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Akun Dock and Breakwater Project – White Paper  
 *Prepared for the Aleutians East Borough Mayor and Assembly*

Summary:

The Aleutians East Borough (AEB or Borough) has been operating a marine transportation link between the Akutan Airport, located on Akun Island, and the City of Akutan, since the fall of 2012. Traversing the seven-mile distance between these two locations across turbulent waters where the Bering Sea meets the North Pacific Ocean presents unique challenges. For more than a year, a hovercraft served as the marine link. However, about 33% of the time, the craft was unable to operate due to harsh weather and challenging sea conditions. In addition, the cost of the operation became too expensive and was unsustainable to the tune of more than $3 million per year. The Borough substituted the hovercraft with a helicopter service in February 2014. Even though the helicopter service costs nearly $1 million less annually to operate than the hovercraft did, it is still a very high expense for the AEB to take on, totaling more than $2 million, despite the Essential Air Service (EAS) contract from the federal government. The EAS has provided approximately between $846,798 per year (beginning in 2019) increasing to $914,240 (through March 31, 2023). Although this has been enormously helpful to the Borough, this funding is unsustainable.

The Borough administration is researching the feasibility of building a dock and breakwater near the airport, so a conventional vessel could operate as the marine link between Akun and the community of Akutan. This would involve the construction of a small wave barrier to provide safe harbor on Akun Island and a dock to be used to transfer passengers and cargo to a low-cost marine ferry.

On July 19, 2021, the Borough, the Akutan Tribe and the Army Corps of Engineers signed the Tribal Partnership Project Agreement to conduct an Akutan Harbor Navigational Improvements Study. This agreement will go a long way funding a study to determine the feasibility of building a small dock and breakwater on Akun Island to serve as a marine link between the airport and the community of Akutan. Discussions regarding a low-cost solution for the Akun Dock and Breakwater Project are ongoing.

History:  
  
**October 2008**: Coast & Harbor Engineering (CHE), commissioned by The Glosten Associates (Glosten) and the Borough, performed a site visit at the Surf Bay Pier (on Akun Island) and City Dock project sites with AEB representatives. The goal was to start the process for exploring feasibility and low cost estimates for a new ferry terminal on Akun Island and terminal improvements at Akutan. CHE collected all relevant existing data and reviewed the site. CHE documented conditions (including tide, sea swells, wind and wave conditions) with photographs. A Site Visit Memorandum was prepared, reviewed, and approved by the project team.

**Dec. 18, 2008**: CHE summarized the project design criteria in a Basis of Design letter report. Design criteria were developed and coordinated with Glosten and AEB in order to establish the baseline criteria for feasibility-level engineering design. Design criteria including waves, currents, winds, and water levels for determination of loads on piles and pier deck elevation. Two different vessel types are being evaluated for use at the Akun Island Ferry Terminal; SWATH (Small Waterplane Area Twin Hull) and Monohull vessel types. The vessel size of the SWATH includes the following design criteria: length at the waterline = 80 ft.; beam = 42 ft.; draft = 9.5 ft.; freeboard (water level to boarding deck level) = 10ft. The vessel size of the monohull includes the following design criteria: length = 80 ft.; beam = 19 ft.; draft = 6.5 ft.; freeboard = 10 ft.

**Feb. 19, 2009:** CHE provided preliminary design recommendations afterperforming a sensitivity analysis to provide insight as to possible upper and lower bounds for pile capacities/lengths required for the anticipated soil or rock conditions. CHE also provided general design recommendations for rock sockets and rock anchors. Based on data review, they concluded that the proposed ferry terminal site is located along a rocky shoreline that terminates against a relatively steep slope that is likely underlain by rock at shallow depth. CHE recommended that a site-specific subsurface exploration program be performed to better characterize site conditions as part of the final design.

