

MCCOOK CITY COUNCIL

REGULAR MEETING

**Tuesday, February 13, 2024
6:00 PM - City Council Chambers**

Roll Call.

Open Meetings Act Announcement.

Call to Order.

Items.

1. Presentations.
 - A. 6:00 P.M. - Boutique Air.
 - B. 6:45 P.M. - Southern Airways.
 - C. 7:30 P.M. - Contour Airlines.
 - D. 8:15 P.M. - Denver Air Connection.
2. Council Adjournment.
3. Airport Advisory Commission.
 - A. Selection and recommendation of proposal to provide essential air service for the City of McCook/McCook Ben Nelson Regional Airport to the McCook City Council.

Adjournment.



Essential Air Service Proposal

McCook, NE

DOT-OST-1997-3005

January 10, 2024

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.

Essential Air Service

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, providing reliable and high quality air transportation to over twenty EAS communities over the past 9 years.

Our Aircraft

Boutique Air currently operates a modern fleet of Pilatus PC-12 aircraft. Boutique Air ensures that aircraft are equipped with amenities beyond those found in typical commercial airline aircraft, and that pilots provide a level of customer service beyond that of normal commercial airlines, as they may routinely fly both public and private charter flights. Our aircraft have the following amenities:

- 8 or 9 Passenger Seat Configuration
- Leather Seats
- Pressurized Cabin
- Power Outlets
- Enclosed Lavatory
- Refreshments Provided on all Boutique Flights

Proposal

Overview

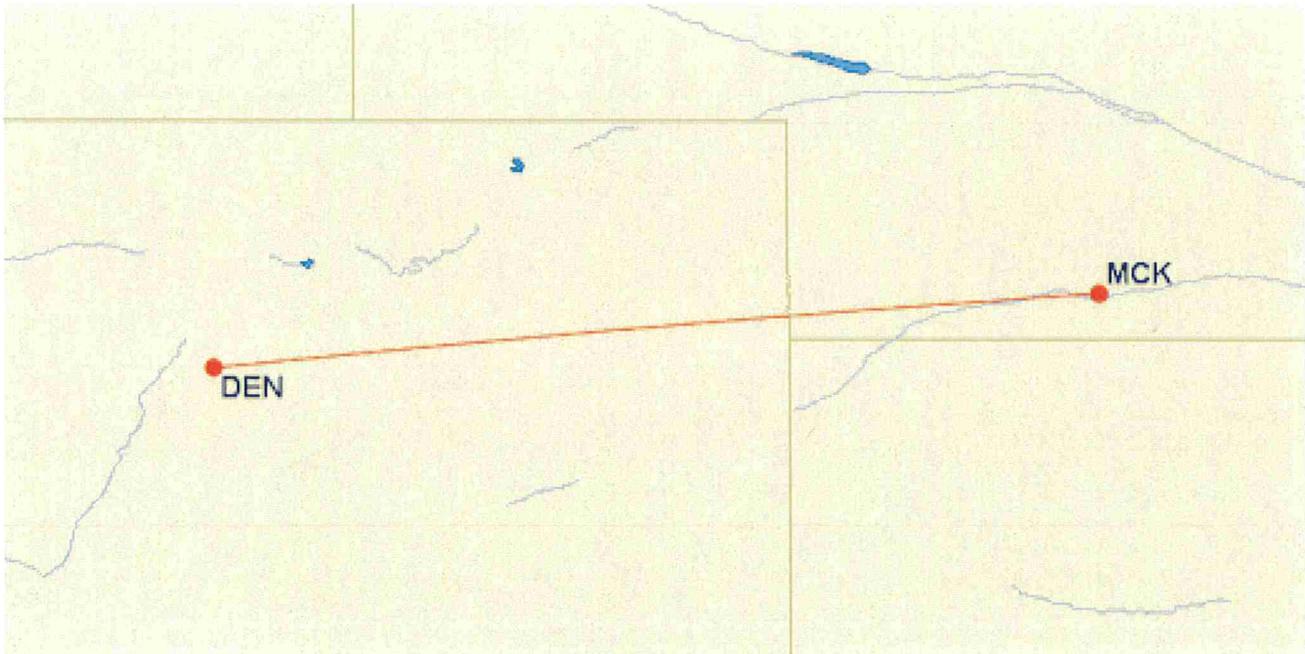
Our airline service will be operated with 8 or 9 seat Pilatus PC-12 aircraft. We are proposing a two, three, or four year contract duration for the community to consider with a 7% increase each year. Boutique Air will provide air service from McCook, NE to Denver, CO 12 times per week.

Boutique Air will maintain at least 98% controllable flight completion. Through the past 12 months, Boutique Air has maintained 99.65% controllable completion over nearly 6,000 scheduled flight operations.

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, television, and internet advertising.

Service to Denver

Boutique Air will fly from McCook, NE to Denver, CO 12 times per week.



Flight Route from MCK

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,

A handwritten signature in black ink, appearing to read 'Shawn Simpson', with a stylized, looped end.

Shawn Simpson
CEO, Boutique Air

Boutique Air EAS Proposal at McCook, NE

12 Weekly Nonstop Round Trips to DEN

Operations	PC-12
Scheduled Flights	1,248
MCK-DEN	624
DEN-MCK	624
Flight Completion	98%
Scheduled Flight Time	1,145
Scheduled Block Time	1,405
Scheduled Seats	11,232
Scheduled ASM	270,861
Revenue	
Passengers	6,178
Average Fare	\$49
Fare Revenue	\$302,702
Expenses	
Direct Operating Expenses	\$2,810,164
Ownership	\$656,085
Airport Rent/Turn Fees	\$134,496
Other Indirect Operating Expenses	\$191,275
Total Expenses	\$3,792,020
Profit Element	
Margin (5.0%)	\$189,601
Total Annual Subsidy Year 1	\$3,678,919
Total Annual Subsidy Year 2	\$3,936,443
Total Annual Subsidy Year 3	\$4,211,994
Total Annual Subsidy Year 4	\$4,506,834

If Boutique Air is selected to Provide EAS at either Dodge City or Liberal, KS with service to Denver, Boutique Air will accept a \$100,000 lower subsidy to provide EAS to McCook, NE.

ESSENTIAL AIR SERVICE AT

McCook, Nebraska



America's Leading Commuter Airline

SOUTHERN

UNDER 49 U.S.C. § 41731 ET SEQ.

BY ORDER 2023-12-2

DOT-OST-1997-3005

**Proposal to Provide Subsidized
Essential Air Service**

By Order 2023-12-2, 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
Chief Executive Officer
2875 South Ocean Boulevard,
Palm Beach, Florida, 33480

(901) 672-7820
iFlySouthern.com

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

The Southern Airways Story

Southern Airways launched in Memphis, Tennessee in 2013 with only two aircraft and four pilots. Since that time, Southern has grown to become the largest commuter airline in the United States and a well-known provider of Essential Air Service to communities from coast to coast.

Southern's initial entry into the marketplace was intended to fill a void in Memphis and the Gulf South following the elimination of non-stop flight options from other airlines. While in pursuit of that goal, the opportunity to expand presented itself. In 2016, Southern acquired Sun Air Express, a commuter airline providing Essential Air Service to communities in Pennsylvania, Maryland, and New York. Southern worked swiftly following the acquisition to combine the two companies, while at the same time building additional scale in both the mid-Atlantic and Gulf regions.

