



August 31, 2020

Michael Gormas
United States Department of Transportation
Office of Aviation Analysis
1200 New Jersey Ave SE
Washington, DC 20590

Dear Mr. Gormas:

Attached is SkyWest Airline's proposal to provide air service from:

- El Dorado, AR to Houston Intercontinental Airport (IAH)
- Hot Springs, AR to Houston Intercontinental Airport (IAH)

SkyWest welcomes the opportunity to provide air service to these communities. Our combination of safe and reliable aircraft, well-timed schedules, and access to one of the world's largest airline networks will provide passengers with quality air service and stimulate economic growth in the region.

As directed by the RFP, we will offer each community 12 round-trip flights per week for a three year term. All flights are guaranteed to operate on twinjet aircraft with no single engine substitutions. All flights will depart and arrive to facilitate seamless connections to United's large and diverse flight schedule in IAH which will make the service convenient for both business and leisure travelers. Our proposal makes it easy to get to destinations across the country and around the world. All flights are subject to gate availability and don't have up line scheduling restrictions.

The proposal for El Dorado is contingent upon the airport securing part 139 certification before the contracted start date. SkyWest is willing to partner with the community to develop a plan to meet part 139 requirements.

SkyWest believes this proposal provides the best overall option for air service in these communities, with excellent connectivity to the national transportation system.

Thank you for your consideration.

A handwritten signature in black ink, appearing to read "Greg Atkin", written in a cursive style.

Greg Atkin

Managing Director – Market Development

SkyWest Airlines

About SkyWest Airlines

With over 13,000 aviation professionals operating nearly 2,400 daily flights, SkyWest Airlines connects millions of passengers each month to 258 destinations across North America. SkyWest operates in partnership with Alaska Airlines, American Airlines, Delta Air Lines, and United Airlines and has a fleet of 484 aircraft. SkyWest has been connecting small communities to the national transportation system for its entire 47 year history.

Headquartered in St. George, Utah, SkyWest's industry-leading workforce and excellent leadership team have consistently generated top tier operational reliability, setting the standard for excellence in the regional airline industry.



- Fortune World's Most Admired Companies 2019
- ATW *Regional Airline of the Year* three times
- Bombardier's top reliability award for the CRJ200 six times
- The FAA's AMT Employer Gold Award for

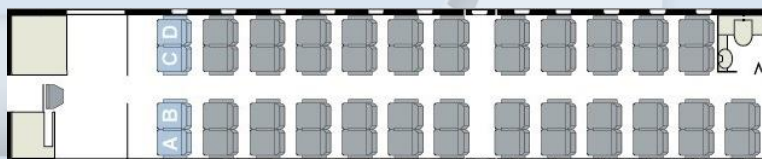


Critical Attributes of SkyWest's Proposal



50 Seat Twinjet Service

The CRJ-200 is a quiet and modern twinjet that is both safe and fast. All SkyWest CRJ200 aircraft are serviced by a highly-trained flight attendant and each plane features a restroom, further adding to the comfort and convenience of each passenger's flying experience. SkyWest operates 150 CRJ-200 aircraft and plans to keep this aircraft in its fleet for many years to come.



Superior Traffic Generation

SkyWest 50 seat jets provide the best opportunity for passenger growth. SkyWest service provides significantly higher seat capacity than 8/9 seat carriers and delivers industry leading reliability. Passengers also benefit greatly from seamless connectivity to one the largest global airlines in the world.



