

# **MCCOOK CITY COUNCIL**

## **REGULAR MEETING**

**Tuesday, January 11, 2022**  
**6:00 PM - McCook Municipal Center Upstairs Training Room**

Call to Order and Roll Call.

Excuse Absences.

Open Meetings Act Announcement.

Items.

1. Presentations.
  - A. 6:00 P.M. - Air Charter Express.
  - B. 6:30 P.M. - Air Choice One.
  - C. 7:00 P.M. - Denver Air Connection.
  - D. 7:30 P.M. - Boutique Air.
  - E. 8:00 P.M. - Southern Airways Express.
2. Regular Agenda.
  - A. Council Comments.

Adjournment.

# Essential Air Service Proposal



**McCook, NE**

**DOT-OST-1997-3005**

**December 16, 2021**



Air Charter Express is a well established FAR135 air carrier based in Rome, NY. We operate Piper Navajo Chieftain PA-31-350 aircraft configured in either Club class or standard Coach seating between 6-9 passengers. We plan to upgrade to turboprop aircraft in 2022.

Our charter clients include well known political figures, high profile entertainers and corporate management and staff that need to go directly to a destination that doesn't have commercial aircraft service.

Air Charter Express was purchased in July 2021 by three well seasoned airline management partners with over 90 years combined experience in flight and ground operations of both scheduled and supplemental FAR 121 carriers.

Air Charter Express is in the process of applying for a Commuter endorsement to be added to our certificate. With our experience in small towns and airports with no commercial service we can provide towns like McCook with personalized service to provide the "hometown airline" feel to our operations and not just be another dot in a nationwide route map.



Air Charter Express currently operates a fleet of PA-31-350-Piper Navajo Chieftains. These aircraft can hold up to 7 passengers. All of our pilots have a minimum of 1500 hours as pilot in command and have operational experience cross the entire lower 48 as well as Alaska.





Our proposal would be flown in a 9 seat Piper Navajo Chieftains. The term would be two years with, a four year option. We would operate 12 weekly round trip flights from MCK-DEN. We would also consider adding a MCK-LNK or MCK-OMA as our scheduled route so that the passengers would have a link to either the State Capital or Nebraska's largest city.

**Contact information:**

Air Charter Express  
113 Penny Lane  
New Freedom, PA 17349

Robert Lowe  
717-877-6087  
[Rlowe63778@aol.com](mailto:Rlowe63778@aol.com)

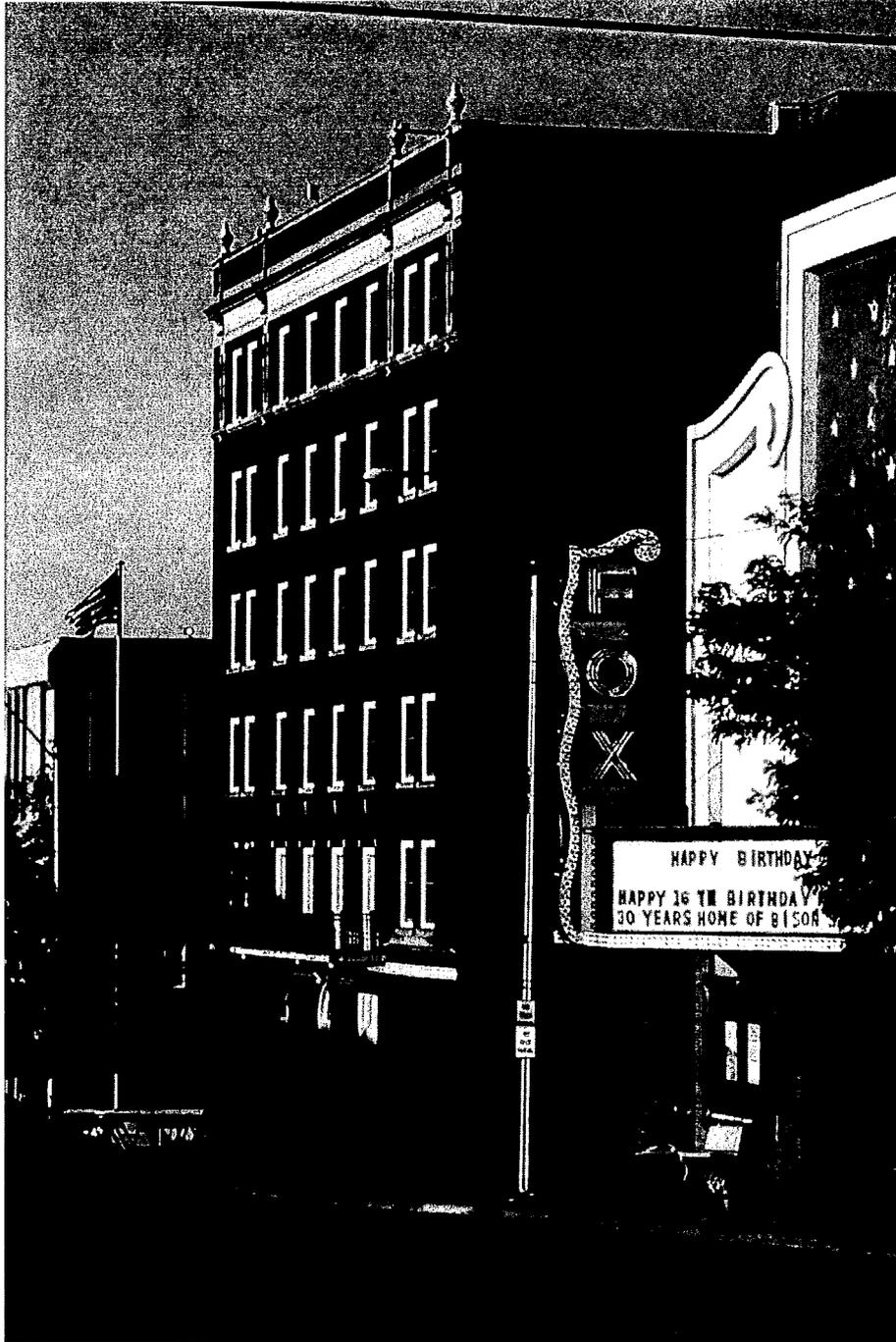
Diane Clark  
305-332-5429  
[Diane.clark2020@gmail.com](mailto:Diane.clark2020@gmail.com)



### **Option 1: 12 Weekly Nonstop Roundtrip MCK-DEN (2 Daily RTs)**

#### Operations

Scheduled Flights	1,248
Scheduled Block Hours	1,560
Scheduled Seats	11,232
Price Per Round Trip	\$ 2,384.00
Annual Price	\$1,487,616.00
Year Two	\$1,561,996
Year Three	\$1,608,856
Year Four	\$1,657,122



Air Choice One

# McCOOK

NEBRASKA

PROPOSAL TO PROVIDE ESSENTIAL AIR SERVICE

Buffalo Commons  
**BUFFALO COMMONS**

Multi-Aero, Inc. d/b/a

AIR CHOICE ONE



December 16, 2021

Proposal to Provide Essential Air Service at:  
McCook, Nebraska

Docket DOT- OST-1997-3005

Direct Inquiries Regarding this Proposal to:  
Shane Storz, President

Air Choice One Airlines  
12300 Old Tesson Road, Suite 200 F, Saint Louis, MO 63128

Phone: (314-843-8501) ext: 1008 | E-mail: [shane@airchoiceone.com](mailto:shane@airchoiceone.com)

**Air Choice One will be Honored  
to Serve McCook, Nebraska!**



**AIR CHOICE ONE**



## About Us

---

In 1979, Multi-Aero, Inc. d/b/a Air Choice One was established in St. Louis, Missouri, as a scheduled commuter airline.

Our strategy is to break from the classic commuter stereotype and offer a comfortable, relaxing, and affordable air travel option right from your hometown.

Safety, Reliability, Dedication, Teamwork and Community-Specific Flight Scheduling are the principles that helped Air Choice One achieve significant milestones in a competitive, challenging and ever-changing aviation environment.

# Our Philosophy

---



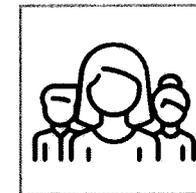
## Reliability

97% Completion Rate.  
Higher than most  
major airlines in the  
U.S.



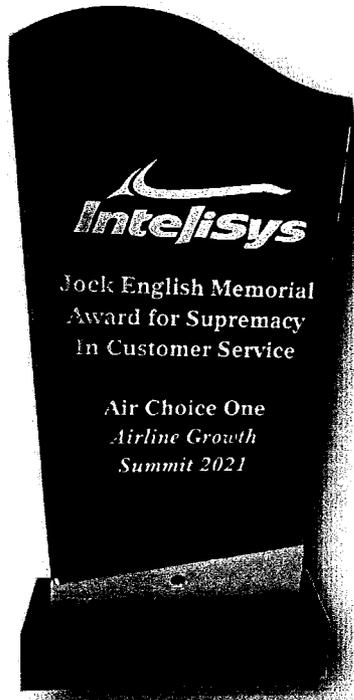
## Performance

86% On-Time  
Performance.  
Higher than most  
major airlines in the  
U.S.



## Accountability

Real-Time  
Notifications for any  
Flight Changes.  
Friendly Customer  
Service.



## Customer Service Supremacy

---

2021 Intelisys Jock English Memorial Award for Supremacy in Customer Service.

# Efficiency

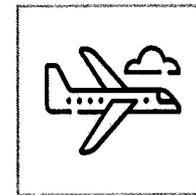
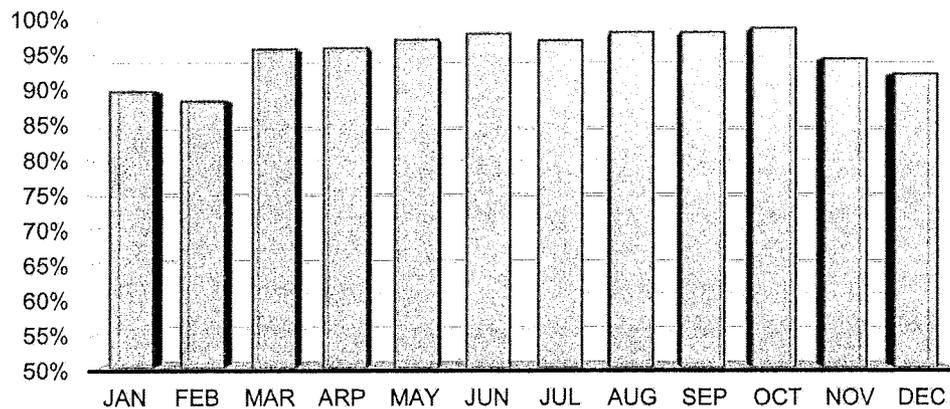
In 2020, Air Choice One has developed a dedicated team of analysts, experienced in almost every field, that is tasked with the daily analysis of every department and operation, using the latest technology available to date.



- It examines our financial health and prospects, manages our strengths and weaknesses.
- Monitors changes in the industry and emerging markets.
- Evaluates, communicates, connects and promotes our products and services to our customers.
- Develops and manages our safety and security compliance.
- Added managers with 14 CFR Part 121 experience (Part 119 qualified) to prepare us for the future.