In February 2019, Southern leveraged its growth by acquiring Mokulele Airlines, a commuter airline that has connected the Hawaiian Islands for the last 30 years.

The 2020 pandemic presented unprecedented challenges for the aviation community.

While many airlines did not survive the pandemic, Southern took a different path and strengthened its commitment to the Hawaiian Islands by acquiring aircraft and staff from Makani Kai, a small commuter airline that was uniquely dedicated to providing air service to the island of Molokai. The combination of Mokulele and Makani Kai in Hawaii, along with Southern's Essential Air Service routes across the continent, positioned the company to have the diversification and strength needed to survive the extensive travel restrictions of the Covid era.

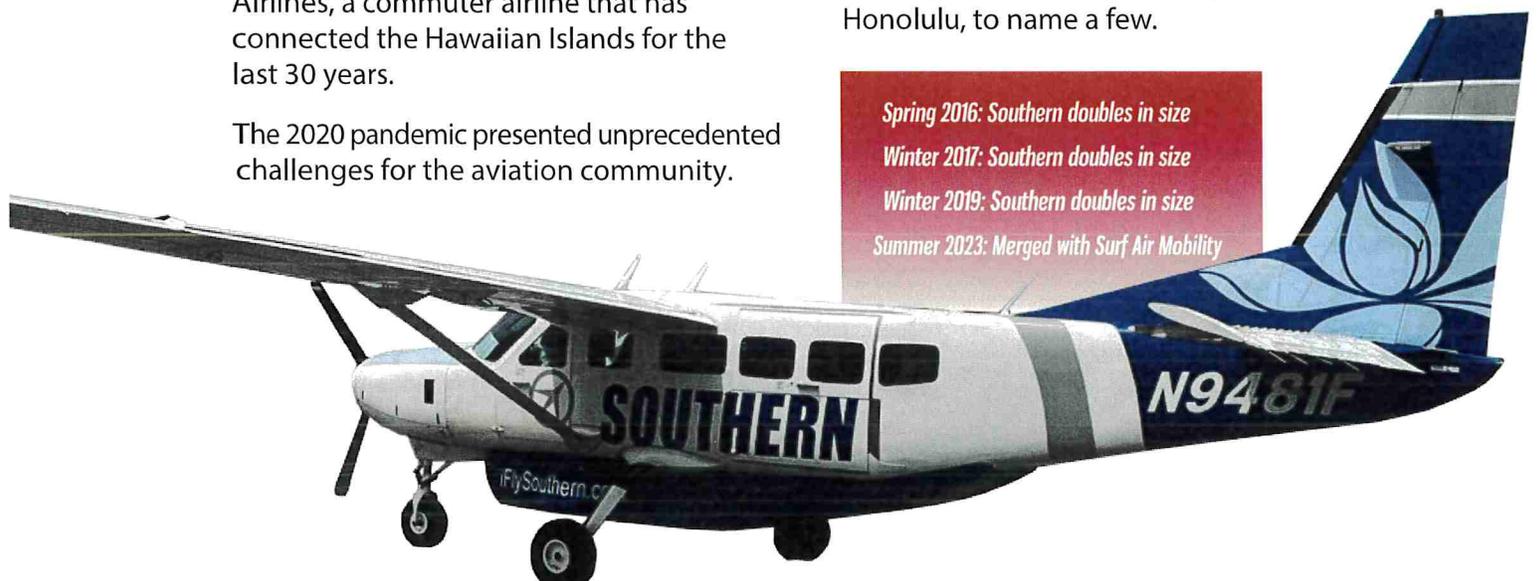
Southern completed its most recent acquisition in March 2022 when it acquired St. Louis-based commuter airline Air Choice One. With this acquisition, Southern was able to expand to the mid-West and Great Lakes, making Southern a dominant player across the country with major airport hubs that include Washington-Dulles, Atlanta, Chicago-O'Hare, Dallas-Ft. Worth, Denver, Los Angeles, Phoenix, and Honolulu, to name a few.

Spring 2016: Southern doubles in size

Winter 2017: Southern doubles in size

Winter 2019: Southern doubles in size

Summer 2023: Merged with Surf Air Mobility



Southern's ten-year history of acquisitions and rapid growth to becoming the largest commuter airline in America made the carrier a perfect partner for Surf Air Mobility, a regional air mobility platform based in Los Angeles. Southern began operating flights on behalf of Surf Air in the summer of 2022. This partnership led to the discovery of a shared vision between each company's founders-- and it led to the decision to combine the entities and unite as one.

On July 27, 2023, Southern Airways and Surf Air merged and listed on the New York Stock Exchange. Combined under the name Surf Air Mobility (NYSE:SRFM), the vision is two-fold: One, expand our growing network of commuter air service, and two, change the future of aviation by bringing to market the first electric propulsion system for commercial airplanes.

Southern Creates its own Solutions to the National Pilot Shortage

As airlines across the nation grapple with the national pilot shortage, Southern has been thriving with its pilot recruiting, training, and retention initiatives. Southern has innovated *The Southern Airways Pilot Cadet Program*, which allows for experienced captains (should they choose) to advance in their aviation career to the major airlines. This program secures Southern with an ample supply of the nation's best cadets from whom to choose. After completing the Southern training program, pilots are offered a contract that expedites their ability for career advancement and also guarantees Southern a predictable and steady pilot pipeline. Southern has also experienced success with *The Southern Senior Leadership Program*, which provides part-time opportunities for recently retired airline captains to continue flying and impart their knowledge and skills to younger pilots.



Two in-house training centers, one located in DuBois, Pennsylvania, and one in Kahului (Maui), Hawaii conduct daily flight training sessions with new-hire pilots.

 [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)

Success in Numbers:

2023 Total: Southern created or upgraded 293 pilots.

Quarter 4, 2023: Unplanned pilot resignations plummeted over 60% when compared to the prior quarter.

January 2024: Over 80 pilots currently in training!



*"Voted as the
best Specialty &
Leisure Airline in
the USA"*

— Trip Advisor, April 2019



The Southern Fleet

Southern offers varying fleet types to meet the specific needs of each community. Doing so allows for some communities to choose multiple frequencies per day, while other cities may choose to have fewer departure, but more seats per departure. Also, due the vastness of the Southern network, having a wide range of fleet options allows the airline to select the aircraft best suited to each route, such as those operating in higher elevations or those with unique runway limitations.

First and foremost, the backbone of the Southern fleet is the time-tested and reliable Cessna Grand Caravan. Southern operates over 40 Cessna Grand Caravans and has delivered multiple months of near-perfect reliability to many markets, while also posting record setting passenger counts in multiple communities.

Southern has selected the Pilatus PC-12 to operate its flights in the Western half of the United States. This pressurized aircraft is the perfect commuter aircraft for routes that operate in higher elevations such as the Rockies, as well as for operating routes with longer stage lengths.

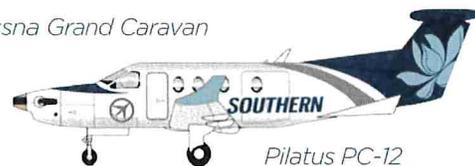
The Saab 340 is a 30-seat twin engine aircraft that has been a staple in regional air transportation across the globe. Southern operates the Saab 340 in communities where a large number of people need to travel at the same time.

