

Essential Air Service Proposal



Johnstown, PA

DOT-OST-2002-11451

July 08, 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 Ironwood, Michigan to Chicago (ORD) and Minneapolis/St. Paul (MSP) in May of 2020.



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

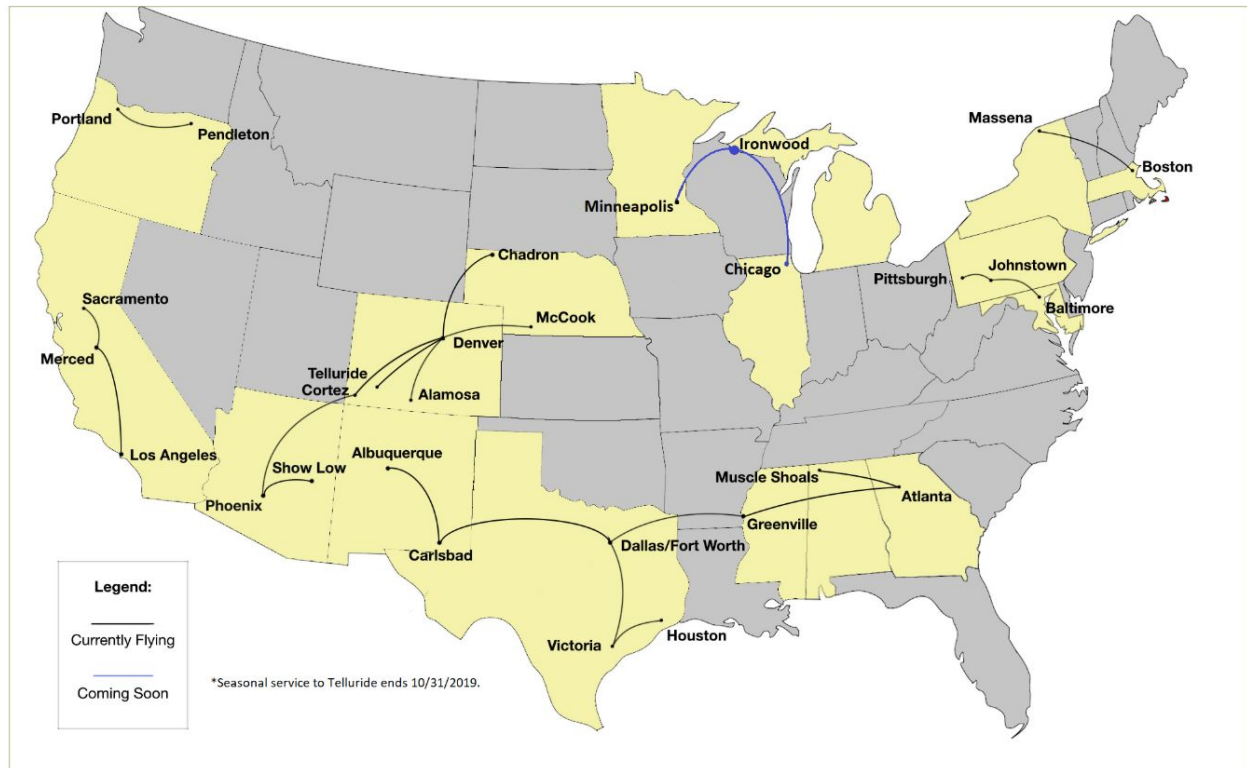
*Flew with Boutique Air from LA to Las Vegas round trip and it was a great experience. **Good service, on time departures, and a hassle free and nice way to travel in general.** A really nice pilot and copilot as well.*

-Patrick S. via Yelp.com

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

-Clovis News Journal

Route Map



Aircraft:

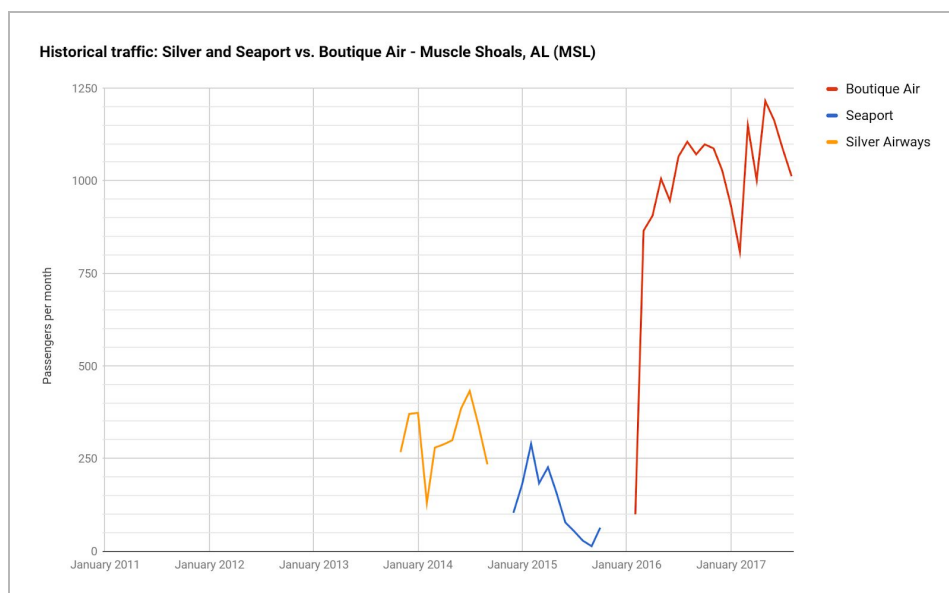
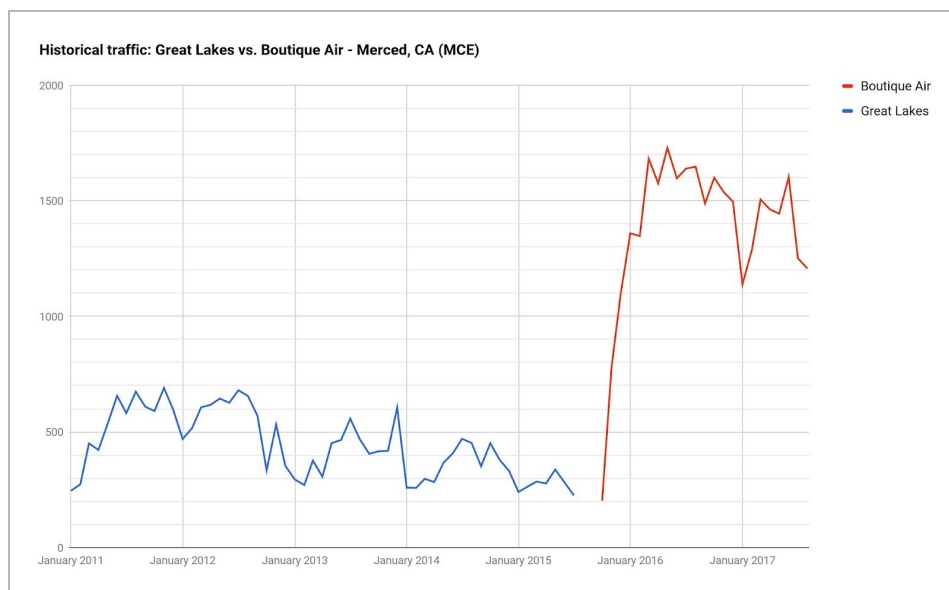
Boutique Air currently operates a modern fleet of Pilatus PC-12 aircraft. All flights are flown by Captains with over 1,200 hours of flight experience and an instrument rating. While we are certified to fly single pilot we opt to fly with a two pilot crew. Boutique Air ensures pilots provide a level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

