.

The hearing had been requested by Red Dodge but the Anchorage firm yesterday asked that it be cancelled.

In a Telex message to university vice president Max Hullinger, Red Dodge executive vice president George F. Patterson said: "The trustee has requested me to advise you that he would like the public hearing cancelled due to inability to attend and due to an adverse court ruling, and without reorganization plans completed the hearing would be of no value."

Upon receipt of this message, the university decided to cancel the hearing but the hearing officer, Fairbanks attorney Thomas E. Fenton, subsequently advised it that he had received no word from Red Dodge and intended to go ahead with the hearing.

Both Red Dodge and Interior Airways, of Fairbanks, concurred in Fenton's appointment as hearing officer.

Testimony at today's hearing indicated that Red Dodge no longer has the C130 Hercules aircraft required for some 30 supply flights to Ice Island, now approximately 1,200 miles from Barrow.

Interior president Neil Bergt testified that Red Dodge had been ordered by a Pennsylvania court to turn over its C130 aircraft to a creditor bank.

Interior's attorney introduced as evidence purported copies of Pennsylvania court records having to do with Red Dodge's status and financial condition. It is in receivership.

Hullinger testified as to how the university determined the Interior bid was the "lowest responsible bid." Red Dodge was the apparent low bidder when bids were opened in December.

At the conclusion of today's hearing, Fenton said: "I find the objection of Red Dodge is not valid" and "Red Dodge is not the lowest responsible bidder."

Interior is now flying the supply missions under a letter of intent from the university to award it a contract, said Hullinger. The contract award was held up pending the outcome of the public hearing, he said.

The university operates the Naval Arctic Research Laboratory at Barrow under contract with the Navy, and the supply missions to Ice Island and other scientific stations on sea ice were arranged for under this contract, Hullinger testified.

The Navy agreed with the university that Interior's was the lowest responsible bid, he said. He pointed out the university has the right to reject all bids and this was spelled out in the bid specifications sent to all prospective bidders.

Hullinger testified the university follows the State Purchasing Procedures Manual and in compliance with it solicits bids for all materials and services with a value of more than \$1,000.

The university "several times" has awarded a contract to other than the low bidder, based on its determination that the successful bidder was best able to fulfill terms of the contract, he said.

The university officer said among factors considered in the determination to award the supply flights to Interior was the greater experience of its pilots in landing and taking off from sea

ice and because of the financial condition of Red Dodge which could impair its ability to carry out the flights.

He determined there was a "possibility of loss of life" if a carrier could not meet its obligations, and there was "no assurance" that a substitute carrier could be called in in an emergency, Hullinger said.

The university was satisfied that Interior was solvent and fully capable of carrying out the flights with the required aircraft, he said.

Bergt said Interior's three senior captains have a total of more than 60 years in the Arctic and 60,000 hours of flying time, including sea ice operations.

"We're actually pioneers in that kind of operation," he said.

One of Interior's pilots, Robert Murphy, flew for the Naval Arctic Research Laboratory for a number of years and "is the world's foremost expert in polar region flying," Bergt said.

Special skills in flying and navigation are needed for polar region operations and Interior has these skills as well as the financial capability to perform under terms of the contract, he

said.

There are no other C130 Hercules carriers in Alaska to fly the missions, Bergt testified. Alaska Airlines, the third lowest bidder on the contract, "is withdrawing from the Hercules business," he said.