The Tecnam P-2012 Traveller is the newest addition to the Southern fleet and offers an economical solution for communities that require twin engine service.

With its various aircraft offerings, Southern can customize its service to each specific route and deliver multiple options to meet passenger demand and community air service needs.



Cessna Grand Caravan



Pilatus PC-12



Tecnam P2012 Traveller



SAAB 340

Southern Airways

By the Numbers

250 Daily Departures

40,000 Monthly Passengers

650 Employees

270 Pilots

50 Aircraft

43
*Amazing
Destinations*

IN THE EAST:

Bradford, Penn.
Boston Harbor, Mass.
DuBois, Penn.
East Hampton, N.Y.
Lancaster, Penn.
Montauk, N.Y.
Morgantown, W. Va.
Shelter Island, N.Y.

CENTRAL:

Burlington, Iowa
El Dorado, Ark.
Harrison, Ark.
Hot Springs, Ark.
Jackson, Tenn.
Jonesboro, Ark.
Muskegon, Mich.
Quincy, Ill.

IN THE WEST:

Chadron, Nebr.
Imperial, Calif.
Show Low, Ariz.
Pueblo, Colo.

IN HAWAII:

Hana	Hilo
Kapalua	Kalaupapa
Kona	Lānaʻi City
Molokai	Waimea-Kohala
Honolulu	Kahului

15 HUB/FOCUS CITIES:

Atlanta	Memphis
Chicago	Nashville
Dallas/Ft. Worth	New York City
Denver	Phoenix
Honolulu	Pittsburgh
Kahului	St. Louis
Los Angeles	Washington-Dulles



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



SURFAIR
A Surf Air Mobility Company

Southern's interline partners *American, Alaska, United, Hawaiian.*

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

American Airlines 

Alaska®

UNITED 

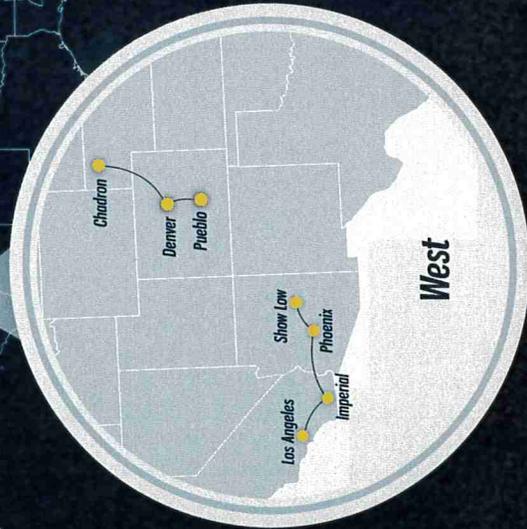
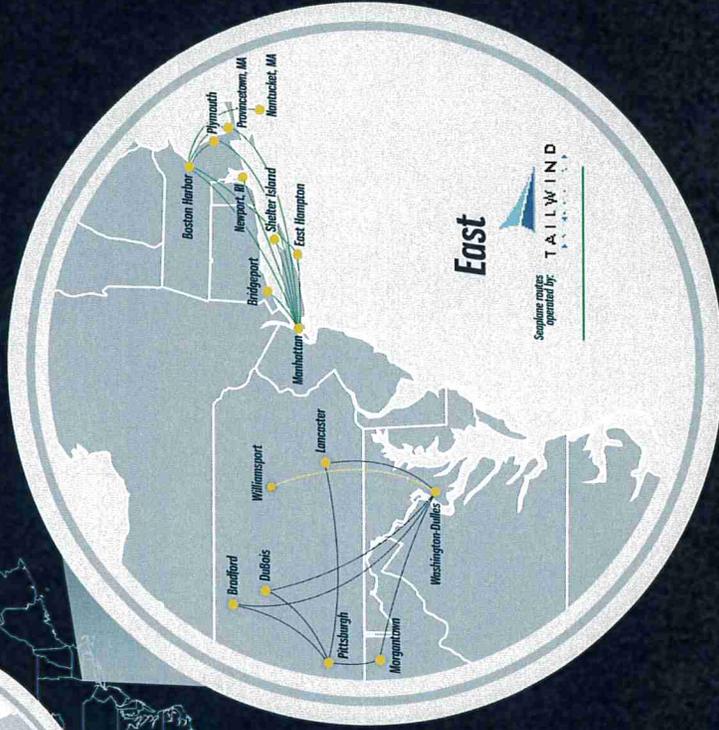
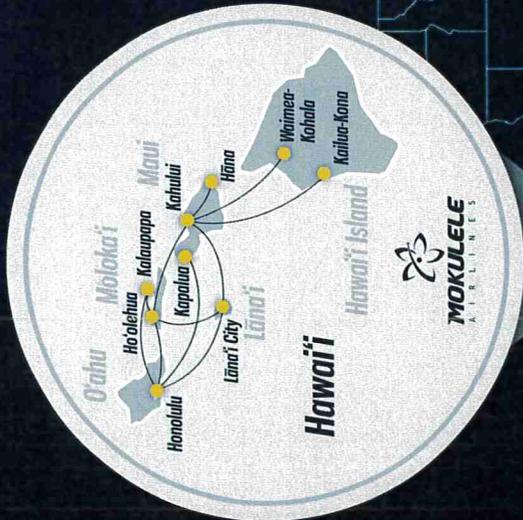
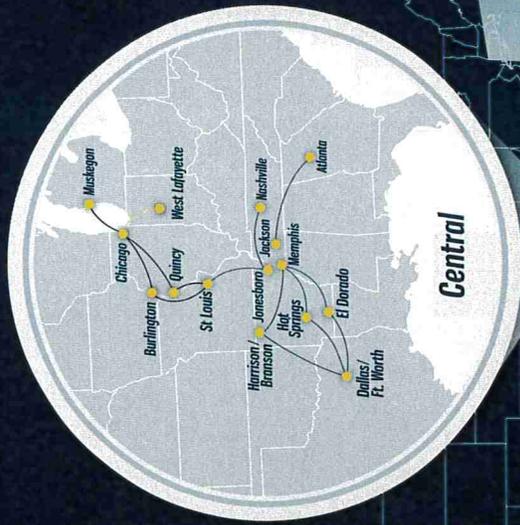
 HAWAIIAN
AIRLINES





Route Map

Now serving 46 cities with over 250 daily departures!



SURFAIR

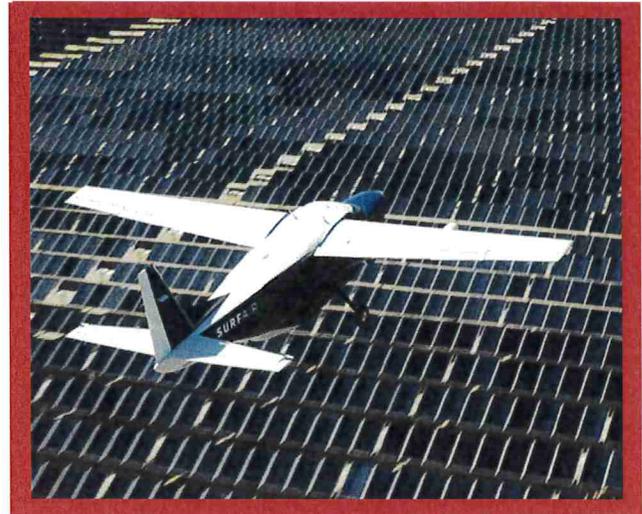
A Surf Air Mobility Company

COMING 2024

Clearing the Air for Electric Aviation

Surf Air Mobility is working to enhance the passenger experience by bringing electric aircraft to short-haul passenger travel...and the date of the first electric flight may be closer than you think! Electrification is the future of air travel, and the aircraft in Southern's fleet will be the first types to undergo this conversion as Surf Air's electric powertrains will first be integrated on the Cessna Grand Caravan.