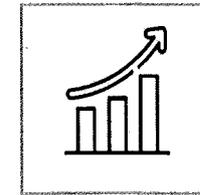
# Air Choice One Metrics

2018-2021 Average Completion Rate by Month



**97% (average)  
Completion Rate**

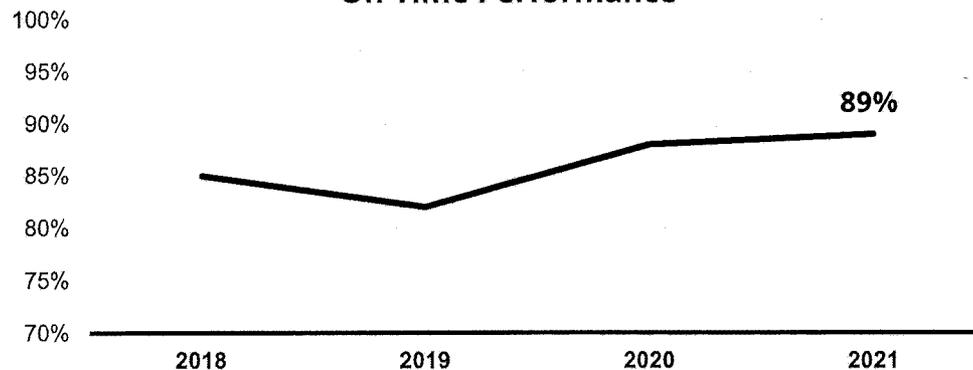
On Average, 6 out of 12 Months, Air Choice One's Completion Rate was 97% or better.



**86% (average)  
On-Time Performance**

We work around the clock to identify and correct any performance issues.

On-Time Performance



# Products & Services

---



## Choice Plus

Air Choice One  
Rewards  
Program

## Marketing

Targeted  
Campaigns and  
Promotions

## Fares & Baggage

The Most  
Baggage at the  
Best Affordability

## airchoiceone.com

Newly Designed  
and Customer  
Optimized Website.  
500K+ Visitors  
Annually

## Reservations

ACO Website,  
Call-In, Online  
Travel Agencies

## Check-In

TSA PreCheck®,  
Online and Mobile  
Check-in

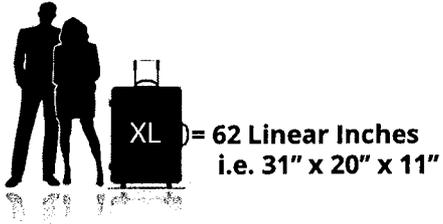
# Cessna Grand Caravan 208B

AIR CHOICE ONE



**1400 lbs. of Cargo/Baggage Allowance**  
**111 Cubic Feet of Space**

This Aircraft can Transport more than 17 of the Largest Suitcases on the Market Today on a Single flight!



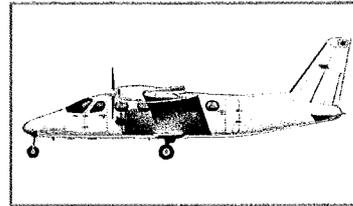
# Baggage Area Comparison



**Cessna 208B**

Baggage Area  
111 ft<sup>3</sup>

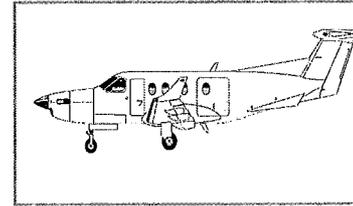
Approximately 17 XL Suitcases



**Tecnam P2012**

Baggage Area  
77 ft<sup>3</sup>

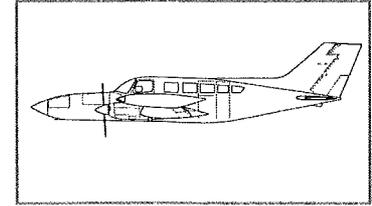
Approximately 15 XL Suitcases



**Pilatus PC12**

Baggage Area  
40 ft<sup>3</sup>

Approximately 8 XL Suitcases



**Cessna 402C**

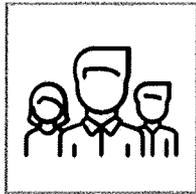
Baggage Area  
37 ft<sup>3</sup>

Approximately 7 XL Suitcases



# Our Strengths

---



## Loyalty

Superior Service  
Delivery & Customer  
Satisfaction



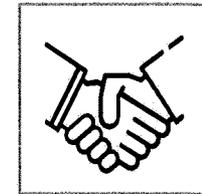
## Efficiency

Latest Training  
Programs &  
Systems



## Reliability

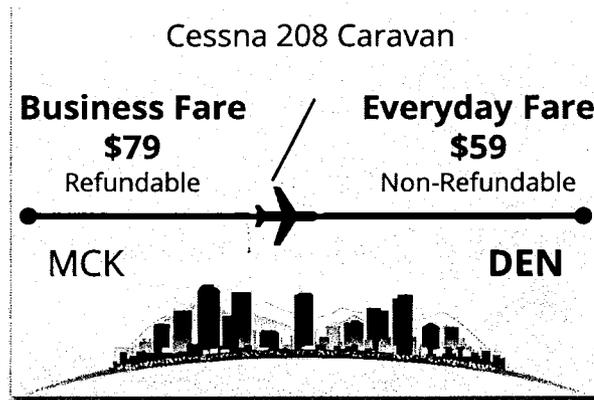
Best Practices to  
Ensure Compliance  
throughout our  
Organization



## Commitment

Consistency, Hard  
Work & Customer  
Service

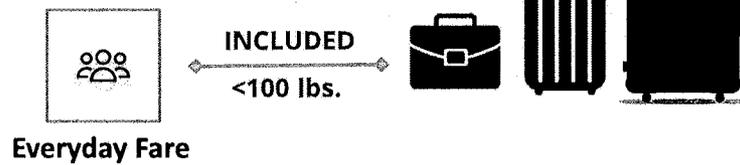
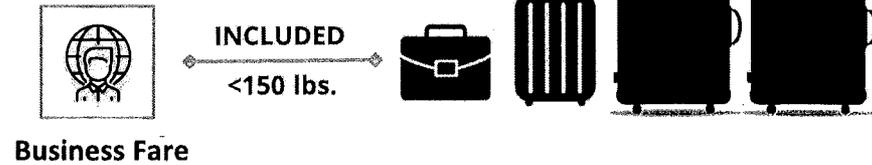
# Base Fares Overview



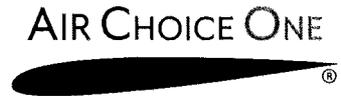
Personal Item  18"x18"x8"  
<20 lbs.

Carry-on Bag  24"x9"x14"  
<30 lbs.

Checked Bag  38"x27"x14"  
<50 lbs.



# Baggage Policies



**Business Fare**

- ✓ 1 personal item no larger than 18"x18"x8" (<20 lbs.)
- ✓ 1 carry-on item no larger than 22"x9"x14" (<30lbs.)
- ✓ 2 checked bags no larger than 38"x27"x14" (<50lbs. ea.)



**Everyday Fare**

- ✓ 1 personal item no larger than 18"x18"x8" (<20 lbs.)
- ✓ 1 carry-on item no larger than 22"x9"x14" (<30lbs.)
- ✓ 1 checked bag no larger than 38"x27"x14" (<50lbs.)

Passengers may be able to bring extra carry-on and/or checked bags for additional fees.

- \$25 for every additional carry-on bag
- \$40 for every additional checked bag

- ❑ **Additional baggage must meet weight and size specifications.**
- ❑ **Subject to availability and space in the cargo hold.**
- ❑ **Bags exceeding weight limits are subject to excess baggage fees.**
- ❑ **Please note your carry-on is stowed underneath the cabin during your flight. Only your personal item will be allowed on board.**

# Weekly Schedule

24 Flights Total | 12 Roundtrips to Denver International Airport



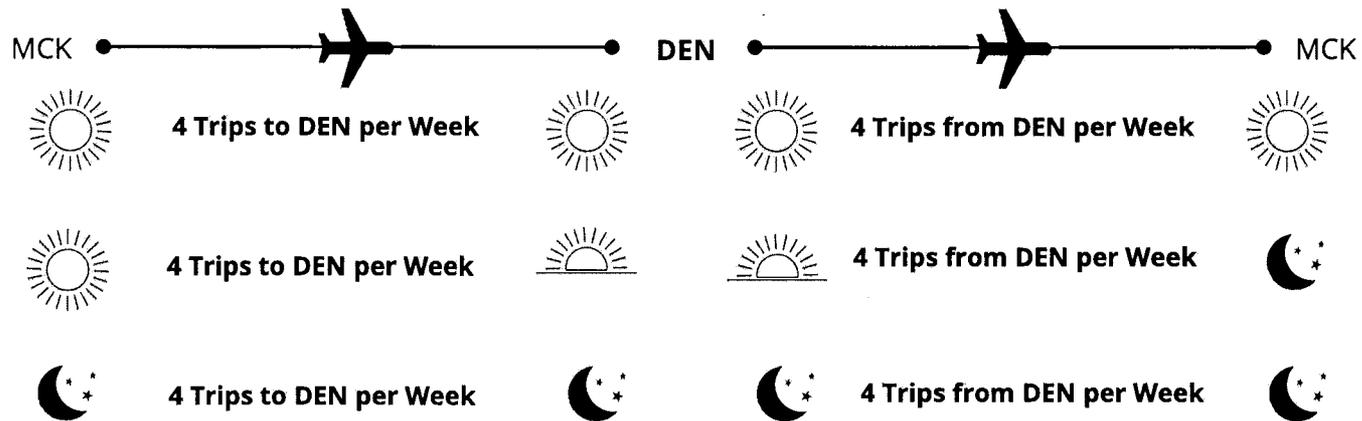
Morning  
(5:00am - 11:59am)



Afternoon  
(12:00pm - 5:59pm)



Evening  
(6:00pm - 11:59pm)



**Air Choice One proudly participates in the  
TSA PreCheck® program.**



**TSA PreCheck® connects America's trusted travelers with  
smarter security to help create a better air travel experience  
for all.**

With TSA Pre✓ you don't need to remove:



