

January 27, 2022



Proposal of Hyannis Air Service, Inc. dba Cape Air to provide Essential Air Service for:

Plattsburgh, NY

To/from Boston with codeshare of **jetBlue**
DOT-OST-2003-14783

Hyannis Air Service, Inc., dba Cape Air
Attn: Andrew Bonney, 660 Barnstable Road, Hyannis, MA 02601
(508) 862-9719



Cape Air Fast Facts



The Cape Air team is delighted to discuss air service with you!



- Started scheduled airline service in 1989
- 103 aircraft in the fleet
- 40 cities served
- 725 employees
- Flying 500,000+ passengers per year
- Employee-owned and empowered workforce

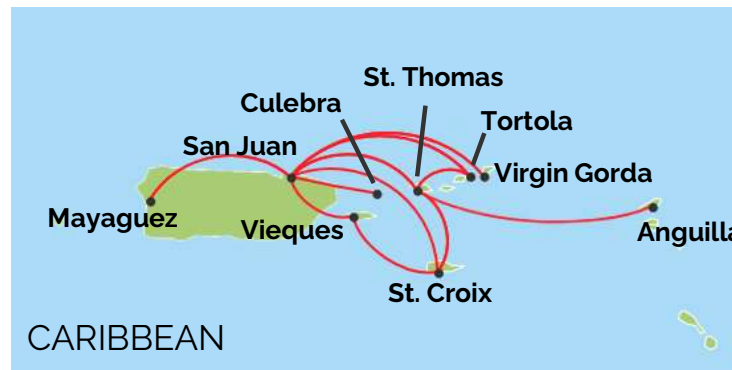
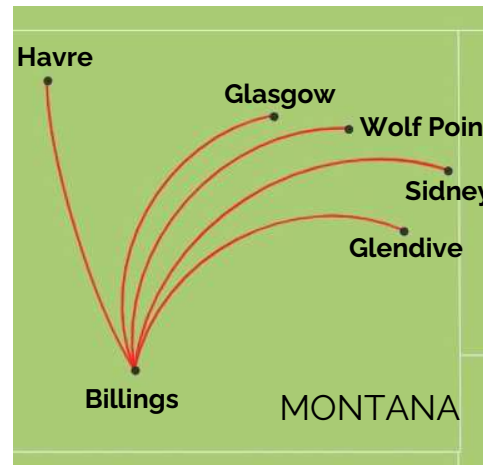
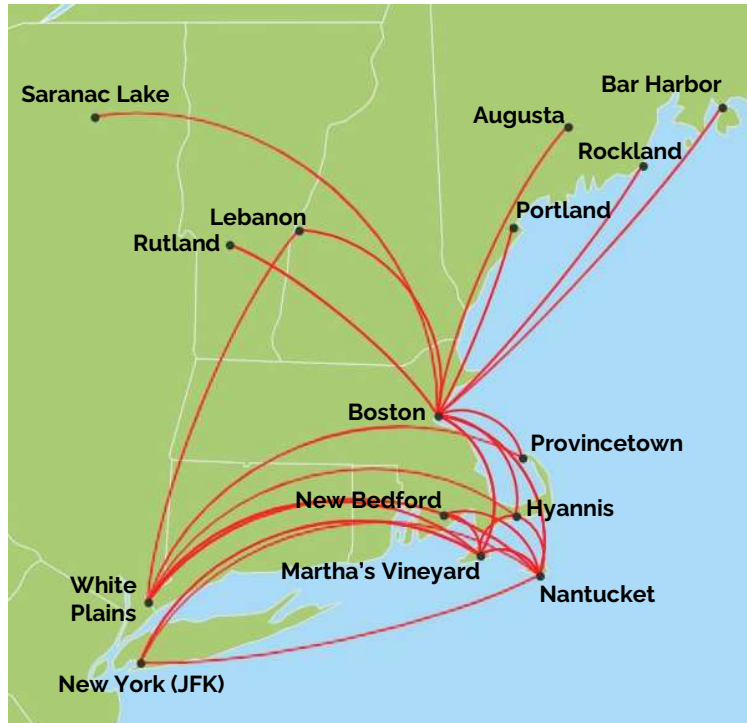


Cape Air Route Maps

Service published as of January 2022



NORTHEAST



Maps not to scale

Cape Air: World Class Distribution

- ✓ Codeshare with JetBlue
- ✓ Interline with **all of** the top network airlines at Boston
- ✓ Major online travel agencies sell Cape Air's destinations