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

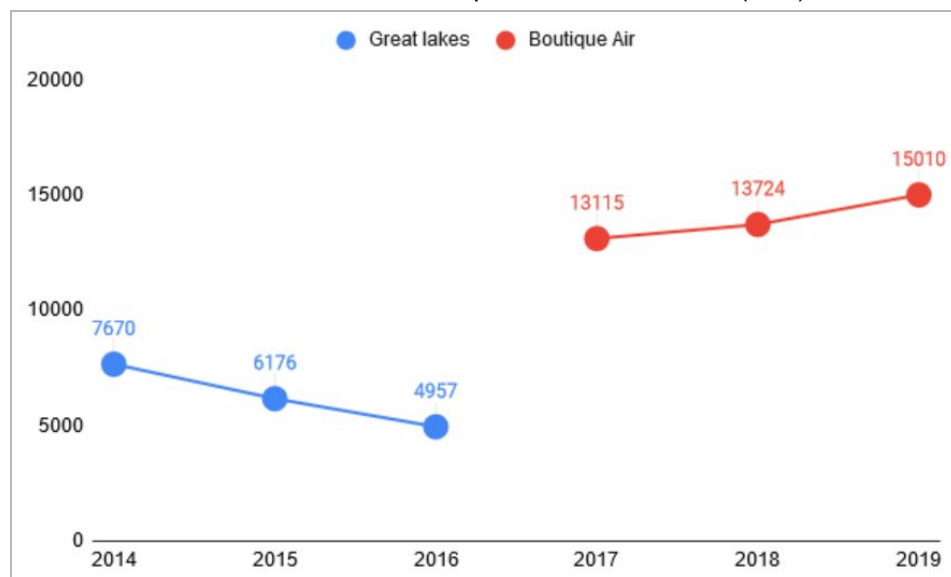


Historical Passenger Traffic Performance

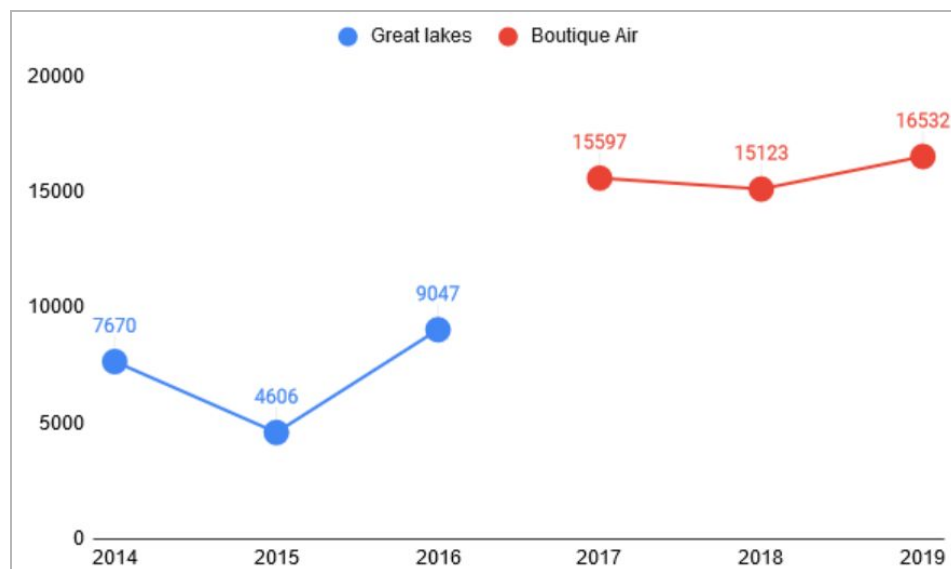
Boutique Air has established a proven track record in resuscitating air service in EAS communities which have been devastated by poor execution from prior carriers as illustrated by the passenger traffic graphs below.



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 or four 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 Frequencies and Destinations

Boutique Air would like to reserve the right to move up to 12 round trips from PIT to DC Area Airports or from DC Area Airports to PIT. Boutique Air also would like to reserve the right to move up to 21 round trips from either PIT or DC Airports to New York Area Airports. Any changes to frequencies and destinations would be for the purpose of aligning our service with greater passenger demand and require no change in requested subsidy.

Note on Johnstown Maintenance Base

Boutique Air has established a maintenance base at the Johnstown Airport, which it intends to maintain should Boutique Air be reselected for an additional term.





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: Johnstown, PA to Chicago, IL, New York/Newark, NJ, Boston, MA, and Orlando, FL

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
Economy (lowest)
Economy (flexible)
First (2-cabin, lowest)

Depart	Arrive	Stops	Duration					
9:35 am	2:46 pm	1 stop	6h 11m	Details	Seats	\$100 Select 3 tickets left at this price	\$476 Select 3 tickets left at this price	Mixed cabin \$270 Select
12:35 pm	8:45 pm	2 stops	9h 10m	Details	Seats	\$210 Select	\$373 Select	Mixed cabin \$349 Select

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.

Mon 7/20 \$101	Tue 7/21 \$101	Wed 7/22 \$120	Thu 7/23 \$101	Fri 7/24 \$111	Sat 7/25 \$173	Sun 7/26 \$173
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☒ With stops \$101 Choose connecting airports

Departure: Johnstown, PA, US → New York/Newark, NJ, US

① Fares are for the entire one-way trip, per person, and include taxes and fees. Additional bag charges may apply.

