

**BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
WASHINGTON, DC 20590**

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<b>Application of Delux Public Charter, LLC</b>	)	
<b>For Authority to Conduct Passenger</b>	)	
<b>Operations as a Commuter Air Carrier</b>	)	<b>DOT-OST-2015-_____</b>
<b>Pursuant to 49 USC §41738</b>	)	

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**Application of Delux Public Charter, LLC  
For Commuter Air Carrier Authorization**

Communications with respect to this document should be addressed to:

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Counsel for  
Delux Public Charter, LLC

October 16, 2015

NOTICE: Any person may support or oppose this application by filing an Answer within 21 days and serving a copy on the applicant and all persons served with this application on or before November 6, 2015.

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Delux Public Charter LLC (“Delux” or “Applicant”) applies pursuant to Section 41738 of Title 49 of the United States Code, Section 298.50 of the economic regulations of the United States Department of Transportation (“Department” or “DOT”), Parts 201 and 204 of the Department’s regulations as well as its internal rules and procedures for a commuter air carrier authorization so that it may conduct more than four round trips per week between city pairs under 14 CFR Part 380 as an On-Demand Direct Air Carrier operating aircraft with 30 seats or fewer under Part 135 operating rules. Delux is in the process of securing a Federal Aviation Administration air carrier certificate (Number 4DPA0970) and Part 135 operations specifications.

Delux requests that this application be processed through the use of non-hearing procedures, and that the Department’s final decision be issued as expeditiously as possible. Accordingly, Delux requests that the order to show cause in this matter specify an answer period no longer than five business days.

Delux has been formed to meet a desperate air transportation need. Delux will provide a product for the 30-seat on-demand air charter market and revitalize short-haul (less than 500

statute mile) air travel in the United States. From 2000 to 2013, short-haul markets across the United States have declined by 6% — over 14 million annual passengers lost — while traffic in markets over 500 miles apart increased 17%, equating to 63 million new annual passengers.<sup>1</sup>

Why? During that time, the airline industry has consolidated. Airports have become bigger and harder to use, with more gauntlets and shopping to walk past before reaching the plane, and more longer-haul passengers crowding the terminals. Hubbing has increased, and more and more small airports have no service at all. With the new normal, many short-haul markets take roughly the same time to drive as they do to fly when considering total door-to-door trip time. Competition has diminished, capacity has shrunk and, as a result, short-haul fares have increased. New low cost carriers (“LCCs”) and ultra-low cost carriers (“ULCCs”) have focused on longer haul markets and, post-consolidation, many nonstop short-haul markets are now single carrier monopolies. Also during this time, the average haul of the former short-haul, high frequency champion airline more than doubled.

Delux believes this diminution of convenient and comfortable air service between and among nearby cities large and small is bad for regional economies and bad for the country. This diminution has created pent up demand, and a ripe opportunity for a new kind of short-haul carrier to restore the promise of the convenience and speed of jet travel to the regional air travelers of the United States. Delux has assembled a highly experienced team, raised capital and is acquiring aircraft to meet this dire need.

Delux’s board and investors include JetBlue founder David Neeleman and acclaimed customer service and culture leader Zappos.com CEO Tony Hsieh. Our leaders have deep start-

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<sup>1</sup> DOT form T100 data sourced from BTS Transtats website September 2015

up and operating experience in both Part 135 and 121 operations. Our supply partner Embraer has provided reliable aircraft to the market for decades and is assisting our launch by selling to us our initial fully refurbished EMB-135 aircraft and a comprehensive support package. This team has built airlines and businesses known for superior customer service.

In support of this application for commuter authority, Delux states as follows:

1. Delux is in the process of securing a Federal Aviation Administration air carrier certificate (Number 4DPA0970) and Part 135 operations specifications. Please see Exhibit 1 for Delux's Preapplication Statement of Intent.

2. Delux is a citizen of the United States as that term is defined in 49 U.S.C. § 40102(a)(15). Information describing Delux's ownership and demonstrating its citizenship is contained in Exhibit 2.

3. Delux requests authority to conduct more than four round trips per week between city pairs under 14 CFR Part 380 as an On-Demand Direct Air Carrier operating aircraft with 30 seats or less under Part 135 operating rules. Delux will lease six fully refurbished EMB-135 30-seat aircraft that are ideally suited for these short-haul flights. Four of these aircraft will be used for the proposed public charter operations.

4. Delux's initial markets will be cities between 200 and 500 miles of one another, and will serve them where possible via secondary and tertiary airports. Delux requests confidential treatment of its specific initial proposed markets and details of the revenue projections of its specific launch plan under separate cover.

5. Complete information in support of Delux's fitness for commuter authority is contained in Attachments A through V of this application. Letter designations of attachments

correspond to section 204.3 of the Department's regulations; that is, Attachment A is responsive to paragraph (a) of Section 204.3, Attachment B is responsive to paragraph (b), etc. Additional documents explaining the ownership of Delux and demonstrating its citizenship can be found in Exhibits 1 through 12. These documents establish that Delux is fit, willing and able as prescribed by 49 U.S.C. Section 41738 and that it is a "citizen of the United States" as defined in 49 U.S.C. Section 40102(a)(15).

6. Delux requests that this application be processed by the use of expedited non-hearing procedures. There are no issues of material fact, and the use of expedited procedures will serve the public interest by facilitating the introduction of Delux's innovative, desperately-needed services as soon as possible. Delux respectfully submits that expedited processing of its application is warranted, including reduction of the show cause answer period to five (5) business days.

WHEREFORE, the Applicant requests that the Department issue a commuter air carrier authorization to Delux Public Charter, LLC.

Respectfully Submitted,



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Counsel for  
Delux Public Charter, LLC

October 16, 2015

## CERTIFICATE OF SERVICE

I hereby certify that I have on this 16th day of October 2015, served the foregoing Application of Delux Public Charter LLC for Commuter Air Carrier Authorization via email upon the persons shown in the following service list. Service was also made upon the airport authority for each airport that Delux intends to serve but those recipients are not listed to preserve the confidentiality of Delux's initial markets.

Rapid City FSDO  
Attn: Barry I. Dunmire  
Aviation Safety Inspector  
RAP FSDO  
3501 5th St.  
Rapid City, SD 57701  
Email: [Barry.I.Dunmire@faa.gov](mailto:Barry.I.Dunmire@faa.gov)



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Erin Combs