BEFORE THE DEPARTMENT OF TRANSPORTATION WASHINGTON, DC

Notice of

PENINSULA AIRWAYS, INC.

Docket DOT-OST-2000-7068

of Termination of Service of Essential Air Service at Akutan, Alaska, pursuant to 49 USC 41734 and 14 CFR Part 323

NOTICE OF TERMINATION OF SERVICE

Correspondence with regard to this document should be addressed to:

Scott Bloomquist President PENINSULA AIRWAYS, INC. 6100 Boeing Avenue Anchorage, AK 99502 907-243-2485 Robert E. Cohn Patrick R. Rizzi HOGAN LOVELLS US LLP Columbia Square 555 Thirteenth Street, NW Washington, DC 20004 202 637 4999/5659 robert.cohn@hoganlovells.com patrick.rizzi@hoganlovells.com

Counsel for Peninsula Airways, Inc.

August 2, 2012

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NOTICE OF TERMINATION OF SERVICE

Pursuant to 49 U.S.C. § 41734 and 14 C.F.R. Part 323, Peninsula Airways, Inc. ("PenAir") hereby gives notice of its intent to discontinue all of its service to Akutan, Alaska, as soon as replacement service begins. PenAir respectfully requests that the Department promptly issue a request for proposals to enable PenAir to terminate service on September 1, 2012, or as soon thereafter as possible.

By Order 2011-3-31, the Department selected PenAir to provide subsidized essential air service to Akutan with its Grumman Goose aircraft for the two year period beginning from May 1, 2011. For various reasons, including PenAir's decision to cease the costly Grumman Goose operations at Dutch Harbor, as well as the anticipated opening of the new airport on Akun Island, PenAir desires to discontinue its service to Akutan by September 1, 2012, or as soon as possible thereafter. However, because PenAir is the only carrier providing scheduled air service at Akutan, this discontinuation of service will cause scheduled air service to fall below the EAS level determined by the Department for Akutan unless the Department selects a replacement carrier.

Accordingly, PenAir requests that the Department issue (i) an Order as soon as possible inviting proposals from carriers interested in providing essential air service to Akutan through the new airport on Akun Island, and promptly thereafter (ii) an Order selecting a replacement carrier.

PenAir will work with the community, the State, Department of Transportation, and the replacement carrier to effect a smooth transition of service.

Respectfully submitted,

E. Cohn

Robert E. Cohn Patrick R. Rizzi HOGAN LOVELLS US LLP Columbia Square 555 Thirteenth Street, NW Washington, DC 20004 +1 202 637 4999/5659 Counsel for Peninsula Airways, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Notice of Peninsula Airways, Inc., has been served this August 2, 2012, upon each of the following addressees:

kevin.adams@dot.gov dennis.devaney@dot.gov

Joe Bereskin, Airport Manager City Of Akutan 100 Windy Way PO Box 109 Akutan, AK 99553

Robert Cohn

Robert Cohn