

# **Essential Air Service Proposal**



**Tupelo, MS**

**DOT-OST-2009-0305**

**March 18, 2020**



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## 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 and DFW. Since then, we have continued our track record of success and now serve 17 different EAS communities and operate out of 31 different airports. Continuing on a path of successful growth in the EAS market, Boutique Air began service to Massena, NY in April of this year.



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## 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

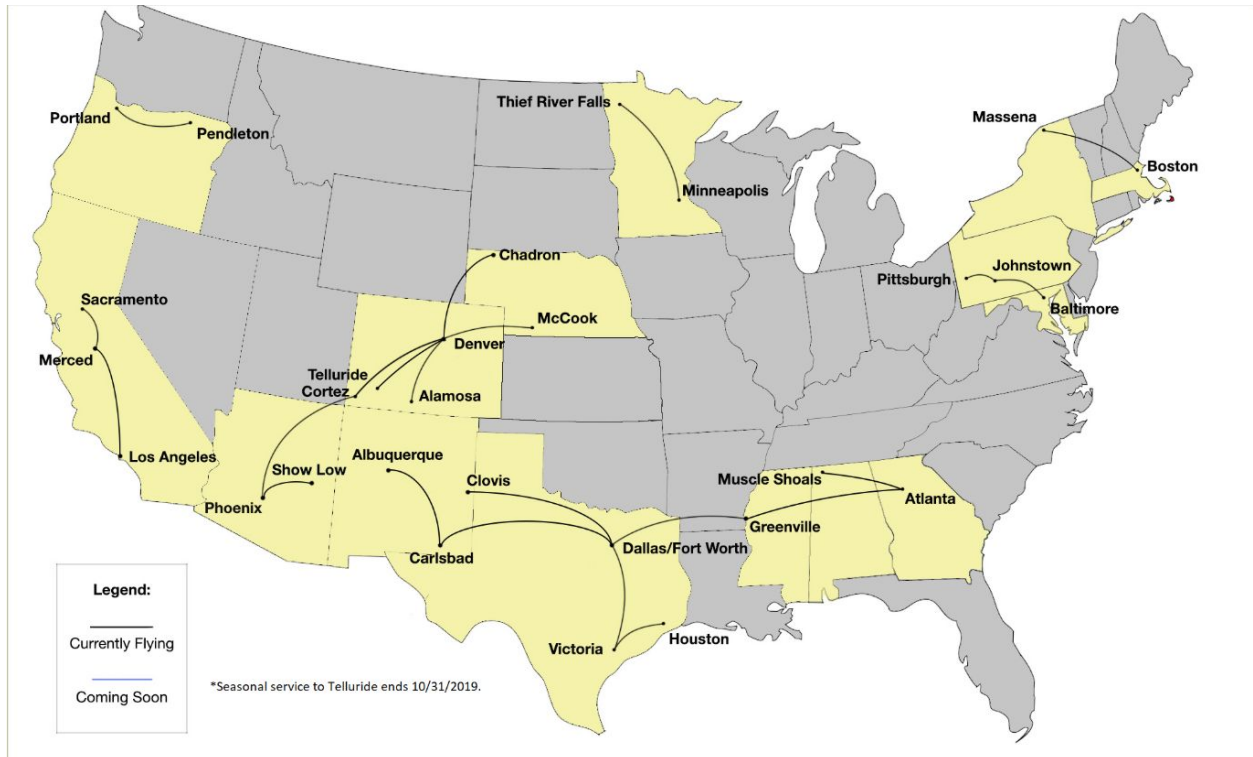
*Flew with Boutique Air from LA to Las Vegas round trip and it was a great experience. **Good service, on time departures, and a hassle free and nice way to travel in general.** A really nice pilot and copilot as well.*

-Patrick S. via Yelp.com

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

-Clovis News Journal

## Route Map

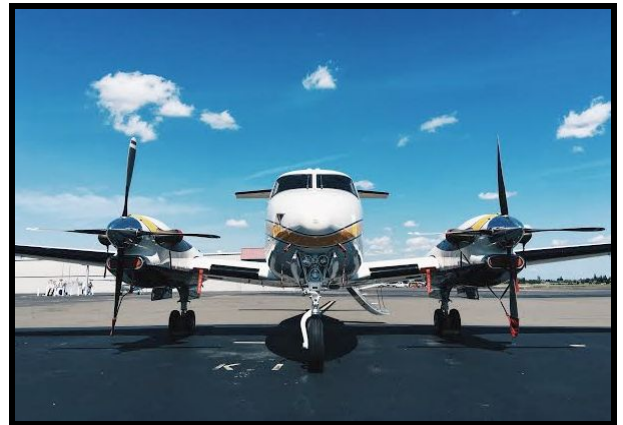


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## Aircraft:

Boutique Air currently operates a modern fleet of Pilatus PC-12 and Beechcraft King Air 350 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 or 9 Passenger Configuration
- Pressurized Cabin
- Power Outlets
- Enclosed Lavatory



# Proposal

## Overview

Our proposals would be flown in our PC12 Aircraft

In order to increase brand recognition in the community, Boutique Air will spend at least \$20,000 per year 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 Interline Agreements

Boutique Air launched its interline 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.