The benefits of electric aviation are both environmental and financial. The first-generation hybrid electric powertrains are targeting emission reductions of up to 50% and direct operating cost savings of up to 25%, without sacrificing aircraft performance. Fully electric versions will realize up to 100% emission reduction and up to 50% operating cost reduction.



For passengers, this cost reduction can lead to more flight options and stable fares. With over 40 Cessna Grand Caravans in the Southern fleet transitioning over time to electric propulsion, Southern and Surf hope to become the shining example for airlines across the globe to emulate when determining their future plans.

A collage of Cloud Nine magazine covers and articles. The covers feature a man and a woman, with headlines like "2023 SUMMER AND FALL CONCERT TOURS". The articles include "Show Low, AZ: The Perfect Place For Summer In The Southwest", "TRAVEL THE COOL, MYSTIC CAVERNS OF HARRISON, AR", and "5 Things To Know About Jackson, TN".

Cloud Nine

The Official In-Flight Magazine of Southern Airways

Southern uses Cloud Nine to promote travel to each of its of unique communities!

The REGENT seaglider

Southern has partnered with REGENT to be the launch customer of the fully electric Regent Viceroy seaglider. REGENT's innovative new vessel, now with a full-scale operational prototype, will change the way people commute between coastal communities. Float. Foil. Fly. Passengers will board the seaglider at a dock and depart the harbor the same they would a boat. Once reaching the desired speed, the vessel will rise above the water on hydrofoils and eventually fly. In flight, passengers glide over the water in a gravitational state known as wing-in-ground effect.



With speeds comparable to the Cessna Grand Caravan and seating up to 12 passengers, this will be the future of connectivity for coastal and island communities. Southern hopes to operate the first seagliders in Hawaii and then expand this new mode of transportation to South Florida, the Bahamas, and the Caribbean.

Recent Accomplishments

MORGANTOWN, WV: 2023 – Highest annual passenger count since 2016.

LANCASTER, PA: October 2023 – Record-setting monthly passenger count (going back 10 years).

IMPERIAL, CA: October 2023 – Best October passenger count in over 10 years.

QUINCY, IL: October 2023 – Highest monthly passenger count of the year.

JACKSON, TN: November 2023 – Highest monthly passenger count of the year.

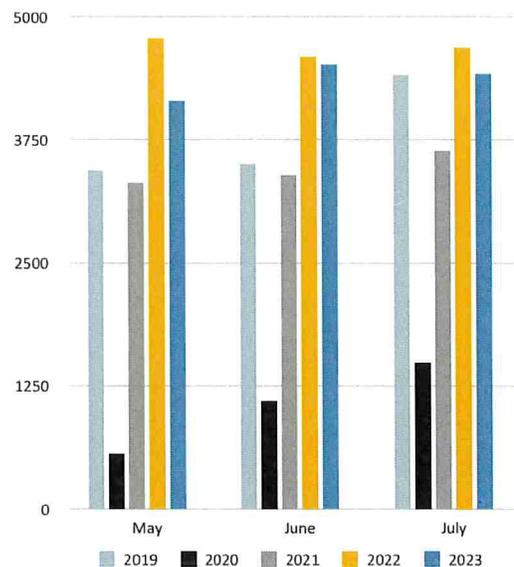
SHOW LOW, AZ: November 2023 – Highest monthly passenger count of the year.

JONESBORO, AR: November 2023 – Highest monthly passenger count of the year.

SIZZLING SUMMERS IN THE MID-ATLANTIC

Southern's 2022 & 2023 Passenger Counts in Morgantown, DuBois, Bradford, and Lancaster were the highest on record!

(See the trend over the past five years)



Becoming the Best Commuter Airline in America

Southern Airways is the largest commuter airline in America and is making strides to be one of the best passenger experiences in the country as well. Below are a few of the improvements that Southern has made over the past few years that has positioned the airline to provide a greater experience for the passenger.



- Southern has secured interline agreements with American, United, Alaska, and Hawaiian Airlines.
- Southern developed the most robust pilot recruiting program in the country. As a result of five full years of pilot recruiting, training, and retention, Southern is now poised to provide reliable service for 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 assures the originating flight to the hubs and the terminating flight into the EAS communities every day.
- 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.
- 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, 365 days a year.
- Southern developed its own mobile booking app, rivaling the most interactive airline booking apps available.

Screenshot of the Southern Airways Express mobile app login screen. It features the Southern Airways Express logo at the top, followed by the text "Log In To Southern Airways". Below this are input fields for "Username" and "Password". There are links for "Forgot Userna..." and "Forgot Passw...", and checkboxes for "Remember Us..." and "Use Face ID". A "LOG IN" button is present, along with a "JOIN IFLYSOUTHERN" button. At the bottom, there is a "CONTINUE AS A GUEST >" link and links for "PRIVACY POLICY" and "NEED HELP? CONTACT US".

Screenshot of the Southern Airways mobile app flight booking screen. It shows the "Book a Flight" header with a Southern Airways logo and the note "All fields are required". Below this are tabs for "ROUND-TRIP" and "ONE-WAY". The origin is set to "PIT" and the destination to "MKG". The travel dates are "Mon, Jun 5 - Wed, Jun 7". There are sections for "PASSENGERS" (set to 1) and "PROMOTION" (with an "Enter Code" field). A "FIND FLIGHTS" button is at the bottom.

TSA Pre✓



SOUTHERN: The Airline for Your Community



1. Mississippi State fans ringing cowbells on the Southern Airways MD-80 charter to Miami for the Orange Bowl!
2. One of Southern's trademark customer appreciation ramp parties
3. Southern sponsors community events throughout the year
4. Southern engages the local airports, like when we bet the Harrison. Arkansas airport director on the outcome of the 2020 Ole Miss versus Arkansas football game... and lost! Southern sold \$5.00 tickets to Dallas for losing.



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 2023 in all Southern Airways markets.



Fueling the Local Economy

Southern is committed to being a good airport partner and an asset not just to 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 perspective, 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 has developed a strong platform for growth in all of its communities.

Southern Airways Express believes that our 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.

Respectfully submitted,

R. Stan Little Jr.
Chief Executive Officer
Southern Airways Express, LLC



McCook, Nebraska

	Option A
	PC-12
Weekly Round Trips	
MCK-DEN	12
Total	12
Operating Revenues	
MCK-DEN	\$305,532
Total Operating Revenues	\$305,532
Operating Expenses	
Flying Operations	\$841,205
Fuel and Into Plane	\$558,059
Maintenance	\$681,688
Aircraft	\$535,240
Indirect	\$331,290
Total Operating Expenses	\$2,947,481
Operating Loss	\$2,641,949
Profit Element (9.5%)	\$280,011
Compensation Required	\$2,921,960
Compensation per Departure	\$2,376
Annual Block Hours	1,989
Annual Seats	11,070
Annual Passengers	4,428
Load Factor	40%
Departures	1,230
Average Fare	\$69
Completion Factor	98.50%
Compensation Required Year 1	\$2,921,960
Compensation Required Year 2	\$2,995,009
Compensation Required Year 3	\$3,069,884
Compensation Required Year 4	\$3,146,631

SCHEDULE:

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

STATUS	VENDOR	VENDOR	PROJECTED SPEND
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

Southern targets a marketing budget of \$25,000 per year until its enplanement goal is reached.



