

Essential Air Service Proposal



Altoona, PA

DOT-OST-2003-11446

April 24, 2020



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 Cessna aircraft. As a charter operator we have received certifications from both industry-leading safety organizations, ARG/US and Wyvern. Boutique Air employs pilots that are highly experienced and hold the most advanced FAA ratings - a key reason for our continued perfect safety record.

In July of 2012, Boutique Air applied for commuter operating authority from the Department of Transportation. We quickly passed tests on financial fitness and management competency, receiving authority for scheduled service in January of 2014. We began flying scheduled service between Los Angeles and Las Vegas in January of 2014.

We have worked to develop effective distribution channels. We have connections in place with all of the major Global Distribution Systems (GDSs), which travel agents use to access the market. 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, Orbitz, CheapTickets, and CheapOAir.

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 and now serve 16 different EAS communities and operate out of 30 different airports. Continuing on this path of successful growth, Boutique Air's most recent community began service to Victoria, Texas in November 2018.



What People Are Saying About Boutique Air

*Boutique Air PC-12, one of the **best turboprop aircraft** on the market!... Give them a try!!*

-Tarek A. via Yelp.com

*We also feel that the PC-12 aircraft bid by Boutique Air presents the **safest and most comfortable option for the traveling public.***

-Hon. Mayor David Lansford in Recommendation Letter
City of Clovis, NM

*Flew with Boutique from LA to Vegas and back and must say I was extremely surprised. From the ease of check-in, To the flight itself, **the whole process was great.** Price was competitive with any other airline out there. I plan on flying boutique for all my Vegas outings, and may even look into renting the whole plane for a group trip. Thanks Boutique!*

-Kevin J. via Yelp.com

*We find that Boutique Air is fit, willing and able to operate as a commuter air carrier, and **capable of providing reliable Essential Air Service...***

-Susan L. Kurland in Clovis EAS Award
Asst. Sec. for Aviation and International Affairs
US DOT

*Right now Boutique Air is a **very cool secret.***

-Examiner.com

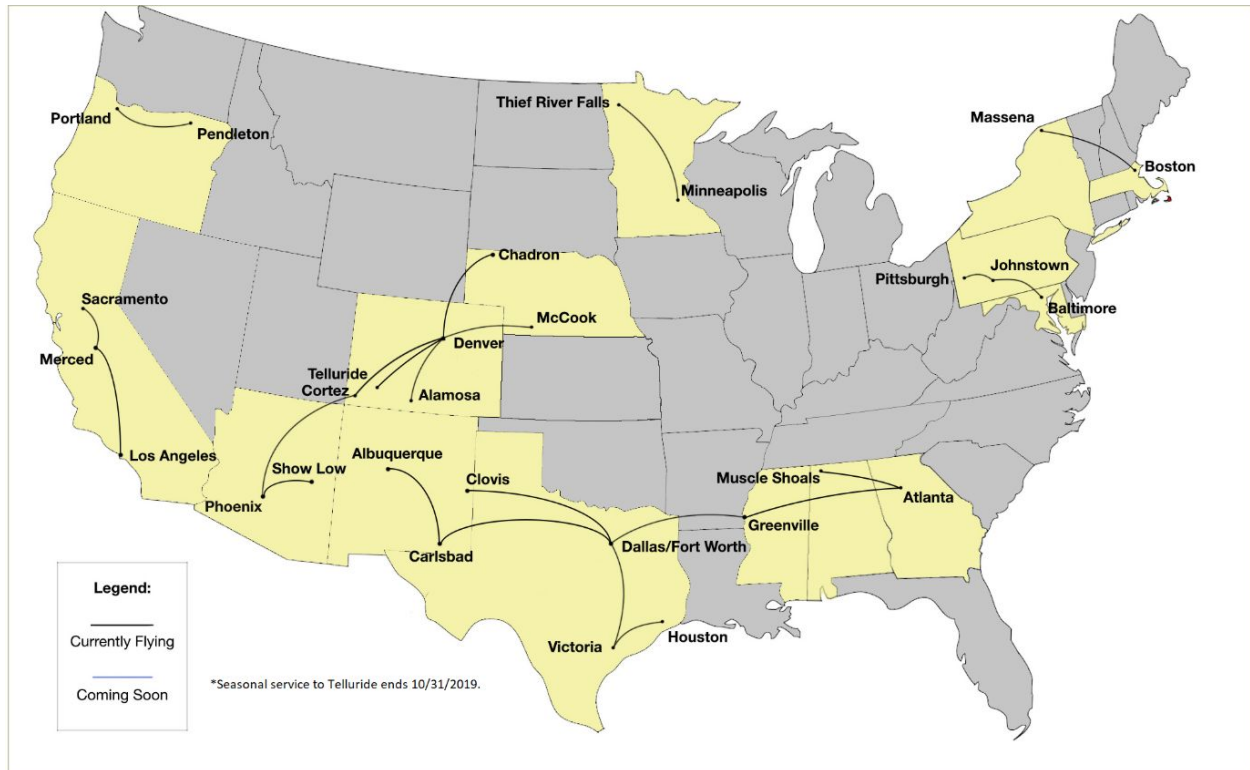
*Flew with Boutique Air from LA to Las Vegas round trip and it was a great experience. **Good service, on time departures, and a hassle free and nice way to travel in general.** A really nice pilot and copilot as well.*