SHOES



LAPTOPS



3-1-1 LIQUIDS



BELTS



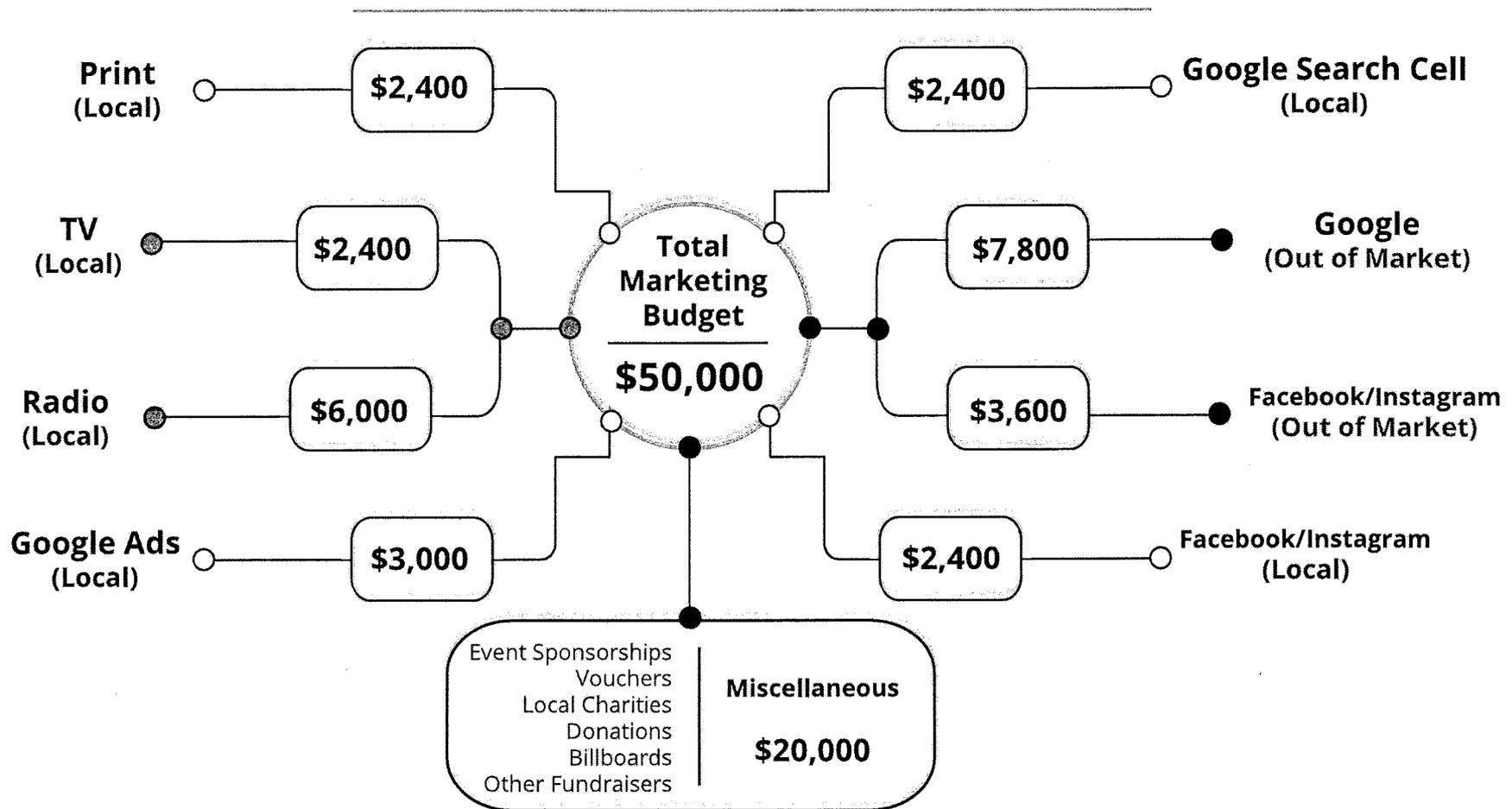
LIGHT JACKETS

Learn more at [www.tsa.gov/precheck](http://www.tsa.gov/precheck)

# Yearly Marketing Plan for McCook Ben Nelson Regional Airport

Our marketing strategy executes targeted ad campaigns and promotions.  
Additionally, we will run Search Engine Marketing campaigns through Google Ads to increase ticket purchasing.

We will promote McCook operations across our social channels to attract visitors to your city, as well as to your destinations.



# Cessna Grand Caravan



## 12 Roundtrips per Week

**12 Roundtrips from McCook, NE (MCK) to Denver, CO (DEN)**  
Using Cessna Grand Caravan

## Contracts

2 Year or 4 Year Terms.  
Four Year Contract is Preferred.

Total Seat Availability  
**9,984**

# Cessna Grand Caravan



Air Choice One will work closely with the community to provide flight schedules that will be optimal for our hub connections.

<b>Weekly Round Trips</b>	MCK-DEN	12	<b>Compensation Required</b>	<b>\$2,637,877</b>
	<b>Total</b>	<b>12</b>	Compensation per PAX	\$528
			<b>Compensation per Departure</b>	<b>\$2,157</b>
<b>Operating Revenues</b>	MCK - DEN Revenues	\$445,000	<b>Completion Factor</b>	<b>98%</b>
	Other Revenues	\$4,450	Number of Passengers	5,000
	<b>Total Operating Revenues</b>	<b>\$449,450</b>	Departures	1,223
<b>Direct Operating Expenses</b>	Flying Operations	\$371,800	Block Hours	1,367
	Fuel and Oil	\$385,546	Revenue Passenger Miles	1,085,000
	Maintenance	\$512,694	Available Seat Miles	2,123,107
	Aircraft Leases	\$475,000		
	Total Direct	\$1,745,040	<b>2 Year Option</b>	Compensation Required Year 1 \$2,637,876
	<b>Marketing</b>	<b>\$50,000</b>		Compensation Required Year 2 \$2,717,012
	Indirect	\$1,145,271	<b>4 Year Option Preferred</b>	Compensation Required Year 1 \$2,637,876
	<b>Total Operating Expenses</b>	<b>\$2,940,311</b>		Compensation Required Year 2 \$2,717,012
	Operating Loss	\$2,490,861		Compensation Required Year 3 \$2,798,523
	Profit Element (5% total Oper. Exp.)	\$147,016		Compensation Required Year 4 \$2,882,478

To align revenue with costs over time, Air Choice One proposes **3% annual escalation factor.**

## Our Future Growth

---

For the past year, Air Choice One designed its own business structure to ensure growth and to mitigate any future business risks.

Our expansion and growth is based on our reliability, long term relationships with our customers, flexibility, strong management framework and an ethical and responsible customer service.

We work closely with our customers, utilizing every possible local resource, in order to benefit the communities from our success.

Air Choice One has never felt stronger and better prepared, to serve new customers and deliver one of the most affordable and reliable services in the industry.

# Thanks

---

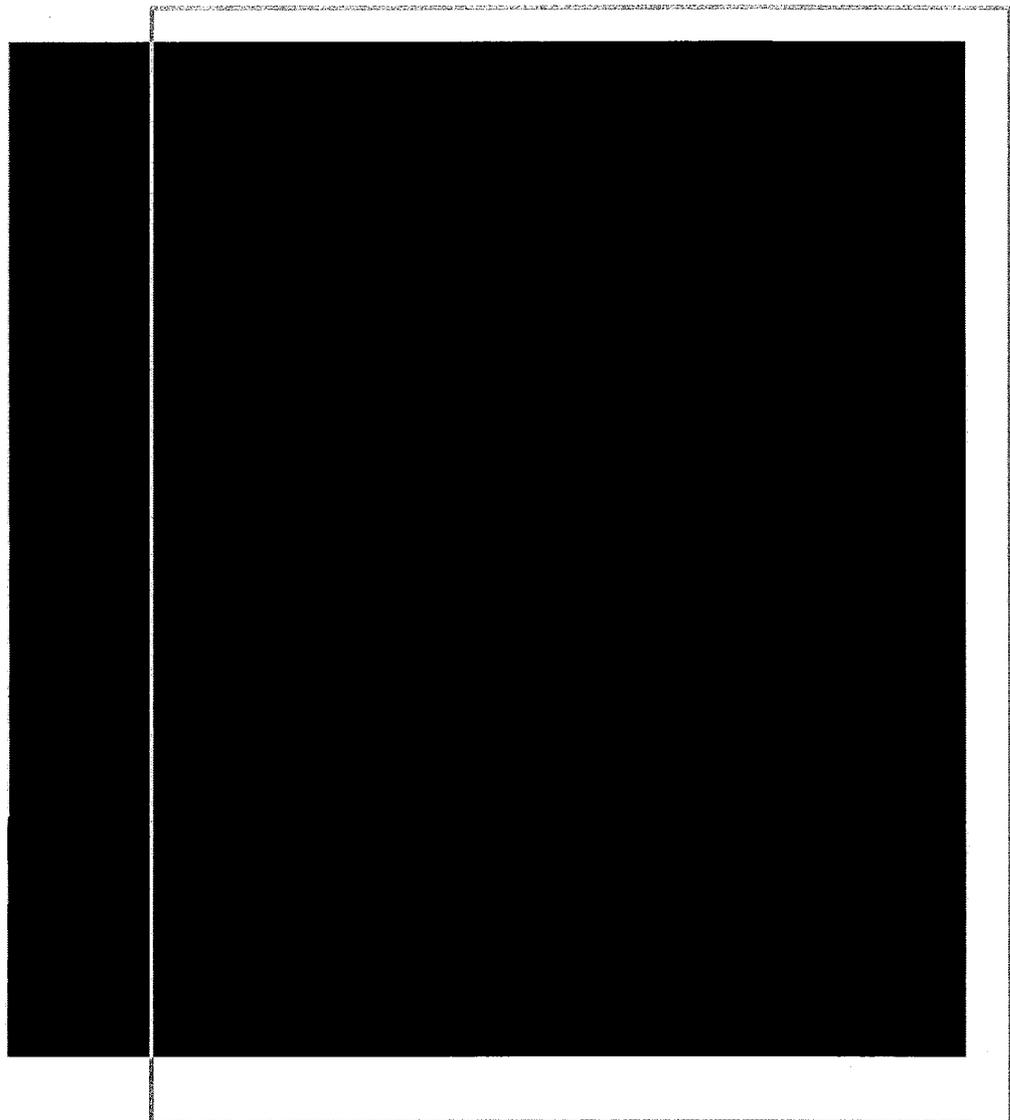


**Air Choice One will be Honored  
to Serve McCook, Nebraska!**

Direct Inquiries Regarding this Proposal to:  
Shane Storz, President

Air Choice One Airlines  
12300 Old Tesson Road, Suite 200 F  
St. Louis, MO 63128

Phone: (314-843-8501) ext: 1008  
E-mail: [shane@airchoiceone.com](mailto:shane@airchoiceone.com)





Dec 16, 2021

Todd M. Homan, Director  
United States Department of Transportation  
Office of Aviation Analysis  
1200 New Jersey Ave SE  
Washington, D.C. 20590

**Re:** Response to Order 2021-11-16/Proposal to Provide Essential Air Service at McCook, Nebraska  
**Via e-mail to:** [EAS@dot.gov](mailto:EAS@dot.gov) and [Scott.Faulk@dot.gov](mailto:Scott.Faulk@dot.gov).

Dear Mr. Homan,

Attached is Denver Air Connection's proposal to provide air service at McCook, Nebraska to Denver International Airport (DEN).

We look forward to the opportunity to continue to support the economic growth of the region by providing scheduled passenger service with our safe and reliable 9-seat Metro 23 aircraft with service and schedules tailored to the community's needs.

Our reliable service will provide the McCook region with options to access the world's most comprehensive route network of United Airlines and other major carriers through Denver International airport. Our service is dedicated to the community to ensure seat availability and direct flights to and from these destinations. The communities we service praise our excellent completion rates and on-time performance rate.

As directed by the RFP, we will offer the McCook community 12 non-stop round-trip flights per week for a new two, three or four year term. We will work closely with the community to set the best possible schedule. Denver Air Connection believes this proposal meets the needs of the community and provides the best overall option for air service to the McCook community with reliable connectivity at Denver, Colorado.

Thank you for your consideration.

A handwritten signature in black ink, appearing to read "Marcus Hesting".