We fly to make your day!

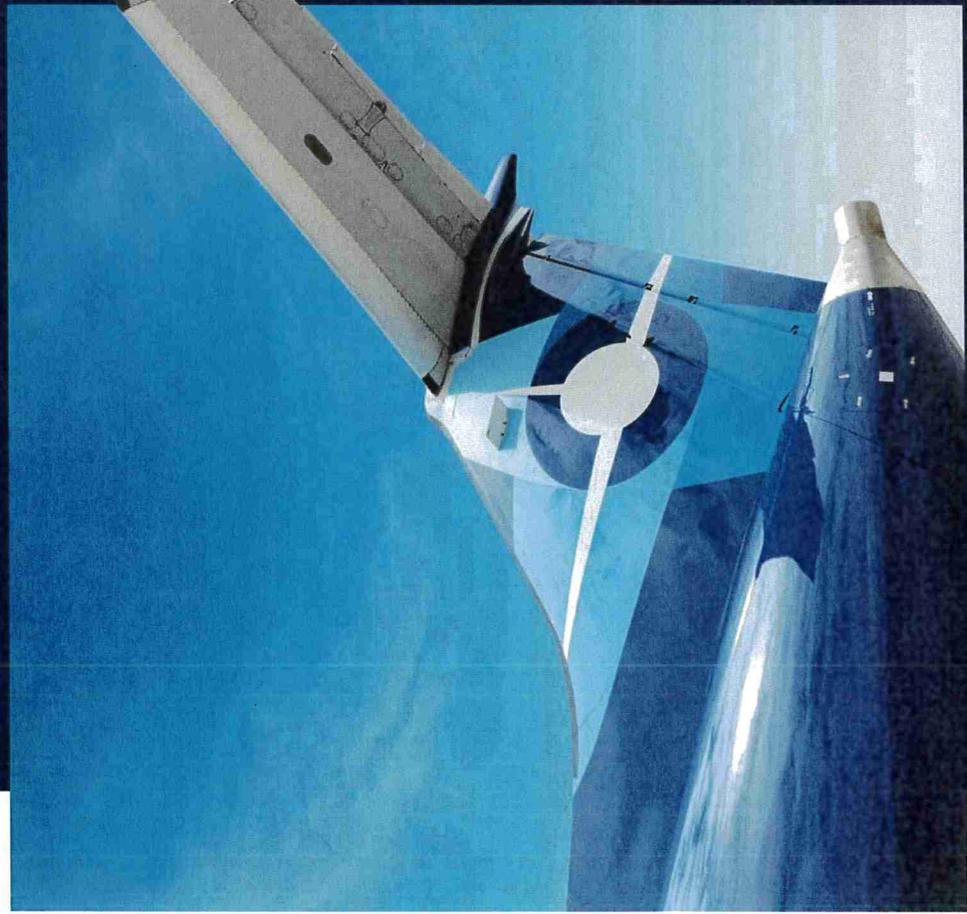
Sonny McFly



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

SURFAIR
A Surf Air Mobility Company

 [iFlySouthern.com](https://www.iFlySouthern.com)



Proposal for Essential Air Service



McCook, NE

DOT-OST-1997-3005

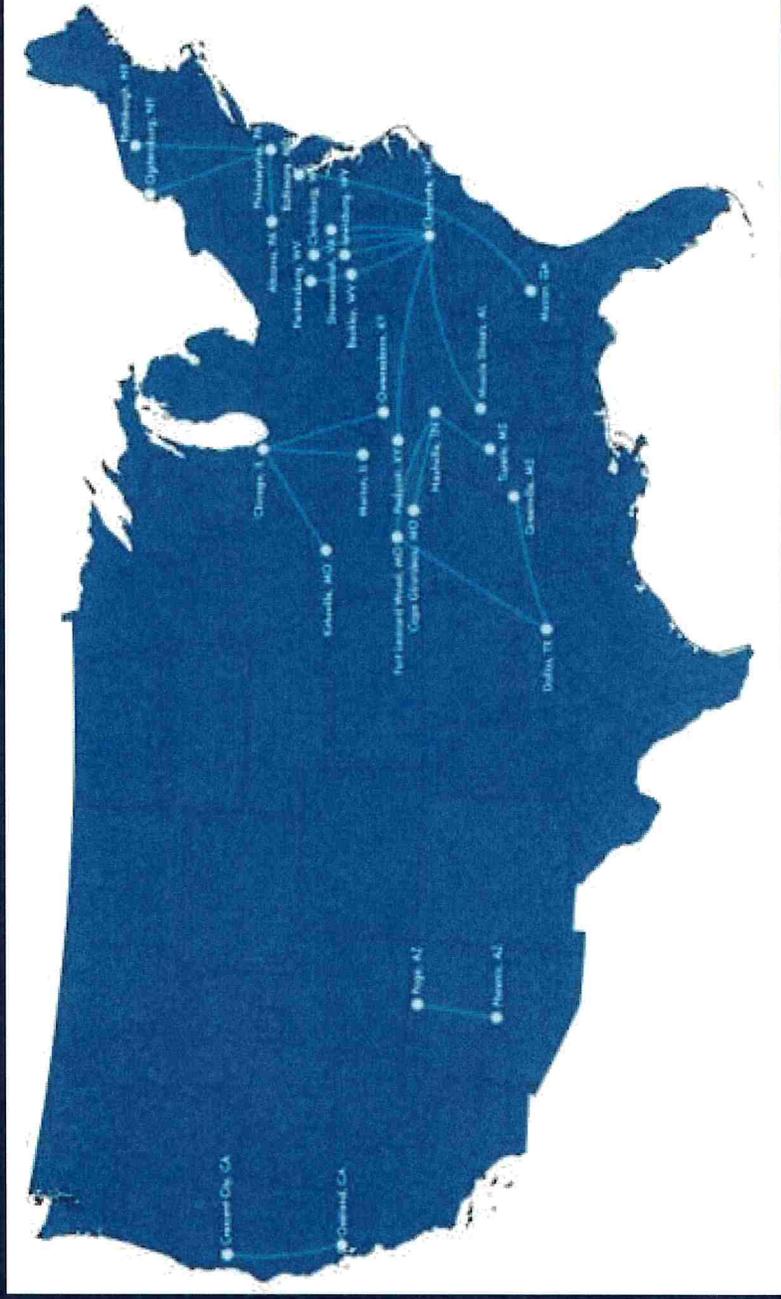


CONTOUR

Expanding Network

Contour Airlines has grown rapidly without sacrificing industry-leading reliability

- Contour launched its first scheduled route, Tupelo (TUP) to Nashville (BNA) in 2016
- Contour has since expanded to 26 cities nationwide, carrying over 350,000 passengers annually.
- Contour has maintained industry-leading reliability despite its rapid growth, with its controllable completion factor topping 96% each of the last twelve months.