-Patrick S. via Yelp.com

***Smooth flights and personable staff** are part of the experience...*

-Clovis News Journal

Route Map



Aircraft:

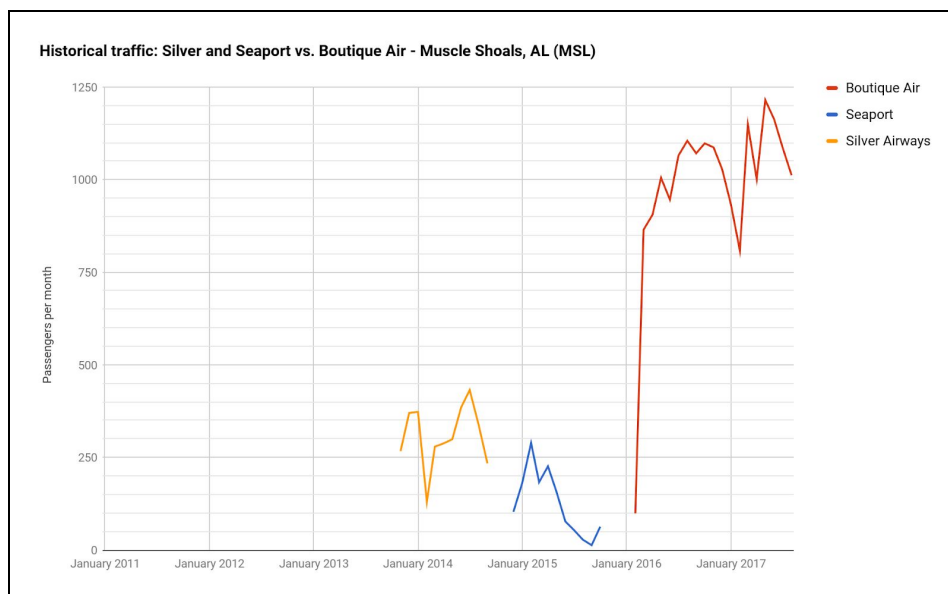
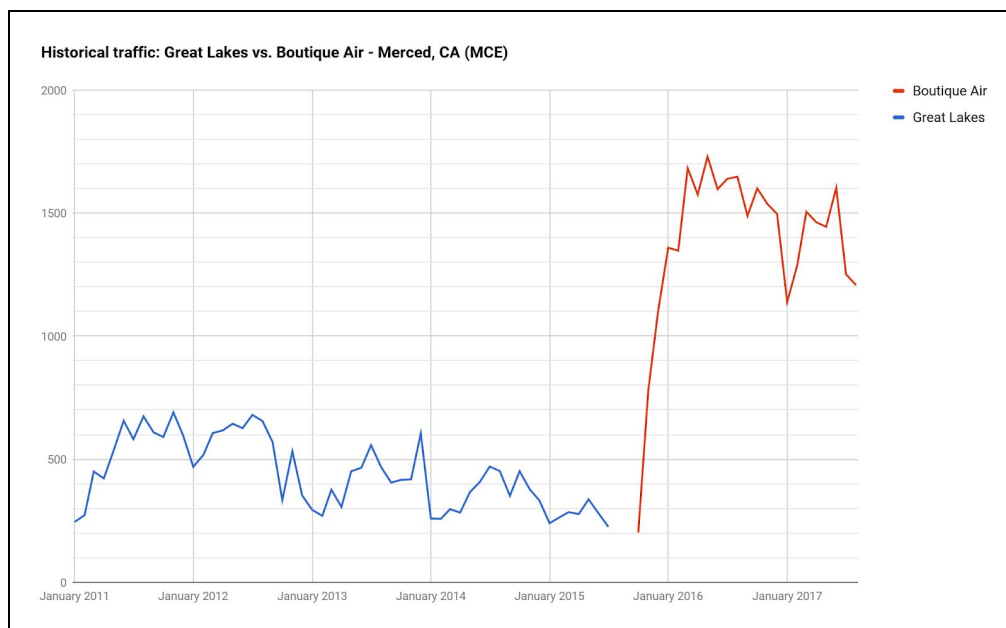
Boutique Air currently operates a modern fleet of Pilatus PC-12 aircraft. All flights are flown by Captains with over 1,200 hours of flight experience and an instrument rating. While we are certified to fly single pilot we opt to fly with a two pilot crew. Boutique Air ensures pilots provide a level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