Sun 6/21 \$111	Mon 6/22 \$176	Tue 6/23 \$101	Wed 6/24 \$101	Thu 6/25 \$101	Fri 6/26 \$111	Sat 6/27 \$120
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☒ With stops **\$101** [Choose connecting airports](#)

Sort flights by: Best match ▼

Depart	Arrive	Stops	Duration		Economy (lowest)	Economy (flex)
6:20 am	8:59 am	1 stop	2h 39m	Details Seats	\$101	
Includes Travel Operated By Boutique Air , Republic Airways Db a United Express						Select
3 tickets left at this price						

Departure: Johnstown, PA, US → Boston, MA, US

① Fares are for the entire one-way trip, per person, and include taxes and fees. Additional bag charges may apply.

Mon 7/20 \$156	Tue 7/21 \$156	Wed 7/22 \$145	Thu 7/23 \$126	Fri 7/24 \$126	Sat 7/25 \$156	Sun 7/26 \$126
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☒ With stops **\$126** [Choose connecting airports](#)

Sort flights by: Best match ▼

Depart	Arrive	Stops	Duration		Economy (lowest)	Economy (flex)
6:20 am	12:20 pm	2 stops	6h	Details Seats	\$126	
Includes Travel Operated By Boutique Air , Republic Airways Db a United Express						Select
2 tickets left at this price						

Departure: Johnstown, PA, US → Orlando, FL, US

① Fares are for the entire one-way trip, per person, and include taxes and fees. Additional bag charges may apply.

Mon 7/20 \$187	Tue 7/21 \$187	Wed 7/22 \$161	Thu 7/23 \$161	Fri 7/24 \$161	Sat 7/25 \$161	Sun 7/26 \$161
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☒ With stops **\$161** [Choose connecting airports](#)

Sort flights by: Best match ▼

Depart	Arrive	Stops	Duration		Economy (lowest)	Economy (flex)
6:20 am	1:05 pm	2 stops	6h 45m	Details Seats	\$161	
Includes Travel Operated By Boutique Air , Republic Airways Db a United Express						Select
2 tickets left at this price						
6:20 am	1:05 pm	2 stops	6h 45m	Details Seats	\$161	
Includes Travel Operated By Boutique Air , Republic Airways Db a United Express						Select
2 tickets left at this price						
6:20 am	2:43 pm	2 stops	8h 23m	Details Seats	\$161	

AA.com: Johnstown, PA to Miami, FL and Charlotte, NC

Depart Johnstown, PA to Miami, FL
Wednesday, April 22, 2020

① 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 >

Sort by: Relevance

Main Cabin **First**

JST MIA
6:20 AM → 1:52 PM 7h 32m [2 stops](#)

JST - PIT :: 4B 870 :: PL2-Pilatus PC-12

One way \$ 190
3 seats left

One way \$ 369
3 seats left

Depart Johnstown, PA to Charlotte, NC
Wednesday, June 24, 2020

Lowest Fare Flexible < Mon, Jun 22 \$ 126 Tue, Jun 23 \$ 193 Wed, Jun 24 \$ 126 Thu \$ >

Sort by: Price (low to high)

Main Cabin

JST CLT
9:35 AM → 6:58 PM 9h 23m [1 stop](#)

JST - BWI :: 4B 872 :: PL2-Pilatus PC-12

One way \$ 126
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



Johnstown, PA

Option 1: 30 Nonstop RTs PIT/BWI (18 PIT / 12 BWI)

Operations	<u>PC-12</u>
Scheduled Flights	3,210
Completed Flights (98%)	3,058
Scheduled Block Hours	2,371
Scheduled Seats	24,960
Scheduled ASMs	2,525,952
Revenue	
Passengers	17,472
Average Fare	\$39
Fare Revenue	\$681,408
Total Revenue	\$681,408
Expenses	
Fuel	\$628,573
Ownership	\$960,000
Maintenance	\$973,173
Crew	\$720,734
Airport Rent	\$323,273
Landing Fees	\$119,184
Staff	\$377,000
Insurance	\$20,000
Marketing	\$20,000
Other Indirect Costs	\$24,000
Corporate	\$41,558
Total Costs	\$4,027,494
Profit Element	\$201,374
Margin	5.0%
Total Annual Subsidy Year 1	\$3,442,965
Total Annual Subsidy Year 2	\$3,511,824
Total Annual Subsidy Year 3	\$3,582,060
Total Annual Subsidy Year 4	\$3,653,701