**Feb. 24, 2009**: A study by Glostenwas prepared for the City of Akutan regarding the feasibility and cost associated with a conventional vessel service from Akutan to a potential new pier at the north end of Surf Bay on Akun Island. The marine mode access considered would be with lower operating costs compared to the hovercraft service. It considered various classes of conventional vessels and studies the monthly and annual weather operability of conventional monohull and SWATHvessels.It determined that a monohull between 65 and 78 feet in length, operating with a service speed of 16 knots, could satisfy these requirements with 90% operability in the worst month. However, a monohull may be subject to additional limits on operations at the City Dock in Akutan due to the unprotected wave environment. Without additional expensive wave attenuation measures, the motions of a monohull may, on occasion, be too large for passenger operations or even safe mooring. The report concluded that a SWATH between 65 and 78 feet in length will offer approximately 99% operability in the worst month, and a more comfortable ride for the passengers in all conditions. The monohull is slightly less expensive than the SWATH in terms of acquisition, operating, and life-cycle costs. The cost of a new monohull vessel on average was estimated to be $5,320,000 (without Indirect Cost Allocation (ICAP) rates,\* project engineering or construction administration). The annual operating costs (without depreciation) was estimated to be $750,000.The cost of a new SWATH on average was estimated by Glosten and CHE to be $7,800,000 (without ICAP rates, project engineering or construction administration). The annual operating costs (without depreciation) was estimated to be $860,000. (\*Per AKDOT&PF Harbor Facility Grants Program policy and procedures, all capital project expenditures, including grants, are subject to ICAP charges. The Department’s current ICAP rate for harbor capital improvement projects, including harbor facility grants, is 6.87%).

**March 12, 2009**: An engineering and design report was prepared by Coast & Harbor Engineering (CHE) for The GlostenAssociate**s,** Inc. (Glosten) and theBorough**.** CHE’s coastal engineering analysis concluded that by installing a wave barrier at Surf Bay Pier (Akun Island), both a SWATCH and a monohull can safely moor and unload/load passengers and operate 90% of the time. However, the monohull would have less than 90% ability to unload/load passengers at the City Dock (on Akutan Island). (Past Alaska Department of Transportation inspections have identified a number of needed repairs to the City Dock). City Dock improvements needed include a new passenger loading gangway and two hoist dolphins, new steel pile to support modified walkways, four new pneumatic fenders and support panels and a cargo loading jib crane. These improvements were estimated to cost approximately $790,000 for either alternative with either vessel. Surf Bay Pier and breakwater construction were estimated to cost approximately $8.2M and $7.7M for the SWATH and monohull options, respectively.

**January 2010**: The Aleutians East Borough entered into a Co-Sponsorship Agreement between the City of Akutan, the Borough and the State of Alaska Department of Transportation and Public Facilities (ADOT&PF) for the Akutan Airport in January 2010 providing assurances to the FAA for federal construction funds and agreeing to operate the airport for at least 20 years. The Borough agreed to provide reasonable public access between the community of Akutan and the airport. According to the agreement, the Borough would operate a hovercraft (originally used to provide transportation between King Cove and Cold Bay) to transport passengers from Akun island to Akutan.

**Jan. 19, 2012:** Crescere Marine Engineering, Inc. conducted a preliminary monohull ferry seakeeping study. The objective was to quantify the expected performance parameters of a notional monohull passenger ferry between Akutan and Akun. Based on the projected seaway conditions determined by hindcasting and bathymetric modeling, the realistic service speeds were computed based on the effects of wave impacts on passenger comfort. The report determined that reasonable speeds would be attainable. The logistical problems associated with onload and offload from launching ramps with very little shoreside improvement were investigated. With careful design, a properly configured 59’ X 16’ landing craft/passenger vessel could function in this area successfully at approximate speeds of 26 knots. A round trip for fuel would cost approximately $120 to $140, depending on sea states.

2012 – 2014: The hovercraft operated between the airport on Akun Island and Akutan from September 2012 to February 2014. During that period, the Borough suffered operating losses of approximately $5 million. (Approximately $2.5 million per year – net cost.)

Nov. 22, 2013: The Borough and Maritime entered into a Helicopter Services Agreement (dated November 22, 2013) to provide transportation between the village of Akutan on Akutan Island and the Akutan Airport located on Akun Island. The Agreement was for a one-year term with options to renew for two additional one-year terms.  
  
2014: The Borough discontinued the hovercraft operation in 2014 and initiated the use of a helicopter service instead to provide the transportation link from the airport on Akun to Akutan. As a result, the Borough was able to reduce the operating loss to roughly $1.2 million per year (as of this date).