Airline partners

Cape Air connects with:

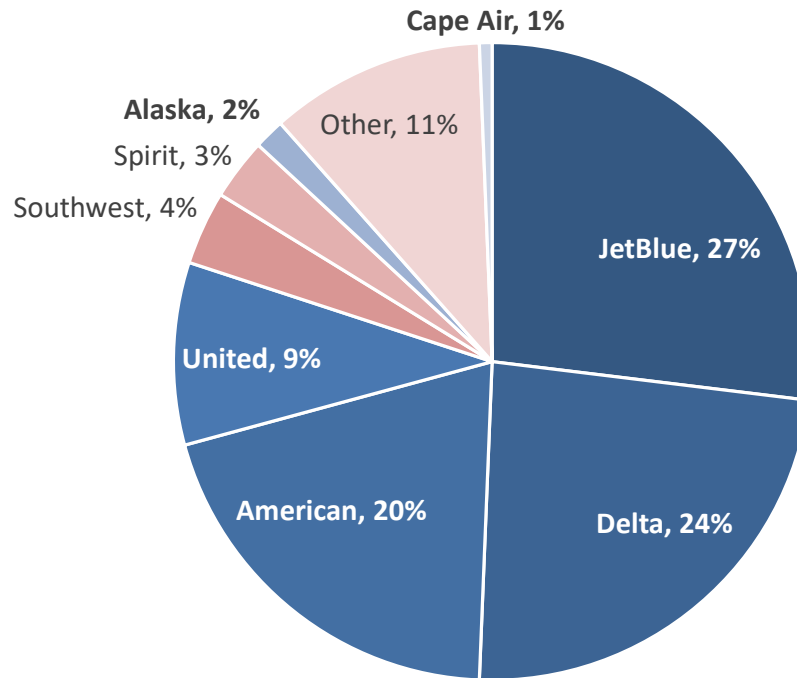


At Boston Logan Airport, Cape Air provides connectivity with the four largest airlines and +82% of connecting seats



Boston Logan seat share

4Q21



Key



Cape Air connecting partner



Not yet a connecting partner

Source: OAG



Cape Air's proposal includes JetBlue codeshare, putting Plattsburgh on jetblue.com



jetBlue®

[Go to JetBlue.com Home](#)

[Español](#)

[Help](#)

[Privacy](#)

TRUEBLUE

[SIGN IN](#)

[JOIN](#)

1. SEARCH

2. FLIGHTS

3. TRAVELERS

4. SEATS

5. EXTRAS

6. PAYMENT

Select Your Flight

[View more JetBlue fare options here.](#)

Saranac Lake, NY (SLK) to Fort Lauderdale, FL (FLL)

Prices displayed are one-way per person including taxes and fees. Additional baggage fees may apply. Flights operated by partner airlines can only be paid using credit cards. The order of flights displayed is not neutral with respect to carrier identity; lowest priced JetBlue flights are displayed first, followed by codeshare and interline partner-operated flights, prioritized by price and schedule.

| Departs | Arrives | Duration | Airline | Flight | Cabin |
|-----------------------------------|--------------------------------------|---------------------------|---|-----------|---------|
| ○ \$147 USD One-way | | | | | |
| SLK 3:40 PM Tue, Feb 08 | ➔ BOS 5:06 PM Tue, Feb 08 | 1h 26m Layover: 2h 24m | <i>Cape Air</i> Operated by Cape Air | ✈ 9K 1034 | Economy |
| BOS 7:30 PM Tue, Feb 08 | ➔ FLL 11:00 PM Tue, Feb 08 | 3h 30m Total: 7h 20m | View seats Amenities jetBlue | ✈ 769 | Economy |

Cape Air's Plattsburgh service will also be for sale on Delta.com



One Way AUG • BOS

Show Price In:
\$ USD Miles Miles + Cash

Sort & Filter

It's Simple: No Change Fees

Book your next trip now and enjoy more peace of mind with no change fees. Excludes Basic Economy.

Terms apply.



Tue, Feb 8, 2022

Economy

Price includes taxes and fees. Baggage fee may apply. Services and amenities may vary or change.

LOWEST FARE

9K1006¹

1h 10m

3:15pm



4:25pm

AUG

Nonstop

BOS

¹ 9K1006 is operated by Cape Air.

Economy (L)

\$39

One Way
1 left at this price

Connecting itineraries will be available on united.com...