Tupelo passengers will be able to book through United.com and connect with any of United's flights at our hubs. *(Image is of fares currently available in Muscle Shoals)*

Select your departure:  
Muscle Shoals, AL, US → Chicago, IL, US

Economy (lowest)

Wed 9/20  
\$222

Thu 9/21  
\$222

Fri 9/22  
\$192

Sat 9/23  
\$192

Sun 9/24  
\$232

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

Show fare type comparison ?

Depart	Arrive	Stops	Duration		Economy	Economy (flexible)	First (lowest)
6:00 am	11:21 am	1 stop	5h 21m	Details Seats	\$192 Select 1 ticket left at this price	\$418 Select	\$321 Select Mixed cabin ? 1 ticket left at this price
Includes Travel Operated By Boutique Air							
6:00 am	12:38 pm	1 stop	6h 38m	Details Seats	\$192 Select 1 ticket left at this price	\$418 Select	\$321 Select Mixed cabin ? 1 ticket left at this price
Includes Travel Operated By Boutique Air , Republic Airlines DbA United Express							

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## 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

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## **Special Notes on Proposal Options**

- If the community prefers Boutique Air is able to accommodate one or more frequencies from Nashville to Atlanta in option #3.
- Boutique Air offers each option for a two or four year period. The escalation for each year is 1.5% increase from the previous year.



## Tupelo, MS

### Option 1: 21 Nonstop Weekly RTs TUP - BNA/ATL (3x Daily)

Operations	<b>PC-12</b>
Scheduled Flights	2,184
Completed Flights (98%)	2,140
Scheduled Block Hours	2,354
Scheduled Seats	17,472
Scheduled ASMs	3,500,224
Revenue	
Passengers	13,600
Average Fare	\$62
Fare Revenue	\$843,200
<b>Total Revenue</b>	<b>\$843,200</b>
Expenses	
Fuel	\$606,929
Ownership	\$960,000
Maintenance and Reserves	\$996,957
Crew	\$604,924
Airport Rent	\$212,154
Landing Fees	\$39,636
Staff	\$273,000
Insurance	\$20,000
Marketing and Distribution	\$20,000
Other Indirect Costs	\$42,000
Corporate	104,308
<b>Total Costs</b>	<b>\$3,879,907</b>
Profit Element	<b>\$193,995</b>
Margin	5.0%
<b>Total Annual Subsidy</b>	<b>\$3,230,702</b>

## Tupelo, MS

### Option 2: 24 Nonstop Weekly RTs TUP - BNA/ATL (4x Daily)

Operations	<b>PC-12</b>
Scheduled Flights	2,496
Completed Flights (98%)	2,446
Scheduled Block Hours	2,749
Scheduled Seats	19,968
Scheduled ASMs	4,126,720

Revenue	
Passengers	14,400
Average Fare	\$62
Fare Revenue	\$892,800
<b>Total Revenue</b>	<b>\$892,800</b>

Expenses	
Fuel	\$711,064
Ownership	\$960,000
Maintenance and Reserves	\$1,164,340
Crew	\$604,924
Airport Rent	\$212,154
Landing Fees	\$41,885
Staff	\$273,000
Insurance	\$20,000
Marketing and Distribution	\$20,000
Other Indirect Costs	\$42,000
Corporate	\$121,774
<b>Total Costs</b>	<b>\$4,171,141</b>

Profit Element	<b>\$208,557</b>
Margin	5.0%

<b>Total Annual Subsidy</b>	<b>\$3,486,898</b>
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## Tupelo, MS

### Option 3: 30 Nonstop Weekly RTs TUP - BNA/ATL (5x Daily)

Operations	<b>PC-12</b>
Scheduled Flights	3,120
Completed Flights (98%)	3,058
Scheduled Block Hours	3,422
Scheduled Seats	24,960
Scheduled ASMs	5,126,784

Revenue	
Passengers	20,000
Average Fare	\$51
Fare Revenue	\$1,010,000
<b>Total Revenue</b>	<b>\$1,010,000</b>

Expenses	
Fuel	\$884,472
Ownership	\$960,000
Maintenance and Reserves	\$1,449,184
Crew	\$604,924
Airport Rent	\$212,154
Landing Fees	\$53,210
Staff	\$273,000
Insurance	\$20,000
Marketing and Distribution	\$20,000
Other Indirect Costs	\$42,000
Corporate	\$151,577
<b>Total Costs</b>	<b>\$4,670,521</b>

Profit Element	<b>\$233,526</b>
Margin	5.0%

<b>Total Annual Subsidy</b>	<b>\$3,894,047</b>
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