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

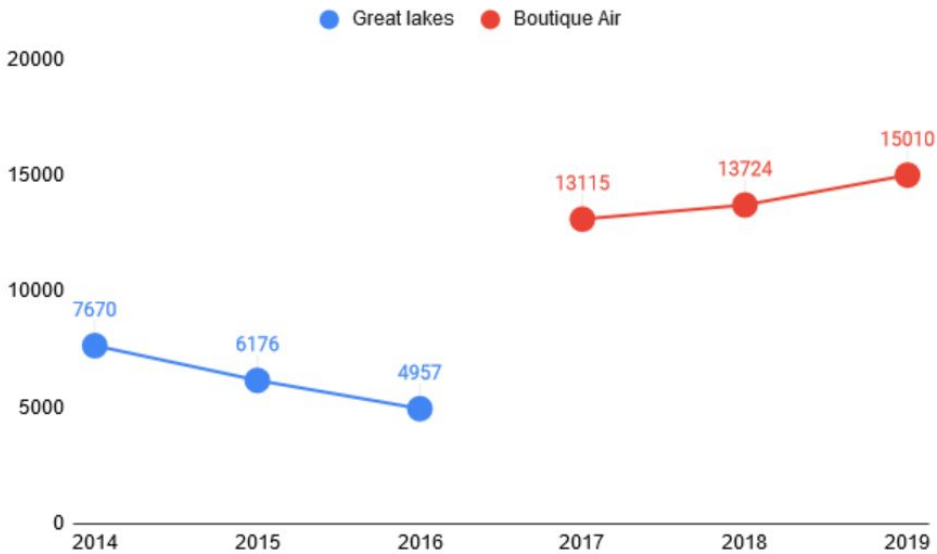


Historical Passenger Traffic Performance

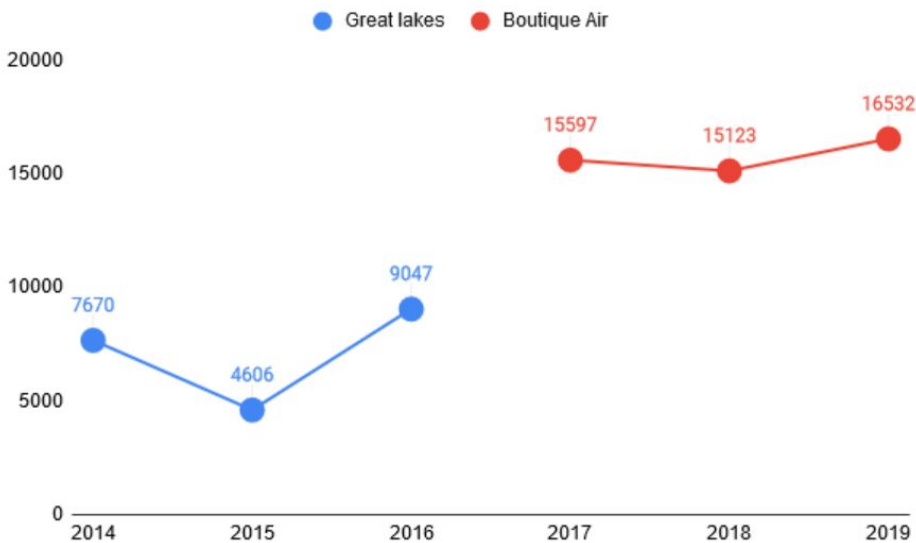
Boutique Air has established a proven track record in resuscitating air service in EAS communities which have been devastated by poor execution from prior carriers as illustrated by the passenger traffic graphs below.