Marcus Hesting,  
Director of Finance  
Denver Air Connection  
13252 E. Control Tower Rd. / Englewood Colorado 80112 / O: 303.768.9626 / M: 720.635.5903  
[mhesting@keylimeair.com](mailto:mhesting@keylimeair.com) / [denverairconnection.com](http://denverairconnection.com)



Proposal to Provide Essential Air Service at  
McCook, Nebraska

Filed: December 16, 2021

Via e-mail to: [EAS@dot.gov](mailto:EAS@dot.gov) and [scott.faulk@dot.gov](mailto:scott.faulk@dot.gov) with the title  
"Proposal to provide EAS at McCook, Nebraska."

Order: 2021-11-16

Served: November 16, 2021

Docket: DOT-OSI-1997-3005

Under 49 U.S.C. § 41731 et seq.

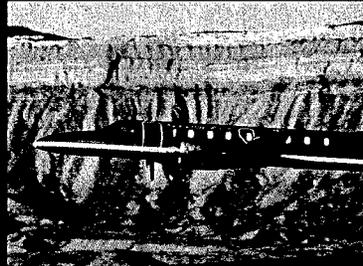
**DenverAir**  
**CONNECTION**

A Key Lime Air Company



## **ABOUT US**

Denver Air Connection is the passenger airline operated by Key Lime Air Corporation, its parent company. Key Lime Air was founded in 1996. It has grown its scheduled passenger service by focusing on its mission to empower emerging communities with global travel and economic access by providing safe and reliable regional airline service.



*Over 23 Years of passenger and cargo experience*

We are here to happily serve our customers with a positive attitude every day. We love what we do, and our passion shows by providing an extraordinary customer experience for the small communities we are proud to serve with safe, reliable and on-time service.

Our communities praise our impressive on time performance rate, meeting or exceeding their expectations and defined requirements.

**Telluride, Colorado** – Denver Air Connection established the first and only scheduled passenger jet service to this mountain destination. Connecting quickly and safely to Telluride from anywhere in the world has never been easier. Additional service from Telluride to Phoenix Sky Harbor began on December 16, 2021.

**Alliance, Nebraska** – Denver Air Connection began service to Denver on June 1, 2019. In 2021, Alliance selected Denver Air Connection to continue service through 2023.

**Clovis, New Mexico** – Denver Air Connection began service to Denver on May 1, 2020. Service was expanded to include Dallas/Ft.Worth on November 1, 2021.

**Thief River Falls, MN** – Denver Air Connection began service to Minneapolis on June 1, 2020.

**Pierre, SD** – Denver Air Connection began service to Denver on July 1, 2021.

**Watertown, SD** – Denver Air Connection began service to Denver and Chicago O'Hare on July 1, 2021.

**Ironwood, MI** – Denver Air Connection began service to Chicago O'Hare and Minneapolis on October 1, 2021.

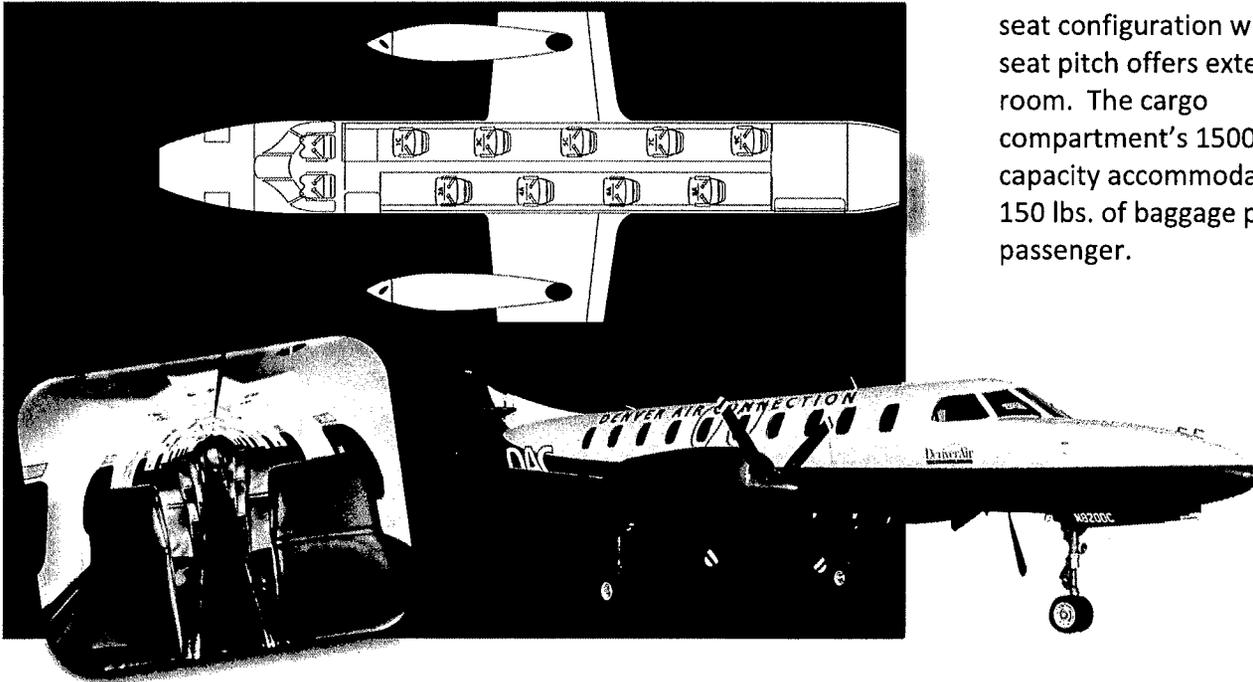
*McCook is precisely why we are in business and exactly the type of service we specialize in with a proven track record that our partner communities are proud to offer their citizens and businesses.*

## THE FLEET

### Fairchild Metro 23

The Metro 23 can trace its lineage back to the original Swearingen Merlin I executive transport. The versatile Metro 23 efficiently and cost effectively transports up to 18 passengers in a pressurized cabin. Its twin turboprop engines deliver a cruise speed of 330 mph and a maximum range of 1,000 miles.

Denver Air Connection's nine seat configuration with its 61" seat pitch offers extended leg room. The cargo compartment's 1500 lb. capacity accommodates over 150 lbs. of baggage per passenger.



*Denver Air Connection can  
provide the aircraft to meet the community's needs.*

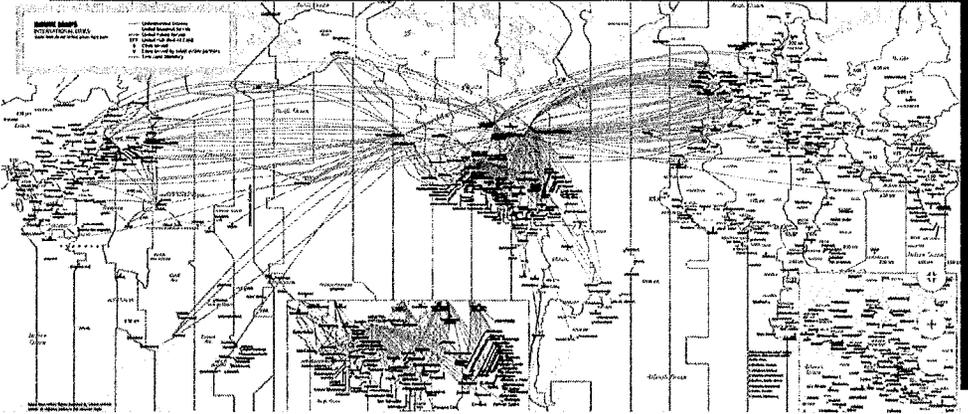
## **CONNECTED TO THE WORLD**

Denver Air Connection's Interline Agreement with United Airlines provides our community partners with travel network access benefits including the convenience to search, book and purchase tickets on United's web site, *United.com*, as well as baggage transfers and thru-checks to and from any of United's 500 destinations in over 30 countries.

### **No Checked Baggage or Security Hassles**

Our Interline Agreement also allows our partners to participate in setting fares and schedules. Denver Air Connection will work with McCook to tailor an airline service for their specific community needs.

In addition to the United Interline Agreement, Denver Air Connection participates in multiple Global Distribution Systems (GDS) including SABRE, Travelport, and Amadeus. Ticket distribution through these GDS systems provides world-wide visibility for the route and for the community through websites such as: Google, Kayak, Expedia, Travelocity, Priceline and many other Online Travel Agencies (OTAs).



**Denver Air Connection Provides  
Access to the World**

## ***SAFETY, RELIABILITY & SKILL***

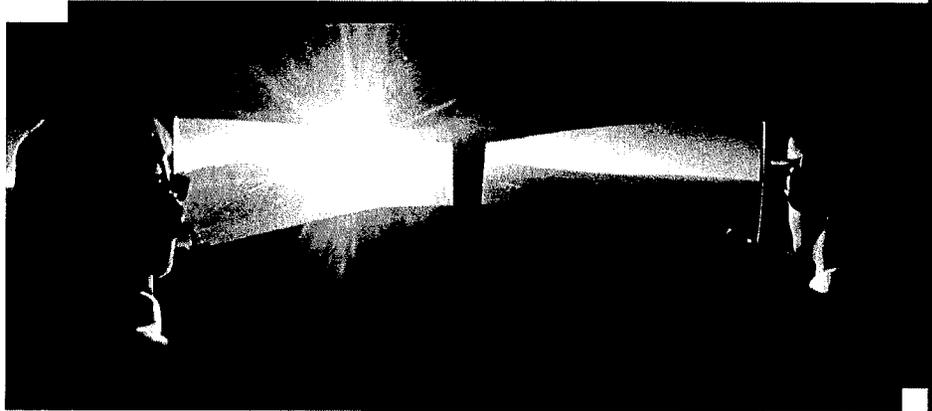
### **Safety**

Safety is at the core of Denver Air Connection's culture. We maintain a Safety Management System that is integrated into every aspect of our operation.

### **Skill**

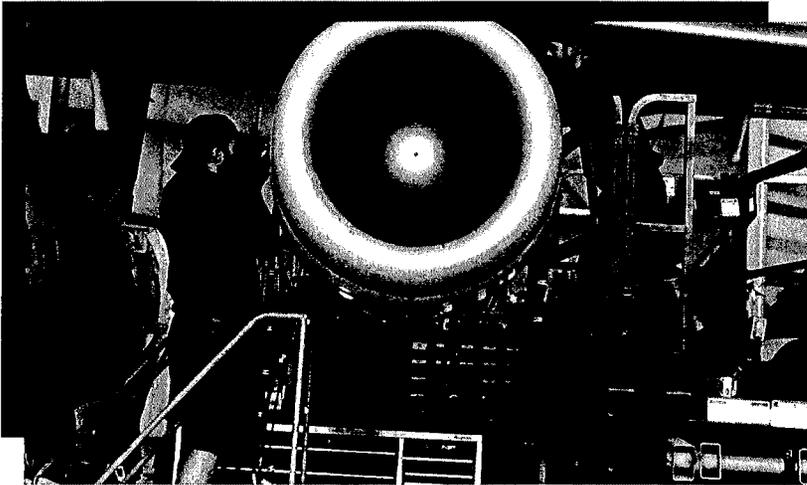
Denver Air Connection pilots and mechanics are trained to the highest standards in the world.

Our pilot culture aspires to perfection on every flight.



### **Reliability**

All aircraft are maintained in house under our FAA approved maintenance program. This in conjunction with our part 145 Repair Station gives us the ability to maintain, inspect, and alter our aircraft and components at all levels. We pride ourselves on never leaving passengers stranded due to maintenance issues. Our communities know that we will use our fleet to bring maintenance to a location to fix an issue or send a replacement aircraft to get the passengers to their destination.