Dec. 10, 2015: The Aleutians East Borough commissioned Alton Bay Design, LLC (ABD) to prepare a Conceptual Vessel Study for Akun Airport Transportation. That study was completed on Dec. 10, 2015. The study suggests that the depicted aluminum monohull ferry is capable of providing reliable year-round transportation for up to 48 passengers and light freight between the City of Akutan and the airport on Akuna Islands. The estimated vessel construction costs at that time $1.5 million - $2 million. The following vessel technical requirements were established by the AEB to form the basis of the report and include: Operate as a USCCG-certified subchapter T (less than 100 gross tons) passenger vessel, ferry 30+passengers in an enclosed seated environment, ferry up to two large ATVs, capable of attaining 16 knots, transporting 500 – 1,000 gallons of fuel for airport use, and operating in only 6 feet of water during docking. The vessel dimensions would be 55’ long on the main deck; 22’ maximum molded beam and 3 ½’ maximum navigational draft in response to the limiting 6’ of available water at the Akun landing.

Sept. 2016: The AEB Administrator’s report stated that based on 2 ½ years of operations, the annual operating costs for the helicopter service was approximately $1.8 million with estimated revenues of $520,000 and a net operating loss of approximately $1,280,000.

**June 11, 2018:** USDOT issued Order 2018-6-8 requesting proposals from air carriers interested in providing EAS at Akutan for a new period beginning October 1, 2018. In the order, the Department stated that it was “willing to entertain a variety of proposals for EAS, including proposals that would contemplate service from Dutch Harbor to Akutan, without a stop at 7AK (The Akutan Airport located on Akun Island), and proposals that would contemplate service between Dutch Harbor and 7AK but also provide connecting service between 7AK and Akutan.”

**July 2, 2018:** In response to Order 2018-6-8, Grant and Maritime submitted a combined proposal on July 2, 2018, to provide fixed-wing and helicopter service between Dutch Harbor, Akun and the City of Akutan. The original proposal requested a total annual subsidy of $2,491,364 for the first year of service, of which $1,532,804 was requested for the helicopter portion of the service.

**Nov. 11, 2018:** Grant and Maritime submitted a revised combined proposal to provide fixed-wing and helicopter service between Dutch Harbor and the City of Akutan on Nov. 11, 2018. The revised proposal included an updated and reduced expense for the cost of the helicopter portion of the service. This reduced expense lowered the requested annual subsidy for the entire proposal. It is USDOT’s (Department’s) understanding that the Borough will continue to contribute funding (the remaining 50 percent of the cost) to Maritime towards the helicopter service. The revised proposal contained a reduced annual subsidy for Year One of $1,771,057, of which $846,798 was requested from the Department for 50 percent of the helicopter service. For Year Two, the reduced annual subsidy is $1,826,002, of which $874,832 was requested from USDOT for 50 percent of the helicopter service.

**Nov. 19, 2018:** USDOT subsequently entered into discussions with Grant, Maritime, and the Borough about the financial burden of the helicopter service between 7AK and the City of Akutan, including cost share options. During those discussions, the Department issued Order 2018-11-10 (on November 19, 2018 to extend existing service provided by Grant through December 31, 2018, to allow additional time for a final decision to be made.

**Dec. 13, 2018**: The AEB Assembly approved Resolution 19-30, authorizing the Borough mayor to negotiate and execute a two-year helicopter services agreement with Maritime Helicopters, Inc. to provide helicopter services between the Akutan Airport on Akun Island and the community of Akutan. Additionally, the Borough committed to pay Maritime an amount not to exceed $900,000 per year for these services. This agreement falls under theCo-Sponsorship Agreement with the City of Akutan and the Alaska Transportation and Public Facilities for the Akutan Airport**.**

The Borough has subsidized the helicopter operation at approximately $1,500,000 per year, which is unsustainable. The United States of America Department of Transportation (USDOT) has agreed to cover 50% of the helicopter expenditures between Akutan and Akun. As of this date, Maritime and USDOT are in the process of entering into an agreement to provide essential air service between Akutan and Akun Island. The Borough would be responsible for paying the remaining 50% of the EAS costs, reducing the Borough subsidy significantly. As of this date, the Borough is anticipating paying $846,797.50 to Maritime for Year 1 and $874,831.50 to Maritime for Year 2.