English - United States \$
Saved trips
Search
SIGN IN
MENU

Money Miles

 or [Advanced Search](#)

i Book now with flexibility. Book a flight today and change it with no change fee, excluding most Basic Economy tickets. [Learn more](#)

Depart: Chicago, IL, US to Bar Harbor, ME, US

Fares are for the entire one-way trip, per person. Fare attributes apply to flights operated by United and United Express[®].

EXCLUSIVE OFFER

\$250 statement credit
35,000 bonus miles

[Learn more >](#)

i United flights may be listed first.

Show refundable fares from **\$403**

[Sort and filter](#)

| | | | | | | |
|-------------------------|-------------------------|--------------------------|---------------------------------|--------------------------|--------------------------|--------------------------|
| Tue 2/8 \$157 | Wed 2/9 \$153 | Thu 2/10 \$153 | Fri 2/11 \$153 | Sat 2/12 \$153 | Sun 2/13 \$153 | Mon 2/14 \$153 |
|-------------------------|-------------------------|--------------------------|---------------------------------|--------------------------|--------------------------|--------------------------|

Flight info

Depart on Feb 11, 2022.

Economy

✓ Choose your seat

Economy

(fully refundable)

✓ Choose your seat

First

(2-cabin)

✓ Extra-spacious seat

| | | | |
|---|--------------|--------------|--|
| <p>1 STOP</p> <p>7:45 AM ORD ----- 4H, 55M ----- BHB BOS—1H, 20M</p> <p>Includes Travel Operated By Cape Air</p> <p>Details Seats</p> | \$153 | \$403 | <p>\$253</p> <p>5 tickets left at this price</p> <p>Mixed cabin</p> |
|---|--------------|--------------|--|

...and aa.com



American Airlines



Depart Dallas/ Fort Worth, TX to Rockland, ME
Wednesday, February 16, 2022

[Product comparison](#)

| | | | | | | | | |
|-------------|----------|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---|
| Lowest Fare | Flexible | < | Mon, Feb 14 \$ 192 | Tue, Feb 15 \$ 212 | Wed, Feb 16 \$ 192 | Thu, Feb 17 \$ 192 | Fri, Feb 18 \$ 217 | > |
|-------------|----------|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---|

Sort by: Total travel time

| | |
|------------|-------|
| Main Cabin | First |
|------------|-------|

DFW → RKD
12:24 PM → 7:15 PM 5h 51m [1 stop](#)
DFW - BOS = AA 1148 = 321-Airbus A321

BOS - RKD = 9K 1857 = CNA-Cessna (Light)
Operated by Cape Air

One way
\$ 192
2 seats left

One way
\$ 609
2 seats left

Change terminals. The class of service you searched may not be available on one or more flights. Economy only on 1 or more flights

[Details](#) | [Seats](#)

DFW → RKD
10:58 AM → 7:15 PM 7h 17m [1 stop](#)
DFW - BOS = AA 372 = 321-Airbus A321

BOS - RKD = 9K 1857 = CNA-Cessna (Light)

One way
\$ 192
2 seats left

One way
\$ 609
2 seats left

The key point on sales & distribution:



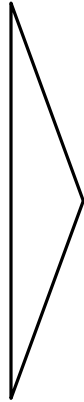
Thanks to Cape Air's many airline partnerships,
with Cape Air service Plattsburgh joins
all of these airlines' websites:



Cape Air participates in TSA's PreCheck program



TSA Pre✓™



With TSA Pre✓® you **don't** need to remove:



SHOES



LAPTOPS



3-1-1 LIQUIDS



BELTS



LIGHT JACKETS

Commitment To Safety



Safety first

Core of our culture



Cape Air's #1 priority is the safety of our operation

- Multi-engine aircraft
- Safety audits annually by:
 - American Airlines
 - United Airlines
 - JetBlue Airways
- SMS program approved by FAA
- 30+ years experience
 - 100,000+ flights per year
- FAA certified under Part 135
- All captains have an Air Transport Pilot Certificate
 - 1,500 hours minimum
- Vice President of Safety
 - Department of 3 safety professionals
- WAAS-enabled GPS navigation

Safety mantra:
"Make the tough call in the
name of safety, and we will
support you"