### **Performance**

Denver Air Connection has demonstrated an impressive completion rate of better than 99% for our EAS communities, with an equally impressive on-time arrival rate of greater than 95%.

## **MARKETING**



Denver Air Connection recognizes how critical marketing is to the success of a community's airline service. We have budgeted a minimum of \$20,000 annually to create awareness for the service and promote its utilization.

Our budget will support our coordinated effort with the community to form an integrated traditional marketing campaign in print and broadcast as well as the effective utilization of digital platforms including our social media channels to raise awareness, visibility and customer satisfaction for the community's passengers.

Marketing efforts utilize our collaborative skills and experience working with your local professionals to create and distribute messaging to obtain the highest utilization rate possible for the service.

***Denver Air Connection will listen and partner with the community  
to build a successful marketing campaign.***



## ***YOUR CHOICE. YOUR AIRLINE.***

Denver Air Connection represents the airline choice that listens to the McCook community's needs and customizes its service to meet those needs. The Department of Transportation awards Essential Air Service contracts based on the five criteria below. The DOT will formally solicit the views of the McCook community as to which carrier and option they prefer. The Department is directed to consider five factors when making a carrier selection:

1. The demonstrated reliability of the applicant in providing scheduled air service.

**Denver Air Connection delivers a 99.5% rate on completed flights and impressive 95.7% on time performance rate.**

2. The contractual and marketing arrangements the applicant has made with a large carrier to ensure service beyond the hub airport.

**Denver Air Connection has an established interline agreement with United Airlines which provides seamless access to the United Airlines network.**

**Denver Air Connection maintains close contractual and marketing relationships with our airline partners and the communities we serve to ensure service beyond the hub airport.**

3. The interline agreements that the applicant has made with larger carriers to allow passengers and cargo of the applicant at the hub airport to be transported by the larger carrier(s) through one reservation, ticket, and baggage check in.

**Denver Air Connection has an interline agreement with United Airlines**

4. Community views. The preferences of the actual and potential users of air transportation at the eligible place, giving substantial weight to the views of the elected officials representing the users of the service.

**Denver Air Connection enjoys high levels of customer support from our passengers. We are happy to provide references for all the communities we serve to hear firsthand how we deliver on our promises every day.**

5. The air carrier has included a plan in its proposal to market the service.

**Denver Air Connection will work with the community on how to best spend marketing dollars and to ensure marketing budgets are utilized and implemented effectively.**



# Bid Proposal

This bid is for a dedicated aircraft based in McCook, Nebraska. The proposal may be selected for a two, three, or four year term.

**Denver Air Connection  
EAS McCook, NE  
December 16, 2021**

	<u>MCK-DEN</u>
Number of round trips per week	12

<b>Aircraft Data</b>	<b>Metro 23</b>
Block Hours	1,502
Load Factor	27%

<b>Passenger Revenue</b>	
Passengers	3,000
Average Fare	<u>65.00</u>
Revenue	195,000

<b>Expenses</b>	
Aircraft Lease	115,200
Crew Cost	868,559
Maintenance	220,896
Insurance	184,800
DEN Operating Expense	344,325
MCK Operating Expense	280,800
Overhead/Supplies/Staff	209,000
Deice, Catering and Misc.	80,145
Advertising	20,000
Fuel Cost	<u>634,234</u>
Total Expense	2,957,959

<b>Annual Subsidy Requirement</b>	
Operating Income	(2,762,959)
Profit (5%)	<u>147,898</u>
Subsidy Year 1	2,910,856
Subsidy Year 2	2,969,074
Subsidy Year 3	3,028,455
Subsidy Year 4	3,089,024

<b>Effective Subsidy Rates</b>	
Subsidy per Trip (98% completion)	2,380
Subsidy per Passenger	970



**For questions or comments, please contact:**

**Cliff Honeycutt, CEO/President**  
**Denver Air Connection, a Key Lime Air Corporation company**  
**13252 E. Control Tower Rd.**  
**Englewood CO 80112**  
**[cliff@keylimeair.com](mailto:cliff@keylimeair.com)**  
**(303) 768-9626 O | (303) 718-4301 M**

**Essential Air Service Proposal**



**McCook, NE**

**DOT-OST-1997-3005**

**December 15, 2021**



---

## About Boutique Air

### Our Story

Headquartered in San Francisco, California, Boutique Air has been in operation since 2007. We began by flying fire surveillance missions for the U.S. Forestry Service and Bureau of Land Management. We evolved to provide air charter services across the west coast with our fleet of Pilatus and Beechcraft aircraft.

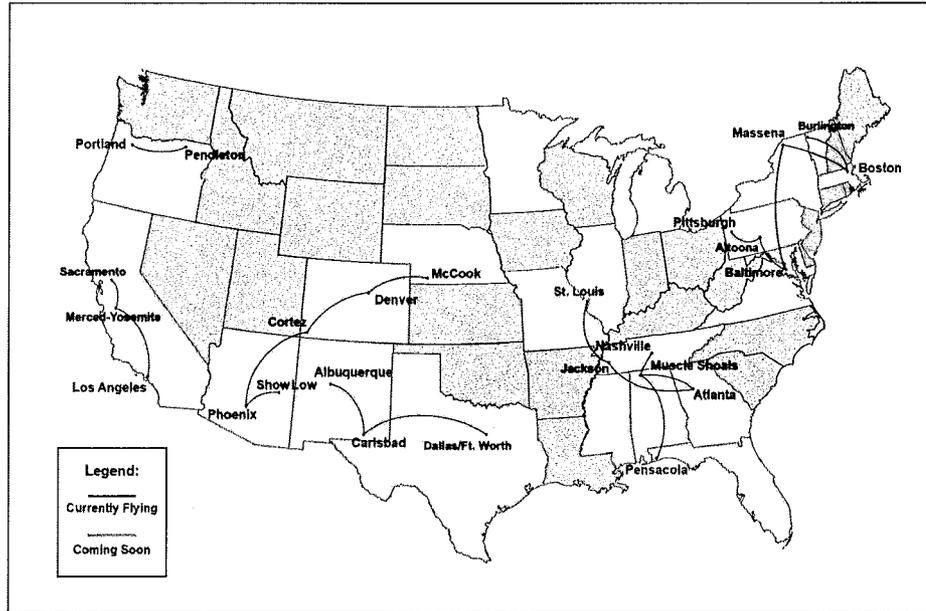
In July of 2012, Boutique Air applied for commuter operating authority from the Department of Transportation. Boutique Air began flying scheduled service between Los Angeles and Las Vegas in January of 2014.

We have worked to develop effective marketing distribution channels with a reservation system that connects to all primary Global Distribution Systems (GDSs), allowing travel agents access to our flight inventory. You will find us on Worldspan and Galileo (Travelport), Sabre, and Amadeus. In addition, we are on the major Online Travel Agencies (OTAs), including Expedia, Travelocity, Priceline, and Orbitz.

### EAS Contracts

On April 22, 2014 Boutique Air received its first EAS contract when the DOT selected the airline to provide service between Clovis, New Mexico and Dallas/Ft. Worth, Texas. Since then, we have continued our track record of success.

## Route Map





---

### **Aircraft:**

Boutique Air currently operates a modern fleet of Pilatus PC-12 aircraft. All flights are flown by captains with over 1,200 hours of flight experience and at a minimum, commercial, and instrumental ratings. While we are certified to fly single pilot we opt to fly with a two pilot crew. Boutique Air ensures pilots provide a level of customer service beyond that of normal commercial airlines.

- 8 or 9 Passenger Executive Configuration Pressurized Cabin
- Power Outlets
- Enclosed Lavatory





---

## Proposal

### Overview

Our airline service will be operated with 8 or 9 modern Pilatus PC-12 aircraft. We have proposed two, three, or four year contract durations for the community to consider.

In order to increase brand recognition in the communities, Boutique Air will spend at least \$20,000 per year in each market if it is selected for advertising & marketing to help ensure that air service for the community is a success. We will utilize a combination of radio, print, billboard, TV, and internet advertising.



---

## **Pilot Career Pathway Program**

In January 2020 Boutique Air was proud to be a partner in the United Airlines Aviate Program. The AVIATE Program provides a unique opportunity for aviators to accelerate their journey from Commercial Pilot at Boutique Air to a job in the cockpit of United Airlines.

## **United Airlines Interline and Codeshare Agreement**

Boutique Air launched an interline and codeshare agreement with United Airlines on May 1, 2017. Customers now have flow-through ticketing and baggage capabilities for those flights that connect with United Airlines.

## **American Airlines Interline Agreement**

In addition Boutique Air has an interline agreement with American Airlines as of August 7, 2019. Passengers will be able to book through United.com and AA.com and connect with any of United or American flights.

Below are screenshots of our current service as reflected on United and American Airlines websites both domestic and international.



**United.com example: McCook, NE to Dallas, TX**

**Depart: McCook, NE, US to Dallas, TX, US**  
Fares are for the entire one-way trip, per person. Fare attributes apply to flights operated by United and United Express.

United flights may be listed first.

Tue 1/11 \$160	Wed 1/12 \$160	Thu 1/13 \$230	<b>Fri 1/14 \$160</b>
-------------------	-------------------	-------------------	---------------------------

**Flight Info**  
Depart on Jan 14, 2022

Economy  
✓ Choose your seat

1 STOP  
8:00 AM  
MCK ..... 4H, 56M ..... DFW  
DEN --- 1H, 37M

**\$160**  
1 ticket left at this price

Includes Travel Operated By Boutique Air  
Details Seats

**AA.com example: McCook, NE to Phoenix, AZ**

Depart McCook, NE to Phoenix, AZ  
Wednesday, January 12, 2022

Lowest Fare	Flexible	Mon, Jan 10 \$ 118	Tue, Jan 11 \$ 132	<b>Wed, Jan 12 \$ 132</b>	Th
-------------	----------	-----------------------	-----------------------	-------------------------------	----

Sort by: Total travel time

**Main Cabin**

MCK PHX  
8:00 AM → 2:05 PM 7h 5m 1 stop  
MCK - DEN 48 761 PL2-Pilatus PC-12

One way  
\$132  
2 seats left



---

## **Special Note: COVID-19 Pandemic**

Like many businesses, Boutique Air was significantly affected by COVID-19 Pandemic; great fluctuations in travel demand and staffing were challenges in 2020 and 2021. We have made a variety of adjustments to our business so that we can be a great air service partner to McCook.

## **Community Input**

Shortly after the bids are complete, Boutique Air will schedule meetings with airport and/or city officials. This will allow us to answer any questions and provide additional information.

While we can't promise we will be able to implement everyone's suggestions, we welcome feedback from the community, as well as anyone who may have an interest in the proposed flights. What we can promise is that we will listen to your feedback, and give it the attention and consideration it deserves.