Historical Traffic: Great Lakes vs. Boutique Air - Alamosa, CO (ALS)



Historical Traffic: Great Lakes vs. Boutique Air - Cortez, CO (ALS)



Proposal

Overview

Our proposals would be flown in eight or nine-seat, modern, pressurized Pilatus PC-12 aircraft. The term is two years.

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.

Note on Service Start Date

Boutique Air will begin service 60-90 days after the DOT issues the order selecting Boutique Air as the EAS carrier. Boutique air will start service as early as operationally possible.

Note on Service Schedule

If selected Boutique Air will work with the community to develop a schedule that best meets the needs of the community.



Interline Agreements

Boutique Air launched its 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. 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.

(Image of fares currently available on United.com from Johnstown, PA)

Johnstown, PA, US (JST) Chicago, IL, US (ORD)

Departure date: Apr 25, 2020 Return date: Add return date Search by: Price Award travel Update Advanced search

Departure: Johnstown, PA, US → Chicago, IL, US

Fares are for the entire one-way trip, per person, and include taxes and fees. Additional bag charges may apply.

Wed 4/22 \$100	Thu 4/23 \$100	Fri 4/24 \$100	Sat 4/25 \$100	Sun 4/26 \$100	Mon 4/27 \$100	Tue 4/28 \$100
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☒ With stops \$100 Choose connecting airports Show fare type comparison

Sort flights by: Custom

Depart	Arrive	Stops	Duration	Economy (lowest)	Economy (flexible)	First (2-cabin, lowest)
9:35 am	2:46 pm	1 stop	6h 11m	\$100 Select 3 tickets left at this price	\$476 Select	Mixed cabin \$270 Select 3 tickets left at this price
12:35 pm	8:45 pm	2 stops	9h 10m	\$210	\$373	Mixed cabin \$349

(Image of fares currently available on AA.com from Johnstown, PA)



Depart Johnstown, PA to Miami, FL

Wednesday, April 22, 2020

American Airlines flights may be listed first.

[Product comparison](#)

Lowest Fare	Flexible	<	Tue, Apr 21 \$ 190	Wed, Apr 22 \$ 190	Thu, Apr 23 \$ 190	Fri, Apr 24 \$ 190	Sat, Apr 25 \$ 190	>
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Sort by: Relevance

[Main Cabin](#)

[First](#)

JST MIA
6:20 AM → 1:52 PM 7h 32m [2 stops](#)
JST - PIT ■ 4B 870 ■ PLZ-Pilatus PC-12

One way
\$ 190
3 seats left

One way
\$ 369
3 seats left

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



Altoona, PA

Option 1: 26 Nonstop RTs PIT/BWI (13 PIT / 13 BWI)

Operations	<u>PC-12</u>
Scheduled Flights	2,704
Completed Flights (98%)	2,650
Scheduled Block Hours	2,749
Scheduled Seats	21,632
Scheduled ASMs	3,590,912
Revenue	
Passengers	15,142
Average Fare	\$55
Fare Revenue	\$832,832
Total Revenue	\$832,832
Expenses	
Fuel	\$586,651
Ownership	\$803,000
Maintenance	\$986,222
Crew	\$506,686
Airport Rent	\$191,373
Landing Fees	\$46,368
Staff	\$279,500
Insurance	\$20,000
Marketing	\$20,000
Other Indirect Costs	\$36,000
Corporate	\$43,670
Total Costs	\$3,519,469
Profit Element	\$175,973
Margin	5.0%
Total Annual Subsidy	\$2,862,610
Total Annual Subsidy Year 2	\$2,919,862