Contour Airlines Route Network August 2023



CONTOUR

Regional Jet Fleet



Contour's regional jet fleet provides a consistent and reliable product to our customers

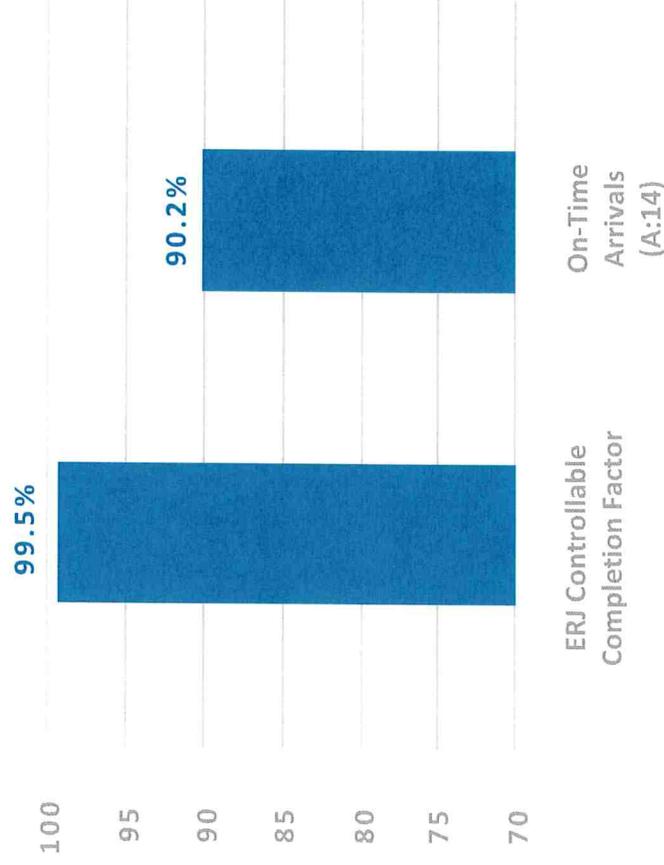
- Contour operates a fleet of 30+ regional jets and a variety of business jets available for private charter.
- Our Embraer regional jets seat 30 passengers in a 2 by 1 configuration and feature 36" of seat pitch in every row.
- Contour performs heavy checks in-house at its primary maintenance facility in Smyrna, TN, as well as line maintenance at multiple outstations across the country.

Reliability and Safety

- In 2021 Contour's network on time performance was 90.2% and controllability completion factor was 99.5%, both of which are among the best in the industry.
- Contour has been consistently ranked either the first or second most punctual airline in America by OAG.
- The company renewed its Department of Defense certification and underwent an audit that imposes the most exacting safety standards



2021 Operational Reliability



CONTOUR

* Source: OAG Airline Monthly OTP – September/October 2019

EAS Success

Contour's operational reliability has driven considerable traffic growth over prior carriers in EAS markets

More passengers, jet service could lead to bigger things

"Contour promised to deliver, and they've made good on that promise. Almost always on time, Contour helped bring passenger boardings at Tupelo Regional Airport to a nine-year high."

-Daily Journal, January 13, 2019

Contour revitalizes Tupelo air service

"Contour has restored reliability and trust to air service in the All-America City."

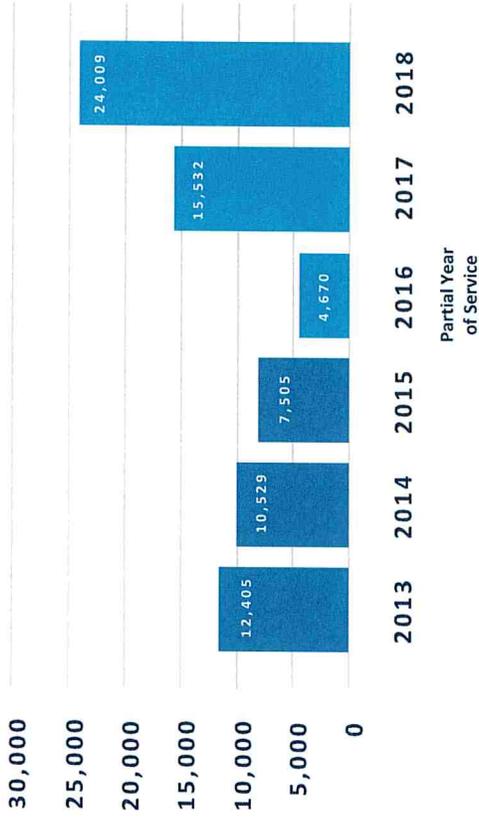
-Daily Journal, January 4, 2019

Contour Airlines numbers continue to fly high

"Month after month, the number of passengers flying through the Middle Georgia Regional Airport continues to soar...It's a level of success the airport hasn't seen..."

-41 NBC Macon, July 11, 2018

**Tupelo, MS
Passenger
Traffic by
Year**



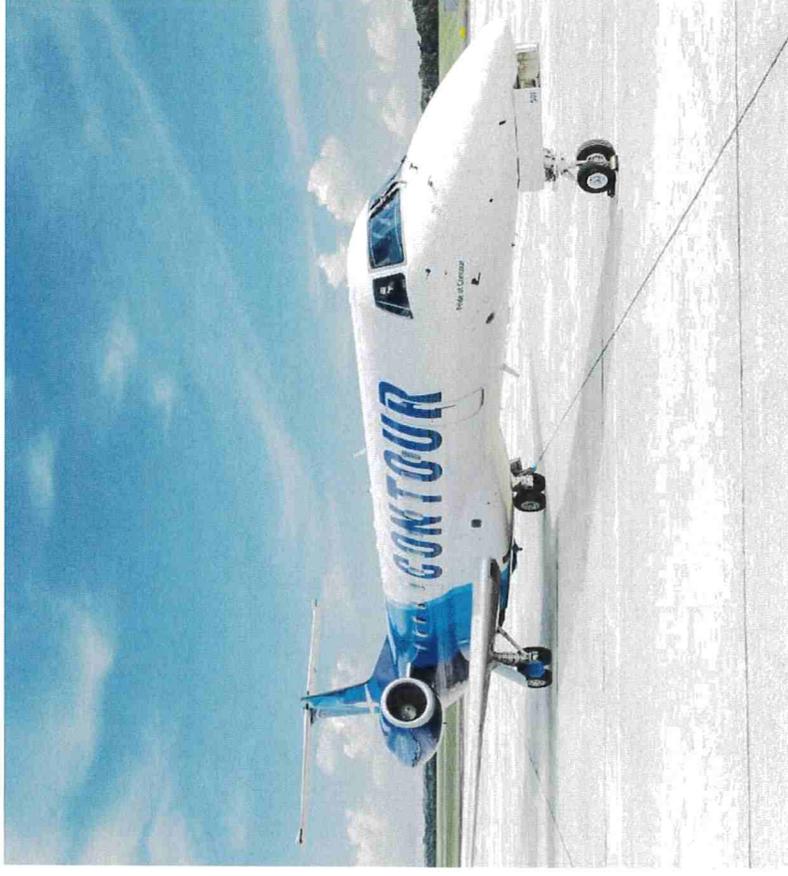
**Macon, GA
Passenger
Traffic by
Year**



CONTOUR

Marketing Plan

- Contour schedules are ideally timed for business travel and onward connections.
- Contour commits to a marketing spend of at least \$25K annually using mix of social media, print, radio, billboards, and sponsorships
- An interline agreement with American Airlines now offers seamless connections to destinations around the world
- Contour offers a complimentary checked bag to all passengers as well as other consumer-friendly policies, particularly when compared to legacy carriers
- Super Saver Fares are unique to Contour and offer highly discounted fares for last minute travel as low as \$19 each way, stimulating demand and increasing passenger traffic.