With respect and appreciation,

Shawn Simpson  
CEO



---

## McCook to Denver

### Option 1: 12 Nonstop RTs (12 DEN)

Operations	<b>PC-12</b>
Scheduled Flights	1,248
Completed Flights (98%)	1,223
Scheduled Block Hours	1,502
Scheduled Seats	9,984
Scheduled ASMs	2,136,576
Revenue	
Passengers	5,000
Average Fare	\$69.00
Fare Revenue	\$345,013
<b>Total Revenue</b>	<b>\$345,013</b>
Expenses	
Fuel	\$614,299
Ownership	\$1,465,000
Maintenance	\$640,501
Crew	\$288,519
Airport Rent	\$179,000
Landing Fees	\$35,646
Staff	\$162,164
Insurance	\$20,000
Marketing	\$20,000
Other Indirect Costs	\$36,000
<b>Total Costs</b>	<b>\$3,461,129</b>
Profit Element	<b>\$173,056</b>
Margin	5.0%
<b>Total Annual Subsidy Year 1</b>	<b>\$3,289,172</b>
<b>Total Annual Subsidy Year 2</b>	<b>\$3,354,955</b>
<b>Total Annual Subsidy Year 3</b>	<b>\$3,422,054</b>
<b>Total Annual Subsidy Year 4</b>	<b>\$3,490,495</b>



BEFORE THE DEPARTMENT OF TRANSPORTATION | WASHINGTON, D.C.

ESSENTIAL AIR SERVICE AT  
***McCook, Nebraska***

UNDER 49 U.S.C. § 41731 ET SEQ.

**BY ORDER 2021-11-16 | DOT-OST-1997-3005**

**Proposal to Provide Subsidized  
Essential Air Service**

By Order 2021-11-16, the Department requested proposals from carriers interested in providing Essential Air Service to McCook, Nebraska. Pursuant to that Order, Southern Airways Express LLC ("Southern") cordially submits this proposal.

**Correspondence with regard  
to this document should be  
addressed to:**

Stan Little  
**CHAIRMAN & CEO**

2875 South Ocean Boulevard, Suite 256  
Palm Beach, Florida, 33480

(901) 672-7820  
iFlySouthern.com

***America's Most Reliable Commuter Airline***

**SOUTHERN**



 **iFlySouthern.com**

**Southern Airways Express** hereby offers a proposal to become the air service provider at the McCook Ben Nelson Regional Airport. The proposal is for a period of two or four years.

## ***The Southern Story***

In less than eight years, Southern Airways Express has become one of the largest commuter airlines in America and a leader in the field of Essential Air Service. Of the nearly 200 daily flights operated by Southern, almost half are contracted through the Essential Air Service program. Much of Southern's success can be attributed to targeted expansion to gain scale and stability, industry-leading initiatives to permanently solve the pilot shortage facing rural communities, and the operation of the most reliable model of 9-seat aircraft in existence. However, it is the close partnerships developed through years of community networking and engagement that have led not only to countless mutually-beneficial cooperatives but also to the Essential Air Service regulatory compliance in each community that Southern currently serves.

Southern's first flight departed from Memphis, Tennessee, in June of 2013. Launching with just two airplanes and three pilots, Southern would grow to have a respected regional presence in the Gulf South. Just a short time later, as the airline was looking for an expansion opportunity, a commuter airline with Essential Air Service contracts in the mid-Atlantic became available

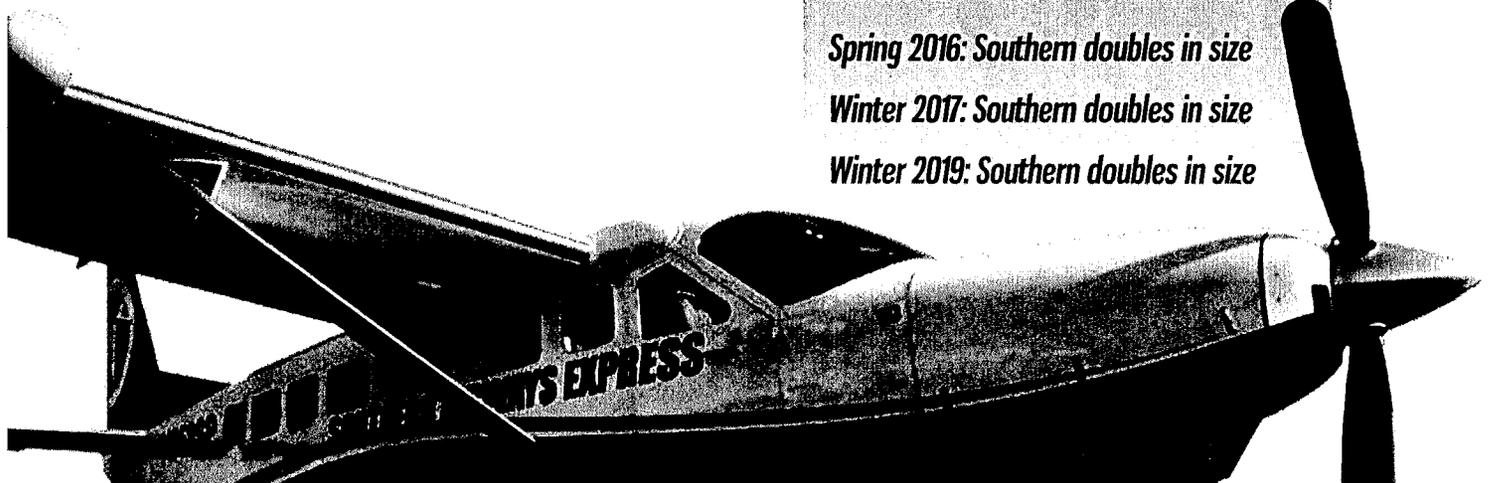
for acquisition. On February 29, 2016, Southern acquired Sun Air Express. Throughout that year, Southern worked closely with those incumbent EAS communities to facilitate rebranding and to renew the contracts for another bid cycle. In the process, Southern gained additional EAS contracts in the region and also in the State of Arkansas.

With Southern's Essential Air Service markets receiving near-perfect completion rates and passenger counts growing to record levels, the opportunity to make an acquisition and solidify the brand in the commuter marketplace presented itself once again. Mokulele Airlines in Hawai'i was very similar to Southern. Each airline had roughly the same number of employees and flew the same number of daily flights, but what was most compatible with Southern was the synergy of the aircraft type. Both airlines operated the reliable, efficient, and proven Cessna Caravan. The combination of the two companies in 2019 was a perfect fit. With this acquisition, Southern has become one of the largest and most-respected commuter airlines in the country.

***Spring 2016: Southern doubles in size***

***Winter 2017: Southern doubles in size***

***Winter 2019: Southern doubles in size***



*“Voted as the  
best Specialty &  
Leisure Airline in  
the USA”*

*— Trip Advisor, April 2019*



#### **SOUTHERN'S PROVEN MODEL**

Southern Airways subscribes to the business model that success in modern aviation comes from scale. A carrier cannot provide consistent and reliable service to one or two cities in a regional footprint. It needs multiple aircraft, dozens of pilots, and full support service to be able to handle the daily operational issues that come with operating an airline.

Southern is committed to consistent, targeted, and sustained growth while focusing on its primary regional footprints. Bringing more scale to each of these regions will ensure greater consistency and reliability. Despite the allure of some destinations which are hundreds or thousands of miles away from Southern's footprints, the airline realizes that reliable and quality service cannot be guaranteed without nearby and numerous planes and pilots.

#### **ABOUT THE SOUTHERN AIRCRAFT**

Having multiple models of aircraft allows for Southern to customize the flight solutions based on the needs of the community. With the Cessna Grand Caravan, Southern has demonstrated the ability to offer record-setting passenger counts across many of its cities. Southern's Hawai'i brand, Mokulele Airlines, has used the Pilatus PC-12 on many specialty routes that required higher speed and pressurization.

For McCook, Southern is proposing all flights be operated on the KingAir 200. McCook is a community that should be served by a proven a twin-engine aircraft, to better handle the high winds and extreme conditions of the Rocky Mountains and Great Plains.

Like the Caravan, the Beechcraft KingAir has been a workhorse of the industry for over thirty years. And unlike the Piaggio and Metroliner, it is still in production – making parts and expertise readily available. Both the Caravan and the KingAir are powered by the versatile and proven Pratt & Whitney PT6A turbine engine, the engine of choice for demanding, high-cycle/high-power applications.

# Southern Solves The National Pilot Shortage

Entire aircraft fleets have been retired in the past decade, and many American carriers have ceased operations as a direct and proximate result of not being able to recruit and retain adequate numbers of crew members.

Southern recognized this issue early and began taking steps to position itself to stay ahead of the competition.

Southern's Chairman served as a member of the Department of Transportation Working Group to study ways to address these issues and to help alleviate the problems related to rural air service.

Since that time, Southern has implemented groundbreaking programs to recruit and retain quality pilots, including the *Southern Senior Pilot Leadership Program* and the *Southern Airways Pilot Cadet Program*. In addition, Southern has a full-time recruiting staff dedicated to bringing the "best and the brightest" to Southern Airways. The pilot corps numbers are among the best in the industry and promise a very positive 2022 and beyond.

As demonstrated by Southern's industry-leading controllable completion rates, since November of 2017, Southern has rarely cancelled a flight due to crew availability.

Now that the COVID pandemic has subsided and travel has rebounded, a pilot hiring frenzy is taking place at all the major carriers and regional airlines. Southern's pilot recruiting and retention strategies have insulated our airline from the adverse effects of the recent pilot shortage trends. Since January, Southern has trained nearly 120 new pilots—keeping us properly staffed for the months and years to come. Southern is the only commuter airline that has a fully-developed pilot pipeline which has kept us 100% staffed since November 2017. Even our Christmas class has seven new pilots coming on board for the new year!



[FACEBOOK.COM/IFLYSOUTHERN](https://www.facebook.com/IFLYSOUTHERN)



[INSTAGRAM.COM/FLYSOUTHERN](https://www.instagram.com/FLYSOUTHERN)



[PINTEREST.COM/IFLYSOUTHERN](https://www.pinterest.com/IFLYSOUTHERN)



[TWITTER.COM/IFLYSOUTHERN](https://twitter.com/IFLYSOUTHERN)



[YOUTUBE.COM/USER/IFLYSOUTHERN](https://www.youtube.com/user/IFLYSOUTHERN)

*Every Passenger.  
Every Flight.  
Every Day.*



*Southern's Spokes-singer  
Sonny McFly performs  
the airline's jingle in  
its television and radio  
commercials as well  
entertaining at live  
events in communities  
served by Southern*

*Sonny McFly*

# **Southern Airways**

## By the Numbers

**222 Daily Departures**

**30,000 Monthly Passengers**

**510 Employees**

**225 Pilots**

**35 Aircraft**

**39**  
*Amazing  
Destinations*

### **IN THE GULF:**

Destin, Fla.                      El Dorado, Ark.  
Harrison, Ark.                 Hot Springs, Ark.  
Palm Beach, Fla.              Tampa, Fla.

### **IN CALIFORNIA:**

Imperial/El Centro

### **IN THE ROCKIES:**

Chadron, Neb.

### **IN HAWAII':**

Hana                                 Hilo  
Kapalua                             Kalaupapa  
Kona                                 Lāna'i City  
Molokai                             Waimea-Kohala

### **IN THE MID-ATLANTIC:**

Bradford, Penn.  
DuBois, Penn.  
Lancaster, Penn.  
Morgantown, W.Va.