Cape Air proposes Plattsburgh service with brand-new Tecnam Travellers



Cape Air's Tecnam Traveller

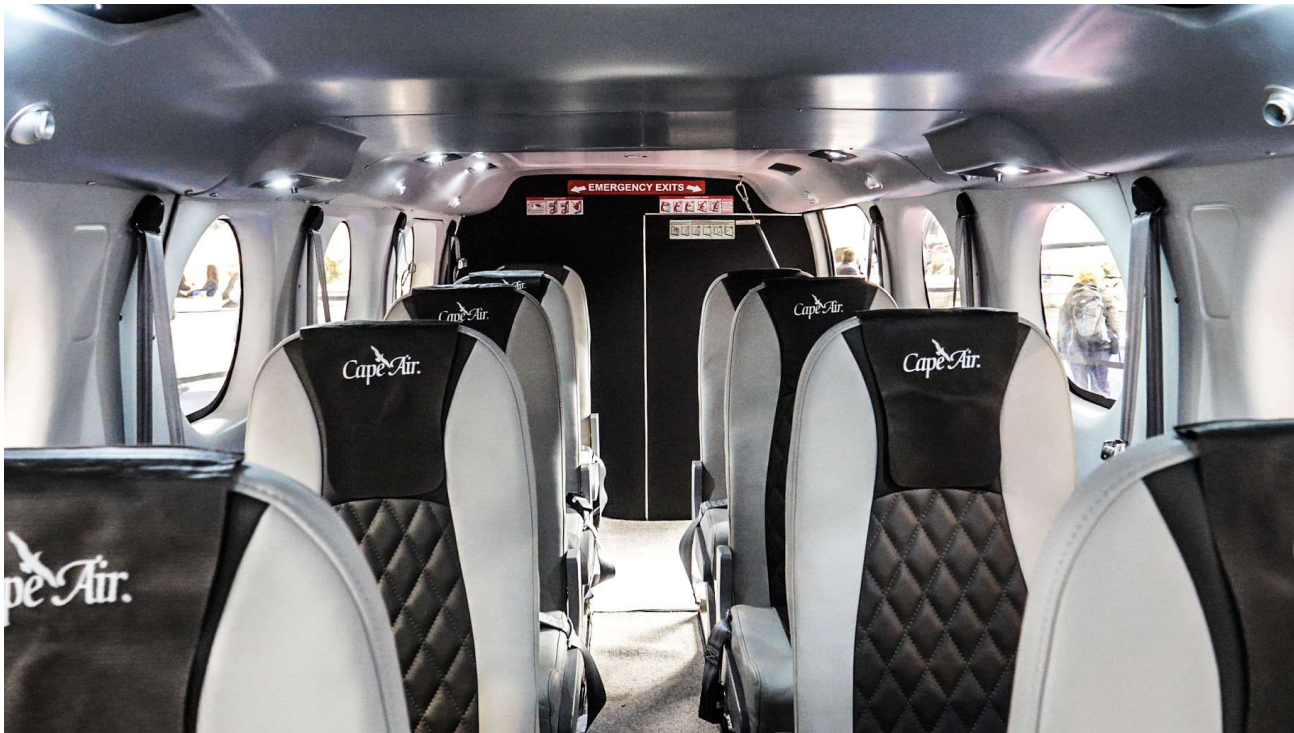


Tecnam Traveller Features

- **Two engines, for safety**
- 9 passenger seats
- 2 pilot seats, and certificated for single pilot operations
- Italian leather seats
- Air conditioning
- LED lighting
- USB ports



The “Traveller” was custom designed by Cape Air and Tecnam for commuter air service



Highlights

- The first new purpose-designed commuter aircraft in 40 years
- Three decades of Cape Air's lessons learned are built into the aircraft
- Electronically controlled engines
- Luxurious cabin with 9 single seats



The cockpit features the Garmin G1000NXi integrated flight deck



Cape Air

Marketing

And Community
Engagement



Cape Air Marketing



Marketing channels include:

- Targeted online/digital marketing
- Advanced SEO and SEM
- Outdoor
- Radio: FM/AM and streaming digital
- Social
- Print
- TV
- Contesting
- Email marketing
- Event sponsorship
- Community engagement



Annual Plattsburgh marketing budget:
\$65,000



Cape Air Marketing: Influencers



Passenger testimonials

“Cape Air always rises to the occasion, saving me time and money.”

No parking hassles. No long TSA lines. Easy connections.



Iris Lewis-Beasley
Implementation Services
Business Analyst
Accutech Systems

St. Louis from **\$29*** each way
Chicago from **\$59*** each way

Book flights



“A fantastic way to reach kids in remote areas.”

