

Essential Air Service Proposal



Cape Girardeau, MO

DOT-OST-1996-1559

May 11, 2022



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 Beechcraft aircraft.

In July of 2012, Boutique Air applied for commuter operating authority from the Department of Transportation. Boutique Air began flying scheduled service between Los Angeles and Las Vegas in January of 2014.

We have worked to develop effective marketing distribution channels with a reservation system that connects to all primary Global Distribution Systems (GDSs), allowing travel agents access to our flight inventory. 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, and Orbitz.

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.

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 at a minimum, commercial, and instrumental ratings. 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 Executive Configuration Pressurized Cabin
- Power Outlets
- Enclosed Lavatory

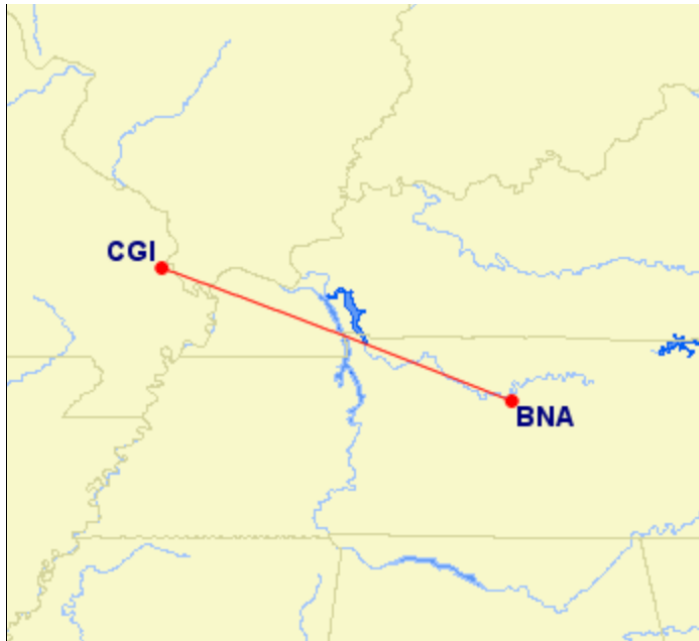


Proposal

Overview

Our airline service will be operated with 8 or 9 modern Pilatus PC-12 aircraft. We have proposed a two year contract for the community to consider.

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.



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 example: McCook, NE to Las Vegas, NV

<p>1 STOP</p> <p>8:00 AM 12:21 PM</p> <p>MCK 6H, 21M LAS</p> <p>DEN — 3H, 5M</p> <p>Includes Travel Operated By Boutique Air</p> <p>Details Seats</p>	<p>\$265</p>
<p>1 STOP</p> <p>5:35 PM 10:10 PM</p> <p>MCK 6H, 35M LAS</p> <p>DEN — 3H, 9M</p> <p>Includes Travel Operated By Boutique Air</p> <p>Details Seats</p>	<p>\$255</p>

AA.com example: McCook, NE to Phoenix, AZ

Depart McCook, NE to Phoenix, AZ
Sunday, March 27, 2022

Lowest Fare
Flexible

Sat, Mar 26
\$ 321

Sun, Mar 27
\$ 275

Mon, Mar 28
\$ 255

Sort by: Relevance

Main Cabin

MCK PHX
8:00 AM → 1:03 PM 7h 3m 1 stop
MCK - DEN 4B 761 PL2-Pilatus PC-12
Operated by Boutique Air
DEN - PHX AA 1332 320-Airbus A320

One way
\$ 275
1 seat left

Special Note: COVID-19 Pandemic

Like many businesses, Boutique Air was significantly affected by COVID-19 Pandemic; great fluctuations in travel demand and staffing were challenges in 2020 and 2021. We have made a variety of adjustments to our business so that we can be a great air service partner to Cape Girardeau.

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



Cape Girardeau to Nashville, TN

Option 1: 28 Nonstop RTs

Operations	<u>PC-12</u>
Scheduled Flights	2,912
Scheduled Block Hours	2,796
Scheduled Seats	26,208
Scheduled ASMs	4,769,856
Revenue	
Passengers	25,800
Average Fare	\$57
Fare Revenue	\$1,469,100
Total Revenue	\$1,469,100
Expenses	
Fuel	\$1,050,240
Ownership	\$980,000
Maintenance	\$2,079,320
Crew	\$920,420
Airport Rent	\$203,970
Landing Fees	\$97,240
Staff	\$480,120
Insurance	\$30,000
Marketing	\$30,000
Other Indirect Costs	\$420,000
Total Costs	\$6,291,310
Profit Element	\$314,566
Margin	5.0%
Total Annual Subsidy Year 1	\$5,136,776
Total Annual Subsidy Year 2	\$5,239,511