**Jan. 29, 2019**: Maritime Helicopters, Inc. entered into an agreement with the U.S. Department of Transportation to provide Essential Air Service (EAS) between a ramp**,** located on Akutan**,** to the Akutan Airport, located on Akun Island. USDOT established an annual subsidy rate of $846,798 for the service provided by Maritime for the period from January 1, 2019 through December 31, 2019 (Year One); and $847,832 from January 1, 2020 through December 31, 2020 (Year Two). The AEB agreed to pay 50% of the EAS costs for the services provided by Maritime, as set forth in the US DOT Agreement, and any additional services as agreed to pursuant to the fee schedule. The Borough also agreed to provide support services to Maritime for operations in accordance with the terms of the Agreement.

USDOT selected Grant and Maritime for EAS with the understanding that the Borough is working with the U.S. Army Corps of Engineers (ACE or Corps) to investigate the feasibility of building a breakwater or wave barrier on Akun under the Section 107 Small Navigations Project Continuing Authorities Program. The underlying objective is to provide a safe harbor for a marine ferry to act as the transportation link between the Akun Airport and the City of Akutan. Should the feasibility study result in a recommendation to go forward with a breakwater project, the Borough plans to discontinue the helicopter service in favor of a passenger ferry once a breakwater or wave barrier is constructed. The Borough believes that a passenger ferry will be both cost effective and logistically superior to a helicopter. The Borough estimates that the Corps’ investigation will be completed in 2020. The Section 107 Program provides for expedited consideration and funding for small navigation projects. The Borough believes the project, once evaluated, will be eligible for Section 107.

**Feb. 1, 2019**: Maritime and USDOT entered into an agreement to provide essential air service between Akutan and Akun Island between Feb. 1, 2019 through March 31, 2021. In turn, the Borough entered into a Helicopter Services Agreement, agreeing to pay for the remaining 50% of the EAS costs, reducing the Borough’s subsidy of the operation significantly.

**2019**: Initially, the Akun Breakwater and Dock Project fell under the U.S. Army Corps of Engineers Continuing Authority Program. However, following the Corps’ initial feasibility study, ACE determined the total cost would range from $29 million to $52 million.

**August 2019**: The Corps’ Alaska District informed the Borough that the cost of the project would greatly exceed the funding cap under the Section 107 Program, which has a limit of $10 million. The Section 107 study was officially closed. The Borough stated that the AEB would like to pursue a General Investigation Study for the Akun Dock & Breakwater Project. At that point, the Borough began looking into a tribal partnership program (TPP) to help move this project forward.

**November 2019**: Congressman Don Young’s staff located the 1995 Aleutians East Borough Study Resolution. Bruce Sexauer with ACE reviewed the study resolution and confirmed that no additional authorization is needed for the study, and what is in place is sufficient. He stated that funding is the only item needed.

**December 2019**: The Borough sent a sent a termination letter, which ended the Akun Small Navigation Section 107 Project.

**March 2, 2020:** The Akutan Tribe sent a letter and resolution to the Corps, authorizing the Tribe to participate as the sponsor of the Akutan Navigation project in partnership with the Corps and to cooperatively investigate the development of a breakwater and dock at Akun under the TPP.

**In 2020**, USDOT advertised the Akutan EAS. Maritime and USDOT will be entering into an agreement to provide essential air service between Akutan and Akun Island between April 1, 2021 and March 31, 2023. As of this date, the Borough is anticipating paying approximately $905,429 to Maritime for Year 1 and approximately $915,240 to Maritime for Year 2. The Borough is responsible for providing services to Maritime throughout the life of the operation, which include skiff charter services, a hangar fee and helicopter fuel charges. The Borough’s overall subsidy for Year 1 will be approximately $531,305. For year 2, it will be approximately $540,116; plus some additional costs necessary to complete the helicopter operation.

**July 21, 2020**: The Borough and the Tribe were informed that the U.S. Army Corps of Engineers had an opening to start a new study under the TPP if the Tribe and Borough were willing to enter into a cost-share agreement prior to October 1, 2020. The Borough and the Tribe have agreed and sent the necessary paperwork to the Corps. The Borough and the Tribe had hoped to have an agreement in place for the study either before or shortly after October 1, 2020. The Corps is verifying that all necessary funds are available for the project. The Borough, the Tribe, and the Corps believe that the agreement will be finalized soon. This study will be under the TPP, and the estimated cost of the study is $2,516,000. The Borough has committed to provide the matching local non-federal cost-share in the amount of $1,016,000.