### **10 HUB/FOCUS CITIES:**

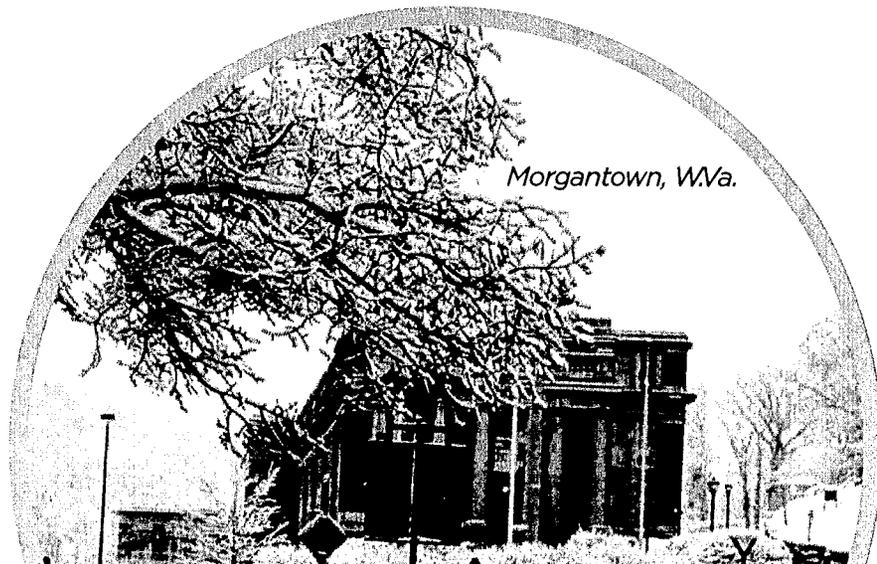
Dallas                                 Memphis  
Denver                                 Nantucket  
Honolulu                             New York City  
Kahului                               Pittsburgh  
Los Angeles                         Washington-Dulles

### **IN NEW ENGLAND**

Boston/Hanscom, Mass.  
Boston/Harbor, Mass.  
Boston/Norwood, Mass.  
Bridgeport, Conn.  
New Bedford, Mass.  
Providence, R.I.

### **IN NEW YORK**

East Hampton  
Montauk  
Shelter Island



**ALL MAJOR DISTRIBUTION CHANNELS**

Southern invests a considerable portion of its marketing budget to promote its service to traditional travel agents and to internet shoppers who purchase tickets through online travel agencies.

**MAJOR GLOBAL DISTRIBUTION SYSTEMS:**

- Sabre
- Amadeus
- Worldspan
- Galileo
- Travelport
- Apollo

**MAJOR ONLINE TRAVEL AGENCY WEBSITES:**

- Expedia
- Travelocity
- Orbitz
- Kayak
- Priceline
- Cheaptickets

**amadeus**

**Sabre**

**Travelport** 

**KAYAK**

**ORBITZ**

**priceline.com**

 **Expedia**

  
**travelocity**

*Lancaster, Penn.*



# *Southern's interline partners American, Alaska, and United.*

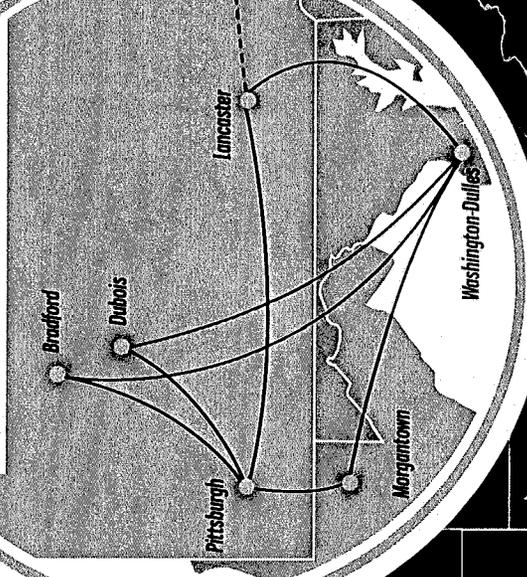
Southern is interline partners with three major airlines. This means seamless ticketing and baggage connections to and from your final destination.

American Airlines 

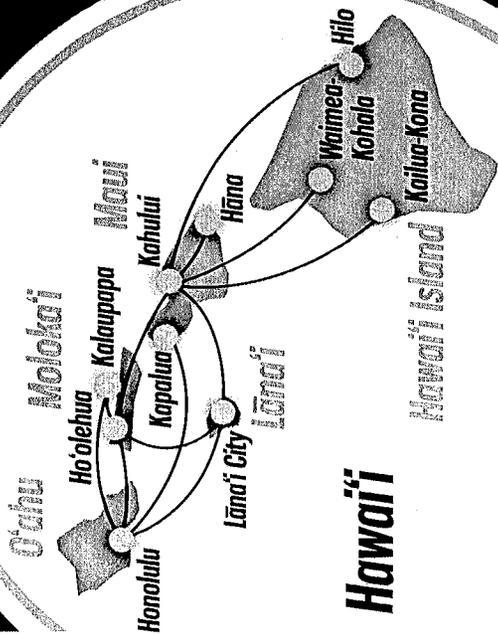
UNITED 



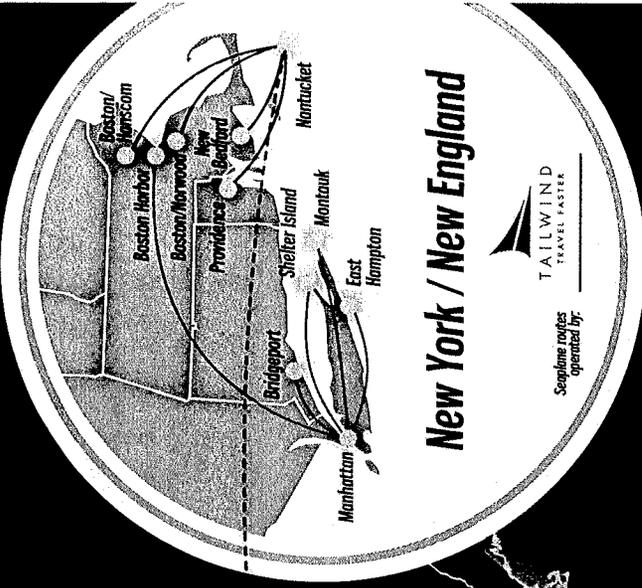
## Mid-Atlantic



## Hawai'i

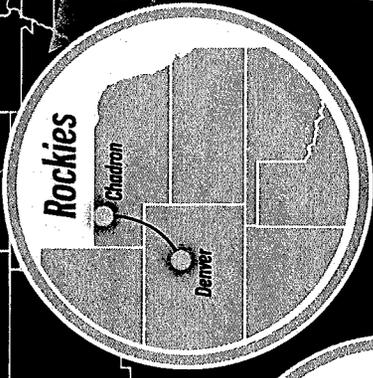


## New York / New England

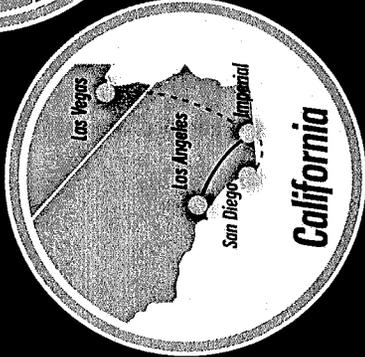


Seaplane routes operated by

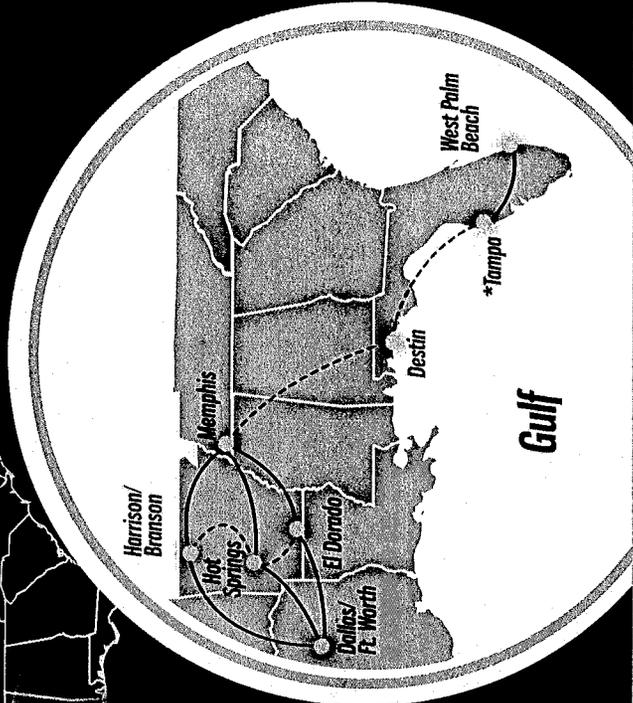
## Rockies



## California



## Gulf



# Route Map

Now serving 39 cities with over 222 daily departures!

MAP KEY

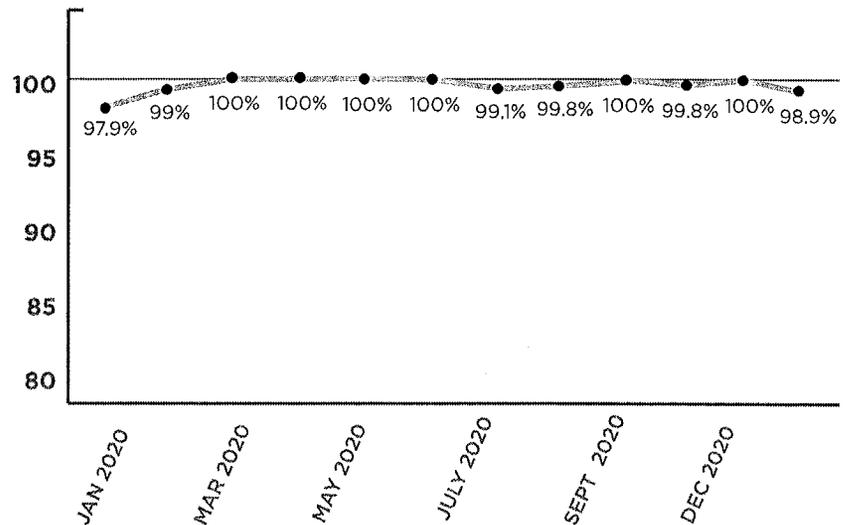
Weekend

\* Service begins Spring 2022

# Consistency in the Marketplace

Southern has been one of the top-performing EAS airlines in the country with controllable completion rates setting the industry standard. Further, Southern does not compare its on-time performance against other commuter airlines. Instead, Southern compares its operational statistics against the biggest and best in the industry. Both airlines operated by Southern Airways Corporation have been industry leaders in these categories.

2020 EAS CONTROLLABLE COMPLETION



## Hot off the Press!



Southern was recently featured in the international magazine Airliner World!

