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## MANISTEE BLACKER AIRPORT AUTHORITY

COMMERCIAL AIRLINE SERVICE | GENERAL AVIATION | RENTAL SERVICES | FLIGHT SCHOOL

2323 Airport Road  
Manistee, MI 49660  
231.723.4351  
manisteeairport@gmail.com

May 14, 2020

Kevin Schlemmer  
Essential Air Service and Domestic Analysis Division Chief  
Office of Aviation Analysis  
Department of Transportation  
1200 New Jersey Avenue, SE, W84-117  
Washington, DC 20590

Dear Mr. Schlemmer,

Subject: Community Comments on Essential Air Service Proposals (Order 2020-2-5)

### Summary

After over eight years of participation in the Alternate Essential Air Service program, the Manistee Blacker Airport Authority is requesting to transition back to the standard Essential Air Service program. The Manistee Blacker Airport Authority has reviewed all of the Essential Air Service proposals received in response to Order Requesting Proposals 2020-2-5 and recommends that DOT select Option 1 of Cape Air for a two year agreement. Cape Air's Option 1 consists of a proposed subsidy of \$3,683,643 for the first year of the service agreement for 2190 annual scheduled departures (1095 annual scheduled round trips; 3 daily round trips on average; or 2,124 actual departures at 97% completion rate) with Tecnam P2012 9 seat twin-engine aircraft between Manistee County Blacker Airport and Chicago O'Hare International Airport. The Airport Authority further requests that DOT grant Cape Air flexibility in scheduling the subsidized departures in ways that meet the seasonal demands for air service in the Manistee/Ludington area. Specifically the Airport Authority requests that DOT allow Cape Air the flexibility to schedule its 2190 annual scheduled departures (1095 annual scheduled round trips) within a range of 12 weekly round trips minimum and 36 weekly round trips maximum, working with the community to optimize the seasonal scheduling. With Cape Air's proposed service and seasonal flexibility in scheduling, the Airport Authority believes that Cape Air's Option 1 will best meet the air service needs of the Manistee/Ludington community allowing a return to standard Essential Air Service.

### **Airport Authority Evaluation Process**

The Manistee Blacker Airport Authority board is made up of a broad set of individuals representing a variety of community interests. The seven member board is composed of three members who are elected Manistee County Commissioners representing the interests of local residents; one member is selected by the elected officials of the City of Manistee as its representative; and three members are at-large representatives, representing business and aviation interests in the area.

The Airport Authority began working on its evaluation process back in November. At the November regular meeting the board discussed the criteria to be used to evaluate EAS proposals. At that time the board determined six criteria for their evaluations.

The board identified the following criteria for evaluation of proposals:

1. Reliability
2. Schedule and Frequency
3. Interline/Baggage Agreement
4. Pricing
5. Aircraft Type (size, twin-engine, etc)
6. Hub (with a request to evaluate Grand Rapids as a potential hub)

While different, the above criteria align in general with the five criteria DOT uses to evaluate proposals:

- (a) service reliability;
- (b) contractual and marketing arrangements with a larger carrier at the hub;
- (c) interline arrangements with a larger carrier at the hub;
- (d) community views, giving substantial weight to the views of the elected officials representing the users
- (e) whether the carrier has included a plan in its proposal to market its service to the community

At its regular meeting on April 20, 2020, the Airport Authority Board began its decision making process. It scheduled a special board meeting for April 27, 2020 and subsequently for May 4, 2020. All of these meetings of the Manistee Blacker Airport Authority were public meetings, conducted under revised Michigan Open Meetings Act rules allowing for public meetings to be held via video

telecommunications technologies in compliance with the COVID-19 Stay Home Stay Safe Executive Orders prohibiting physical gatherings of people.

Each carrier was given a multiple page list of questions about their proposals and requested to submit written responses to those questions for the Authority's consideration.

During the April 27<sup>th</sup> meeting the Authority received video presentations from each of the four Air Carriers that submitted proposals in response to Order 2020-2-5 for EAS service to Manistee/Ludington. Each carrier was given one hour for their presentations and any followup questions and answers.

At the May 4<sup>th</sup> meeting the Authority met to make their decision on a recommendation to DOT from among the proposals submitted. After a total of over 6 hours of public presentations and deliberations the Authority board unanimously selected Option 1 of Cape Air as the best proposal for meeting the needs of the community according to both the Authorities selection criteria as well as the DOT selection criteria.

### **Comments on the Proposals**

While all carriers submitted strong proposals, and likely each could provide good service to Manistee, it became apparent that Cape Air and Boutique had the strongest proposals based on their stronger partnerships with mainline Carriers at the Chicago O'Hare hub, and existing experience (or soon to be experience) operating out of ORD.

However the proposal of Cape Air was determined to be the best fit for the community because it best matched the needs of the community and met all DOT consideration criteria. Specifically the Airport Authority was impressed with the level of marketing support pledged in Cape Air's proposal. The Airport Authority also felt that the safety needs for twin engine aircraft gave Cape Air's proposal an advantage over Boutique's proposals (either Boutique's single engine proposal at nearly the same subsidy level or their twin-engine proposal at a higher subsidy level).

### **Consideration of the Seasonality Needs of the Community**

The Airport Authority would like to thank DOT for including in their Order Requesting Proposals 2020-2-5 the language identifying the needs of the community in regards to the seasonality of its air service demand. We would also like to thank all four bidders for providing options that addressed these seasonal differences in demand.

In light of the dramatic impacts being seen by the aviation industry due to the COVID-19 pandemic, it is very difficult to predict the future passenger demand for air transportation. How well historic data



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will be a predictor of future patterns remains to be seen. In light of this uncertainty we are requesting that DOT provide Cape Air flexibility in adjusting their schedule to meet the seasonal demands for air service at the Manistee County Blacker Airport.

Cape Air's Option 1 calls for an average of 3 round trip flights per day over the course of a year or 1095 scheduled round trips (2190 scheduled departures). Given the minimum service level for Essential Air Service of two round trips per day six days a week we would request that DOT allow Cape Air the flexibility to schedule its 1095 annual scheduled round trips during the year between the statutory minimum of 12 weekly round trips and a maximum of 36 weekly round trips. We believe that Cape Air working together with the community can optimize the schedule to utilize the 1095 scheduled annual round trips (2190 scheduled annual departures) to best match the seasonal needs of the community for air service as the industry recovers from the effects of the COVID-19 pandemic. This flexibility will allow Cape Air to react to the recovery in demand in optimal ways without needing to request formal service level modifications from DOT. We have discussed this request with Cape Air and they are supportive of the Airport Authority's request.

### Conclusion

The Manistee Blacker Airport Authority is thankful for the opportunity to provide input to DOT's decision making process as it relates to the Essential Air Service carrier selection at Manistee/Ludington, MI. We recognize the importance of quality, affordable air service to the economic well being of our community and its citizens. Especially in light of the economic turmoil our region, state, nation and world are now experiencing due to COVID-19, we tremendously value the efforts of DOT to ensure air service remains available to our community.

Sincerely,

Barry Lind  
Airport Director  
Manistee County Blacker Airport