**Aug. 25, 2020**: As the end of the most recent contract term approached, USDOT issued Order 2020-8-8, requesting proposals from air carriers interested in providing EAS at Akutan for a new contract period beginning January 1, 2021, with or without subsidy. Subsequently, Grant Aviation and Maritime submitted proposals. USDOT later entered into a new EAS agreement with Grant Aviation and Maritime, extending the contract through March 31, 2021.

**Aug. 13, 2020**: The Aleutians East Borough Assembly approved Resolution 21-09, authorizing the mayor to negotiate and execute a MOA between the Borough and the Akutan Traditional Council for the Akun Boat Harbor Study and appropriate $1,016,000 from the Borough’s existing funds for the project.

**Sept. 10, 2020**: The Aleutians East Borough Assembly approved Resolution 21-13, authorizing the mayor to negotiate and execute the TPP Cost Share Agreement, which committed the Borough to providing the share study costs. The Borough had approximately $5,380,330 in Non-Federal matching funds available for the Project. These funds include $1,006,940 in Borough Bond Funds; $903,000 in FY2009 State GF AEB Bond Funds Match; $313,000 FY2007 State GF Appropriation; $657,390 Trident Seafoods Contribution and $2,500,000 from the hovercraft sale.

**September 2020**: the State of Alaska DOT P&F, the Borough and the City of Akutan executed Amendment #4 to the Akutan Airport Co-Sponsorship Agreement, which authorized the following: Approval of using $1,016,000 to investigate an airport access alternative. ACE authorized the Akutan Traditional Council (Tribe) to participate as a sponsor of the Akutan Navigational Project. The Borough and the Tribe will act as project co-sponsors. The local match or cost share requirement is projected to be $1,016,000. According to Section 5 of Amendment #1 to the CSA, the parties agreed to use remaining project funds to pay the required match. The parties further authorized use of not more than $200,000 for additional match or other related costs to support this effort.

**Sept. 22, 2020:** The Borough notified USDOT that the feasibility study pursuant to the Section 107 Program had been terminated. After discussions with the Corps, however, the community learned that the Corps’ Tribal Partnership (TPP) would be another program to pursue to initiate and complete the feasibility study.   
  
**Sept. 29, 2020**: USDOT requested comments from the Borough, Akutan, and the State of Alaska regarding this EAS air carrier selection case. The Borough submitted a letter on September 30, 2020, supporting the service proposed by Grant and Maritime between Akutan-Akun-Unalaska routing, with a preference for a five-year period, and also stated: “The Borough hereby submits that it is willing and able to pay 50 percent of the compensation for the cost of the helicopter service between Akun and Akutan Island, subject to authorization and appropriation by the Borough Assembly.”

**Dec. 31, 2020**: According to Order 2020-12-29, issued by USDOT on Dec. 31, 2020, the U.S. Department of Transportation extended the EAS contract with Grant Aviation, Inc. and Maritime Helicopters, Inc. at Akutan, Alaska through March 31, 2021 to further evaluate the air carriers’ proposals and the status of the long-term marine link project.

**Jan. 14, 2021**: The Aleutians East Borough Assembly approved Resolution 21-28, authorizing the mayor to amend the term of the Helicopter Services Agreement with Maritime Helicopters, Inc. to March 31, 2021. **Jan. 15, 2021:** The Aleutians East Borough and Maritime Helicopters, Inc. entered into the Helicopter Services Amendment No. 1, effective on Jan. 15, 2021. This amendment extends the existing Helicopter Services Agreement to March 31, 2021. As per the agreement, the AEB agreed to pay for 50% of the costs of the helicopter operation. As of Jan. 4, 2021, the Borough subsidized the helicopter operation at approximately $1,500,00 per yearduring the time frame of Nov. 22, 2013 through Jan. 31, 2019.