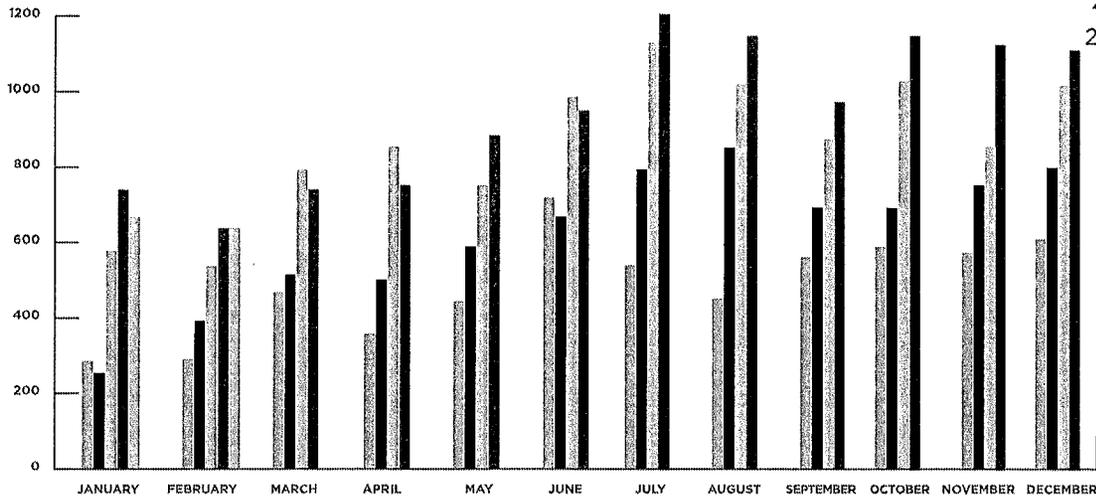
Southern's new in-flight magazine, Cloud 9, hit the sky in November 2020!

### Did you know?

Despite having multiple proposals for regional jet service, every Arkansas city selected to stay with Southern for another two years!

**SOUTHERN SEES SIX CONSECUTIVE RECORD-SETTING MONTHS IN DUBOIS**  
**JULY 2019-DECEMBER 2019**

2016-SILVER AIRWAYS  
 2017-SOUTHERN  
 2018-SOUTHERN  
 2019-SOUTHERN  
 2020-SOUTHERN



**DUBOIS, PA** 2019 Highest passenger counts in eight years.

**ADDITIONAL ACCOMPLISHMENTS**

**HARRISON, AR** 2018, Over 10,000 passengers for only the third time in the last two decades.

**BRADFORD, PA** 2016 & 2019; Respectively, the two best enplanement years in the last eleven.

**MORGANTOWN, WV** Eight consecutive months of record-setting passenger counts for Southern. (July 2019 - February 2020).

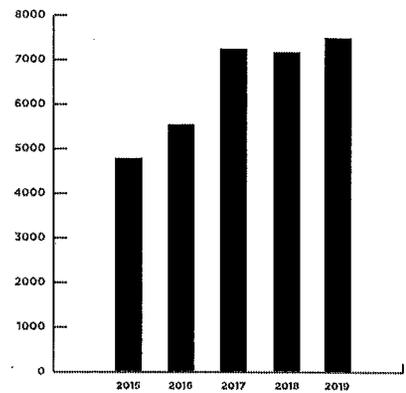
**EL DORADO, AR** 2019, The second-highest number of passengers per departure in the last 15 years.

**LANCASTER, PA** Fiscal Year 2019, The lowest subsidy-per-passenger in five years.

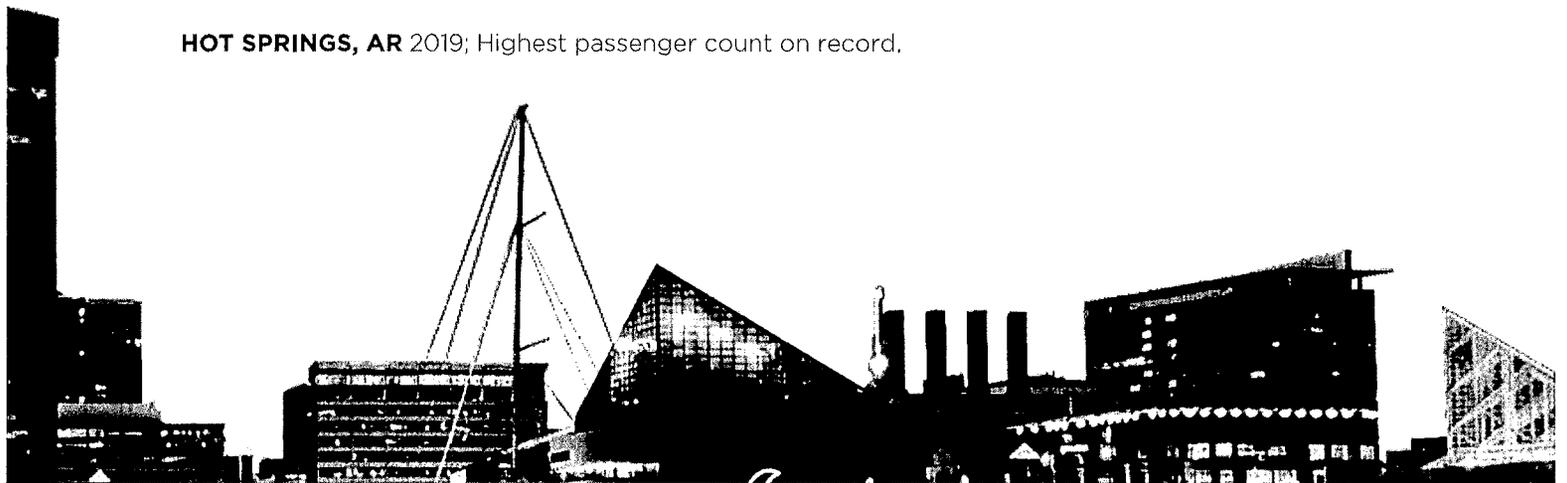
**EL CENTRO/IMPERIAL, CA** Fiscal Year 2019, Under the \$200 Subsidy Cap.

**HOT SPRINGS, AR** 2019; Highest passenger count on record.

**TOTAL ALTOONA PASSENGERS 2014-2019**



**ALTOONA, PA**  
 Highest passenger count since 2011.



# *Becoming the Best Small Airline in America*

Southern Airways is the fastest growing airline in America. This explosive rate-of-growth is attributed to many factors. Below are a few of the improvements that Southern has made over the past few years that has positioned the airline to become "The Best Small Airline In America."

- Southern has secured American, Alaska, and United Airlines.
- Southern innovated one of the most robust pilot recruiting programs in the country. As a result of two full years of pilot recruiting, training, and retention Southern is now poised to provide reliable service well into the next decade.
- Southern developed SIREN, a proprietary software program that automatically updates passengers of delays by text, email, and voice.
- Southern moved its crew-basing away from the hubs, an involved process that included the recruiting of new pilots wishing to live in smaller communities. Now completed, this move guarantees the originating flight to the hubs and the terminating flight into the EAS communities every day.
- Southern upgraded the Sun Air piston-driven fleet to an all-turbine fleet featuring the roomy and reliable Cessna Caravan.
- Southern implemented online check-in.
- Southern has upgraded all outdated arrival and departure boards at the hometown airports to digital monitors that are updated throughout the day with flight status information.
- In Fiscal Year 2019, Southern brought all of its EAS airports into subsidy compliance.
- Southern joined TSA PreCheck.
- Southern pioneered a passenger intercept data collection and reporting system to provide the local airports and their governing boards with passenger demographic data, including passengers' home ZIP codes and final destinations.
- Southern increased its call center and customer service center to 24 hours per day.

TSA Pre✓



# No Commuter Airline Cares More About College Sports than Southern Airways...

and we want to operate flights from McCook to Lincoln for all the big games!

## 2022 Home Football Schedule

- 9/17 Oklahoma
- 10/1 Indiana
- 10/22 Minnesota
- 11/12 Purdue
- 11/19 Illinois



### Hogs Win and So Do You!



**\$5 TICKETS**  
FOR SALE ALL  
DAY 10/21/20!

Southern Airways CEO Stan Little lost a bet to Harrison, Ark. airport manager Judy McCutcheon on the Ole Miss/Arkansas Football game. Hogs won. Southern offered \$5 tickets the next week!



Roll Tide: Southern flies fans to Tuscaloosa on game day.



Gator fans and Nole fans shared a plane to the annual in-state rivalry game.



Mississippi State fans ringing cowbells on the Southern Airways MD-80 charter to Miami for the Orange Bowl!



### ENPLANEMENT INITIATIVES

Southern Airways has developed a number of proprietary business development and enplanement initiatives that can be customized to each marketplace. Many of these programs have already been launched across the Southern system. Full implementation of the Initiative Suite will happen in early 2022 in all Southern Airways markets.



# Fueling the Local Economy



Southern is committed to being a good airport partner and an asset to not just the aviation community, but to the entire area as a whole. To this extent, Southern pledges to purchase as much competitively priced fuel in its hometown airports as weight and balance restrictions allow.

From a finance prospective, Southern's obligation as the EAS provider must be to operate as cost effectively as possible in an effort to manage the subsidy. If while doing so, Southern can also purchase fuel in the out-stations, then both the airline, and the local community benefit.

## **AS THE FOLLOWING BIDS ARE BEING REVIEWED, PLEASE CONSIDER:**

Southern's commitment to reliable service and long-term sustainability is evidenced by its commitments to the hometown airports. Through solving problems related to the National Pilot Shortage, creating interline partnerships, and providing consistent executive level "boots on the ground," Southern's developed a strong platform for growth in all of its communities.

Southern Airways Express believes that its proposal will provide an unsurpassed level of service, grow enplanements, seamlessly connect passengers to the world's transportation infrastructure, and provide the local community with a sustainable airline partner for both the local passengers and the visitors traveling to the community. Southern further believes that it is the right partner to deliver the above benefits while also maintaining compliance with all Department of Transportation requirements for continued participation in the Essential Air Service program.

We respectfully submit this bid, which is consistent to the service the community currently receives.

R. Stan Little Jr.

Chairman & Chief Executive Officer  
Southern Airways Express, LLC



**SCHEDULE:**

*Upon the community's selection of the preferred option, Southern will work with local officials to develop an optimized flight schedule.*

<b>STATUS</b>	<b>VENDOR</b>	<b>VENDOR</b>	<b>PROJECTED SPEND</b>
Proposed	Local Newspaper	Newspaper	\$3,000
Proposed	Television	Cable/Broadcast	\$4,000
Proposed	Local Radio	Radio	\$5,000
Proposed	Enhanced Digital	Digital	\$3,000
Proposed	Community Sponsorships	Chamber, CVB, Etc	\$6,000
Proposed	Customer Appreciation Party	Live Airport Event	\$4,000
Total			\$25,000

# McCook Proposal

KA-200  
MCK

## Weekly Round Trips

MCK-DEN	12
Total	12

## Operating Revenues

MCK-DEN	\$310,000
Total Operating Revenues	\$310,000

## Operating Expenses

Flying Operations	\$948,684
Fuel and Into Plane	\$731,017
Maintenance	\$651,875
Aircraft	\$404,400
Indirect	\$312,883
Total Operating Expenses	\$3,048,858

Operating Loss	\$2,738,858
Profit Element (5%)	\$152,443

## COMPENSATION REQUIRED \$2,891,301

Compensation per Pax	\$578
Compensation per Departure	\$2,351

Annual Seats	11,070
Annual Passengers	5,000
Load Factor	45%
Departures	1,230
Average Fare	\$62
Completion Factor	98.5%

Compensation Required Year 1	\$2,891,301
Compensation Required Year 2	\$2,963,584
Compensation Required Year 3	\$3,037,673
Compensation Required Year 4	\$3,113,615