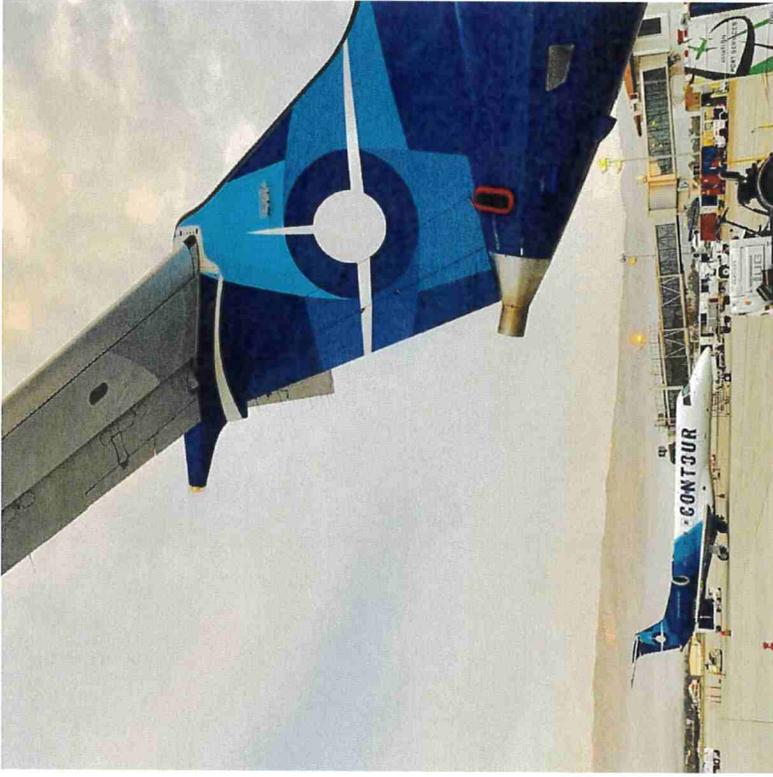


Customer Experience

Contour has made significant investments in our internal and external customer experience

- Contour has an interline partnership with American Airlines that began October 2019. Contour and American combined itineraries can be booked via contourairlines.com, AA.com, and all major online and retail travel agencies.
- Contour has launched a mobile app that supports booking, trip management, check in, and flight status monitoring.

American Airlines 



McCook, NE
 Route: MCK-DEN 12 weekly round trips
 Service in Regional Jet Aircraft configured with 30 passenger seats
 All flights conducted as 14 CFR Part 380 public charters
 Year 1 Projection - 36 Month Term
 Annual Escalation: 5% Year Over Year

Operations

Scheduled Flight Segments		1,248
Completion Factor/Completed Flight Segments	97%	1,211
Scheduled Seats	30	37,440

Revenue

Estimated Average Load Factor/Total Annual Passengers	45%	16,848
Average Fare	\$	70.00
Total Revenue	\$	1,179,360.00

Expenses

Fuel	\$	1,952,600.00
Maintenance and Reserves	\$	1,489,200.00
Pilot Costs	\$	1,825,000.00
Aircraft Fixed Costs	\$	850,000.00
Marketing	\$	25,000.00
Other Indirect Costs	\$	690,000.00
Total Expenses	\$	6,831,800.00

Profit Component (Percentage of Total Expenses)	5%	\$	341,590.00
Proposed Subsidy - Year 1		\$	5,994,030.00

*Service contingent on the community waiving its right to scheduled air transportation





Jan 10, 2024

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 2023-12-2/Proposal to Provide Essential Air Service at McCook, Nebraska
Via e-mail to: EAS@dot.gov and 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 2 term with a 4 year option. 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 blue ink that reads "Marcus Hesting".

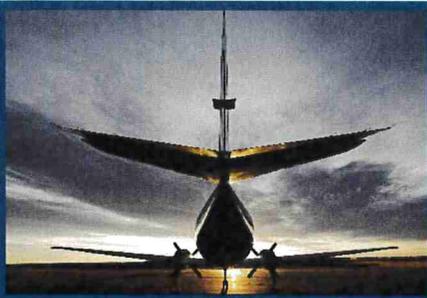
Marcus Hesting,
Director of Finance
Denver Air Connection
13252 E. Control Tower Rd. / Englewood Colorado 80112 / O: 303.768.9626 / M: 720.635.5903
mhesting@keylimeair.com / denverairconnection.com



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 2023, Alliance again reselected Denver Air Connection to continue service through 2025.

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. In 2022, Denver Air Connection was selected to continue serving the community for another four years.

Thief River Falls, MN – Denver Air Connection began service to Minneapolis on June 1, 2020. In 2022, Denver Air Connection was selected to continue serving the community for another five years.

Pierre, SD – Denver Air Connection began service to Denver on July 1, 2021. In 2023, Pierre reselected Denver Air Connection to continue providing service into 2025. Additionally, Denver Air Connection began providing service to Minneapolis in November, 2023.

Watertown, SD – Denver Air Connection began service to Denver and Chicago O’Hare on July 1, 2021. In 2023, Watertown reselected Denver Air Connection to continue providing service into 2025.

Ironwood, MI – Denver Air Connection began service to Chicago O’Hare and Minneapolis on October 1, 2021. In 2023, the Ironwood community reselected Denver Air Connection for a four year term to provide service through 2027

Alamosa, CO – Denver Air Connection began service to Denver in June 2022.

Cortez, CO – Denver Air Connection began service to Denver and Phoenix in October 2022.

Kearny, NE – Denver Air Connection began service to Denver in November 2022.