Critical Attributes of SkyWest's Proposal



Superior Network and Connectivity

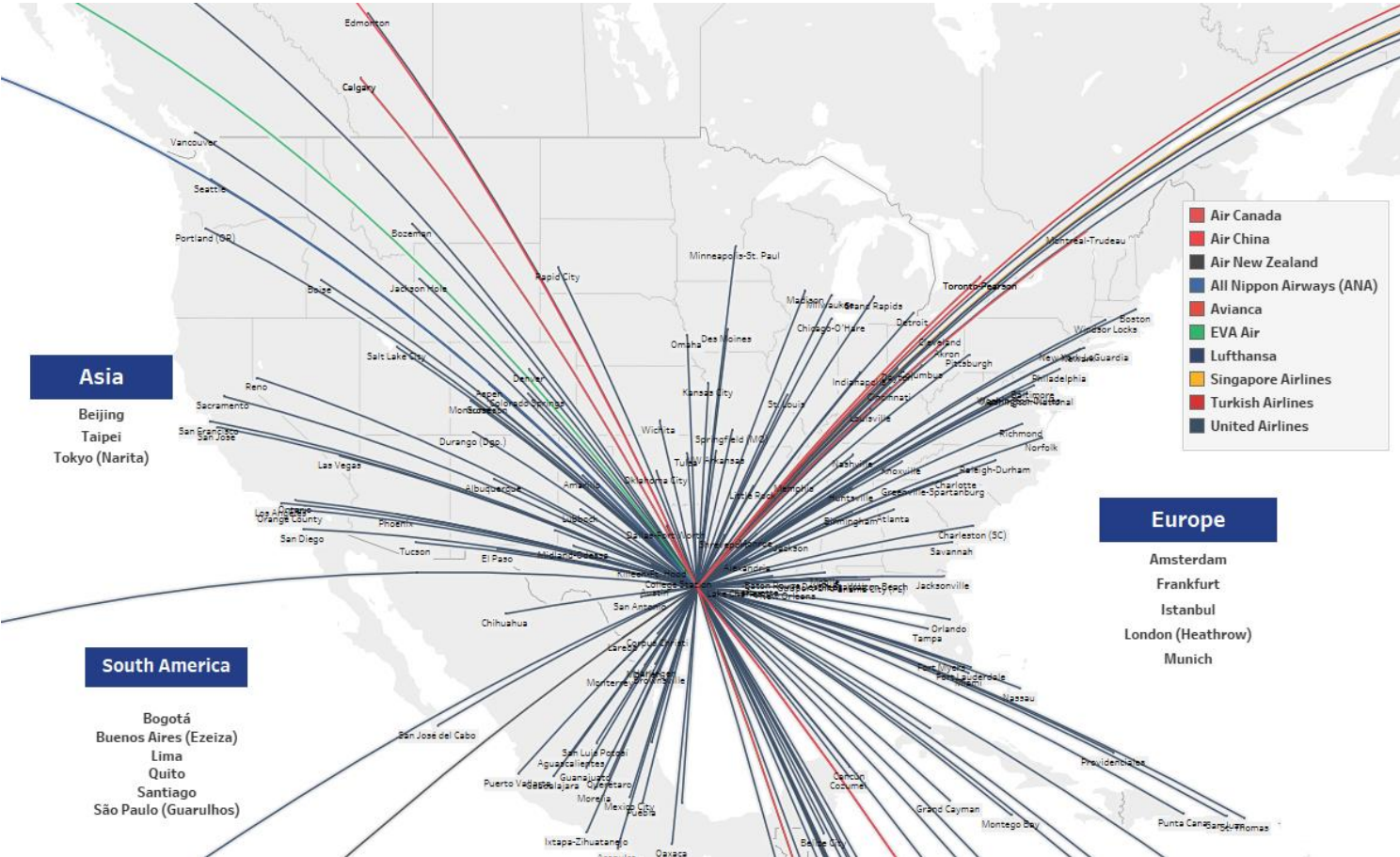
This service will be marketed as United Express and will feature seamless bookings, connections, and baggage transfers that will access United Airlines’ vast global network. This includes over 5,400 daily flights to more than 370 airports. United is also the largest member of the Star Alliance network, which allows travelers to connect to more than 22,000 daily flights to nearly all parts of the globe. This full codeshare and connectivity makes it simple for passengers to plan their travel and to effortlessly fly to their destination.



Superior Airports and Terminals

Houston Intercontinental is a key hub for United Airlines. Flights will arrive and depart from United’s main terminal. This means passengers will not have to re-clear security or hop on a bus to make a connection.

Route Map



Critical Attributes of SkyWest's Proposal



Superior Reliability

SkyWest has been named the most reliable CRJ-200 operator in North America five times since 2007. We have also been named the #1 On Time carrier for contiguous 48 states several times.



Subsidy Cap Compliant

All applicable SkyWest EAS communities are comfortably compliant with the DOT's passenger subsidy cap. SkyWest's proposal is also well within compliance of the subsidy cap. The proposal will provide measurable assurance in complying with DOT regulations and ensuring that each community is well positioned for continued future air service.



Marketing Plan

SkyWest will actively market the service with a variety of promotions. We will dedicate \$20,000 per year for marketing support. We advertise in print, digital, radio, online, and other means necessary. This effort will assist in generating awareness of the flight options offered.



SkyWest Airlines		
Essential Air Service Bid		
8/31/2020		
	ELD IAH	HOT IAH
Number of Round Trips Per Week	12	12
Aircraft Type	CRJ	CRJ
Passenger Revenue		
Passengers	23,000	24,000
Average Fare	\$ 100.00	\$ 105.00
Revenue	\$ 2,300,000	\$ 2,520,000
Block Time		
Trip Block Time (minutes)	78	88
Total Scheduled Block Time	1,622	1,830
Total Completed Block Time	1,523	1,718
RPMS		
Passengers	23,000	24,000
Stage Length	268	336
Total RPMs	6,164,000	8,064,000
ASMs		
Scheduled Departures	1,248	1,248
Completed Departures	1,220	1,220
Stage Length	268	336
Available Seats	50	50
Total ASMs	16,350,273	20,498,849
Expenses		
Marketing Costs	\$ 20,000	\$ 20,000
Direct Operating Expenses	\$ 4,025,165	\$ 4,589,736
RPM Related	\$ 94,283	\$ 98,383
Departure Related	\$ 1,164,708	\$ 1,164,708
ASM Related	\$ 152,385	\$ 191,049
Total Expenses	\$ 5,456,541	\$ 6,063,876
Operating Income (loss)	\$ (3,156,541)	\$ (3,543,876)
5% Profit Margin	\$ 272,827	\$ 303,194
Annual Subsidy Requirement	\$ 3,429,368	\$ 3,847,070
Effective Subsidy Rate Per Unit		
Subsidy Per Trip	\$ 2,811	\$ 3,153
Subsidy Per Passenger	\$ 149	\$ 160
Load Factor	38%	39%