Our easy, affordable service has everyone smiling, including Dr. Stanley and his team, who provide much-needed pediatric dental services to children across eastern Montana.



Dr. Nathan Stanley and his traveling team

from **\$29*** each way



capeair.com 800-CAPE-AIR

Including taxes and fees. Fares subject to availability and other conditions. Fares may change without notice and are not guaranteed. © 2018 Cape Air

Cape Air identifies influencers and utilizes relationships with frequent fliers to promote brand



“...it is the only way to fly in a socially distant fashion these days. Cape Air flies to Martha’s Vineyard year-round, so it is a great option for anyone living in downtown Boston who wants to optimize their weekend getaway for maximum time on the island.”



Cape Air Marketing: Contesting



Contesting creates more opportunities to engage with our customers

Halloween Costume



10,000th enplanement



St. Louis Cardinals Getaway



"Love is in the Air" winners



The Cape Air difference

New multi-engine aircraft, connectivity, community



- Brand new **multi-engine** aircraft
 - Preserves Plattsburgh's federal entitlement to multi-engine aircraft service for EAS
- **Connecting** partnerships with Alaska, American, Delta, Hawaiian, JetBlue, United, and more
- Connects with JetBlue and Delta, the #1 and #2 airlines at Boston
- **JetBlue** codeshare
- Plattsburgh tickets will sell on the **websites of American, Delta, JetBlue and United**
- Planes and pilots **based at Plattsburgh**
- Cape Air is headquartered in the Northeast, with robust support available to Plattsburgh
- Robust **marketing budget: \$65,000+**/year

**Cape Air would be honored to
serve Plattsburgh!**



EAS Proposal Economics



Proposal: 3x daily to/from BOS, with option for 4x in summer



Drivers

| | <u>3x Daily</u> | <u>3x Daily + 4x Peak Summer</u> |
|-----------------|-----------------|--------------------------------------|
| Daily RTs | 3 | 3.3 |
| Pax/Dpt | 5.0 | 5.1 |
| LF | 62% | 64% |
| Completion Rate | 97% | 97% |
| Fare (net) | \$74 | \$79 |
| Pax Rev | \$779,703 | \$931,428 |

Note: See escalation factors subsequent slide
Summer = 15JUN – 15SEP



Expenses

Two-year term; discount for 4-year term, preferred, is noted below

| | <u>3x Daily</u> | <u>3x Daily + 4x Peak Summer</u> |
|---------------------------------|--------------------|----------------------------------|
| Fuel | \$1,058,910 | \$1,165,955 |
| Maintenance | \$1,117,994 | \$1,231,011 |
| Pilots | \$386,028 | \$457,458 |
| Ownership | \$588,298 | \$647,769 |
| Stations | \$433,062 | \$452,462 |
| Landing Fees | \$116,183 | \$127,928 |
| Marketing | \$65,000 | \$65,000 |
| General & Admin./Other | \$123,081 | \$136,343 |
| Operating expense | \$3,888,556 | \$4,283,925 |
| Return of 5% | \$204,661 | \$225,470 |
| Economic Expense | \$4,093,217 | \$4,509,395 |
| Passenger Revenue | \$779,703 | \$931,428 |
| Profit | (\$3,313,514) | (\$3,577,967) |
| Subsidy Required | \$3,313,514 | \$3,577,967 |
| Per Departure | \$1,560 | \$1,554 |
| 4-Year Contract Discount | \$3,217,753 | \$3,474,563 |
| Per Departure | \$1,515 | \$1,509 |

Year 1
Year 1

To align revenue with costs, Cape Air proposes escalation factors



Annual subsidy including escalation

| | <u>3x Daily</u> | <u>3x Daily + 4x Peak Summer</u> |
|---------------------|-----------------|----------------------------------|
| Two-year selection | | |
| Year 1 | \$3,313,514 | \$3,577,967 |
| Year 2 | \$3,479,190 | \$3,756,865 |
| Four-year selection | | |
| Year 1 | \$3,217,753 | \$3,474,563 |
| Year 2 | \$3,378,641 | \$3,648,292 |
| Year 3 | \$3,547,573 | \$3,830,706 |
| Year 4 | \$3,724,952 | \$4,022,242 |

Preferred

Thank you!



Hyannis Air Service, Inc., dba Cape Air
Attn: Andrew Bonney, SVP Planning
660 Barnstable Road, Hyannis, MA 02601
(508) 862-9719