**March 11, 2021:** The Aleutians East Borough Assembly approved Resolution 21-40, authorizing the mayor to negotiate and execute a two-year helicopter services agreement with Maritime Helicopters, Inc. The agreement would provide helicopter transportation between Akutan Airport on Akun Island and the community of Akutan, committing the Borough to pay Maritime an amount not to exceed $920,000 for these services.

**April 1, 2021**: The Helicopters Services Agreement was retroactively entered into between the AEB and Maritime. The term of this agreement started April 1, 2021 and ends March 31, 2023. As part of this agreement, and at Maritime’s discretion, the helicopters will be available to operate for other missions (i.e. medevacs). In addition, at Maritime’s discretion, the helicopters will also conduct mail transport services between the Akutan Airport and the City of Akutan. Coordination with Grant Aviation and the U.S. Postal Service is required.

**June 29, 2021**: According to Order 2021-6-26, USDOT selected Grant and Maritime to provide EAS between Dutch Harbor, Akun Island and Akutan, Alaska for the two-year term from April 1, 2021 through March 31, 2023. USDOT noted in the order that the community prefers a five-year term. However, USDOT expects the community to make progress with the dock and breakwater project in the coming years, and therefore has selected a two-year term. As part of this EAS agreement, USDOT is also subsidizing Maritime to provide 24 weekly nonstop round trips between the Akutan Seaplane Base (KQA, located on Akutan Island) and Akun Island, in order to link Akutan Island to the service from Akun Island to Unalaska. USDOT established an annual subsidy rate of $905,439 for the period from April 1, 2021 through March 31, 2022, and $914,240 from April 1, 2022 through March 31, 2023.

**July 19, 2021**: The Aleutians East Borough, the Akutan Tribe and the Army Corps of Engineers signed the Tribal Partnership Project Agreement. The Borough has been working with the Akutan Tribe and the U.S. Army Corps of Engineers to determine the feasibility of building a small dock and breakwater on Akun Island to serve as a marine link between the airport and the community of Akutan. The Borough agreed to be the local sponsor for the project, along with the Akutan Traditional Council. According to the agreement, the Borough agreed to share study costs with the Corps. The shared study costs are projected to be $1,978,000. The Corps’ share of the costs is projected to be $989,000. The Non-federal Sponsors’ share of the costs is estimated to be $989,000. The parties further authorized use of not more than $200,000 for additional match or other related costs to support this effort. Additionally, the parties agreed to extend the deadline provided in Section 5(a) of CSA Amendment #1, as amended by CSA Amendment #2, to December 31, 2022.

**October 27, 2021**: The Army Corps, Borough, Akutan Tribe and Trident met to discuss the Akun Dock & Breakwater project as well as Trident’s concerns and needs.

**Nov. 15, 2021**: The Army Corps of Engineers traveled to Akutan to conduct a site visit and community meetings. The Corps also met with Trident.

Nov. 19, 2021: A request for Proposal for a Survey Vessel Charter was issued.

Dec. 15, 2021: One proposal was received by the deadline. The Corps and the Borough reviewed the RFP and selected Mac Enterprises for the charter.

Dec. 27, 2021: A fully executed time charter agreement was executed.

Jan. 13, 2022: The Borough Assembly voted in favor of Resolution 22-26, the Borough’s list of legislative priorities (Capital Projects for the Health, Safety and Welfare of its Residents), which included the Akun Dock and Breakwater project. The Borough asks for the State of Alaska’s support for this project.

Feb. 1, 2022: Aleutians East Borough Mayor Alvin Osterback and Administration met with the Army Corps to discuss the project. The tentative schedule for the Corps was set as follows: Alternatives Milestone – February 2022; Tentatively Selected Plan Milestone – April 2023; Agency Decision Milestone – August 2023; MSC Transmittal of Final Report – February 2024 and Final Report – July 2024.

The Federal funding for FY22 has been received by the Corps for the subject study, in the amount of $350,000. The Corps will be requesting the cost-share funding in the amount of $350,000 from the Borough to allow them to use the Federal funds soon. Funds have already been appropriated to cover this match via the Borough’s Co-Sponsorship Agreement with the City of Akutan and the State of Alaska.

March 15, 2022: The Borough Mayor and Administration attended the Army Corps Alternative Milestones Meeting. The Corps has determined that the alternatives have been met and milestones have been received. The Corps will continue moving forward with the study.