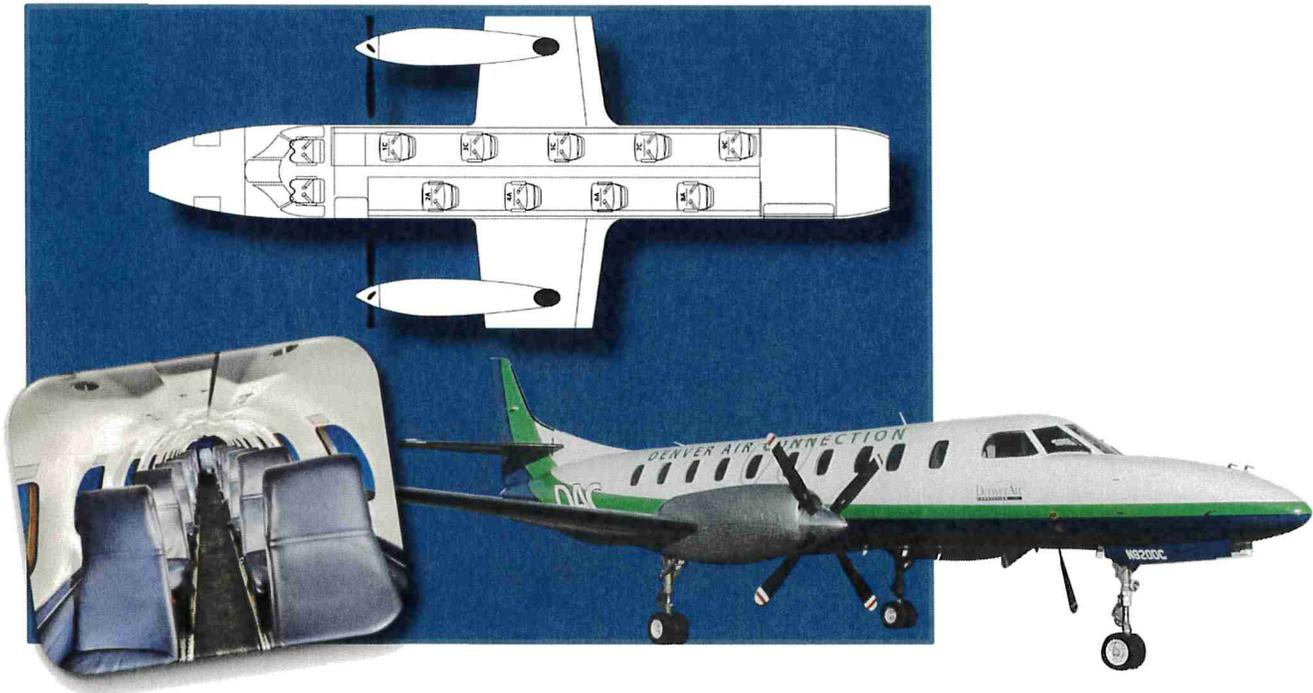


McCook is precisely why we are in business and exactly the type of service we specialize in with a proven track record that our partner communities are proud to offer their citizens and businesses.

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

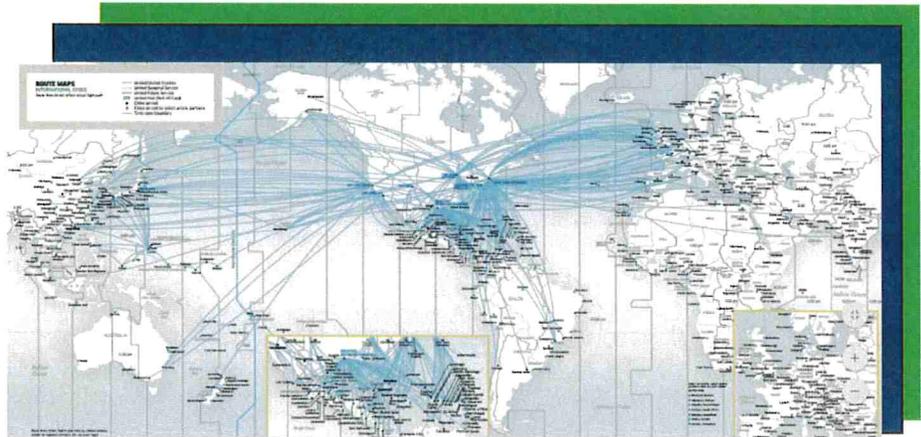
Denver Air Connection's Interline Agreements with United Airlines and American Airlines provide our community partners with travel network access benefits including the convenience to search, book and purchase tickets on our partners' web sites as well as baggage transfers and thru-checks to and from any of our partners' US destinations.

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 and American Interline Agreements, 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

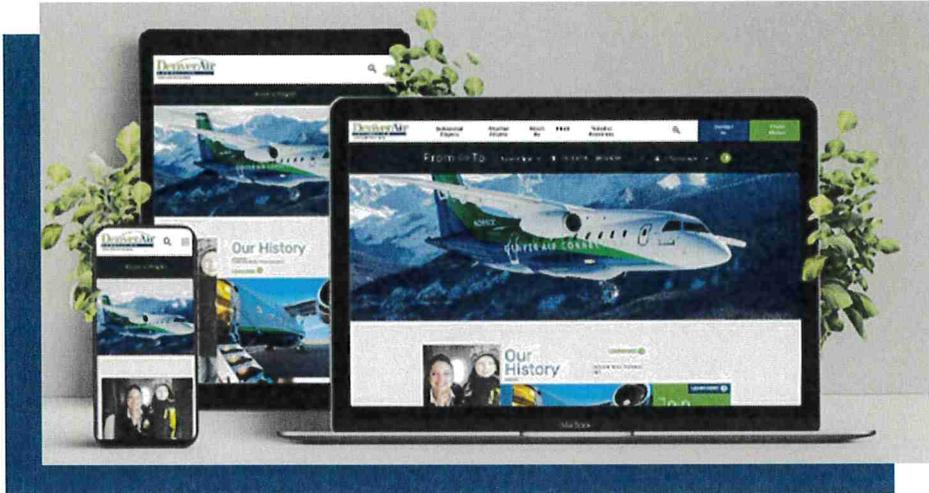
All aircraft are maintained in house under our FAA approved maintenance program. This in conjunction with our part 145 Repair Station gives us the ability to maintain, inspect, and alter our aircraft and components at all levels. We pride ourselves on never leaving passengers stranded due to maintenance 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 98% for our EAS communities.

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 to McCook 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 primarily based on the recommendation of the community. The DOT will formally solicit the views of the McCook community as to which carrier they prefer. After receiving the communities' views, 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 an exceptional rate on completed flights and impressive 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 established interline agreements with United Airlines and American Airlines which provides seamless access to these Airlines' networks.

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 interline agreements with American Airlines and 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.

In accordance with DOT EAS requirements, Denver Air Connection certifies it is in compliance with:

- 49 CFR Part 20 – New restrictions on lobbying; and
- 49 CFR Part 21 – Nondiscrimination in federally-assisted programs of the Department of Transportation – Effectuation of title VI of the Civil Rights Act of 1964; and
- 49 CFR Part 27 – Nondiscrimination on the basis of disability in programs and activities receiving or benefiting from federal financial assistance; and
- 14 CFR Part 382 – Nondiscrimination on the basis of disability in air travel; and
- 2 CFR Part 1200 – Government-wide debarment and suspension (non-procurement) and government-wide requirements for drug-free workplace (grants).

Denver Air Connection's mission, vision, culture and performance make it the right choice for McCook.

Bid Proposal

This bid is for a dedicated aircraft based in McCook, Nebraska. The proposal is for a two-year term with a four-year option.

Denver Air Connection
EAS McCook, NE

	MCK-DEN
Number of round trips per week	12

Aircraft Data	Metro 23
Block Hours	1,440
Load Factor	38%

Passenger Revenue	
Passengers	4,320
Average Fare	95.00
Revenue	410,400

Expenses	
Aircraft Lease	168,000
Crew Cost	1,345,852
Maintenance	307,008
Insurance	184,800
DEN Operating Expense	347,014
MCK Operating Expense	406,800
Overhead/Supplies/Staff	209,000
Deice, Catering and Misc.	82,006
Advertising	20,000
Fuel Cost	717,600
Total Expense	3,788,080

	Annual Subsidy Requirement
Operating Income	(3,377,680)
Profit (5%)	189,404
Subsidy Year 1	3,567,084
Subsidy Year 2	3,816,780
Subsidy Year 3	4,083,955
Subsidy Year 4	4,369,831
*7% Annual Increase	

Effective Subsidy Rates	
Subsidy per Trip (97% completion)	2,947
Subsidy per Passenger	826

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
(303) 768-9626 O | (303) 718-4301 M