Sept. 2022: The Army Corps submitted an informal request for an additional $255,000 from the Borough to cover items that have overrun the budgets in the contract costs for specific data requirements on this study. The Corps’ project manager stated he would submit the formal request for these funds in October 2022.

Oct. 4, 2022: USDOT issued a request for EAS proposals at Akutan. Proposals are due Oct. 31, 2022 and is for a new two-year contract beginning April 1, 2023. This includes fixed wing service between Unalaska and Akun, and helicopter service between Akun and Akutan.

Oct. 13, 2022: The Aleutians East Borough Assembly approved Resolution 23-17, appropriating an additional $255,000 to the Akun Boat Harbor Study. At this point, the Borough has a balance of approximately $229,000 for the funds already committed. To date, the Borough has expended $759,702, which includes:

* $279,702 (Paid in March 2022.) Funding source: FY2007 State GF Appropriation.
* $100,000 (Paid in June 2022.) Funding source: FY 2007 State GF Appropriation ($33,298); FY2009 State GF Matching Funds ($33,351) and Borough Bond Funds ($33,351).
* $380,000 (Paid in Sept. 2022) Funding source: FY2009 State GF Matching Funds ($109,000) and Borough Bond Funds ($190,000).

Oct. 31, 2022: In response to USDOT’s (the Department’s) request for proposals for Essential Air Service at Akutan, Alaska, Maritime and Grant submitted a joint proposal to the Department. Grant Aviation proposed to continue EAS to Akutan Airport, located on Akun Island, at the historical level, 624 round trip flights annually (an average of 12 weekly, weather permitting), utilizing either a Beechcraft King Air B-200 or a Piper PA31-350 Navajo Chieftain. Maritime Helicopters proposed to provide connecting service, as is required, between Akun Island and the village of Akutan utilizing a Bell 206 Long Ranger 4 Helicopter. The proposal provides for passenger transport, as well as interim storage of mail and freight transported between Akutan and Dutch Harbor. The proposal is for the 2-year term requested by USDOT. Maritime and Grant also provided an additional three-year option period, should the Department prefer a longer arrangement.

Maritime’s projected total cost for Year One is estimated to be $2,290,225, with an anticipated revenue of $210,000. The required subsidy would total $2,080,225. With the EAS at 50%, the amount would total $1,040,113. Maritime’s Year Two Cost Projections estimate the total cost to be 2,406,155, with an anticipated revenue amount of $210,000. The required subsidy for Year Two would come to $2,196,155. With the EAS at 50%, the amount would total $1,098,078.

In response to USDOT’s (the Department’s) request for proposals for Essential Air Service at Akutan, RAVN Connect (RAVN) submitted a proposal for Essential Air Service at Akutan, Alaska. RAVN proposed providing Akutan with 12 weekly frequencies. (2 daily round-trips Monday through Friday and 1 round-trip on Saturday and Sunday) to Unalaska Airport (DUT). RAVN intends to use a 9-seat Beech 1900 aircraft. RAVN stated in the proposal that the airline will work co-operatively with any rotorcraft or other operator supported by the DOT and the City of Akutan to connect Akutan with Akun Island. During Year One, RAVN anticipates the total cost would be $2,036,564, with a $101,828 profit element. The total subsidy requirement would be $1,829,392. During Year Two, RAVN anticipates the total cost would be $2,087,478, with a profit element of $104,374. The total subsidy requirement would be $1,875,127.

Nov. 16, 2022: After reviewing the EAS proposals, the Borough Administration submitted written comments to USDOT supporting the Grant Aviation and Maritime Helicopters co-proposal for the route between Dutch Harbor, Akun and Akutan. The new EAS contract will begin on April 1, 2023, with or without subsidy, and will terminate on March 31, 2025. If the joint Grant-Maritime proposal is accepted, then the Borough will need to enter into a new Helicopter Agreement with Maritime for April 1, 2023 – March 31, 2025. If RAVN Connect is selected, the Borough will need to revise the processes for the link between Akutan and Akun.

Sources include:

*The Aleutians East Borough, the U.S. Army Corps of Engineers, Grant Aviation, Maritime Helicopters, Inc., Glosten Associates, Alton Bay Design, LLC,* *Crescere Marine Engineering, Inc. and Coast & Harbor Engineering.*