

## **City of Grand Island**

Tuesday, January 26, 2021 Council Session

## Item I-1

## #2021-19 - Consideration of Approving Letter of Support for Essential Air Service (EAS) to the Department of Transportation (DOT)

Staff Contact: Mike Olson, Executive Director of CNRA

## **Council Agenda Memo**

| From:         | Jerry Janulewicz, City Administrator                                 |
|---------------|--|
| Meeting:      | January 26, 2021   |
| Subject:      | Essential Air Service Recommendation                                 |
| Presenter(s): | Mike Olson, AAE, Executive Director<br>Hall County Airport Authority |

#### **Background**

The Department of Transportation developed a program entitled Essential Air Service (EAS) several years ago to assure that smaller rural communities would be provided with passenger air service. The program provides subsidies to commercial air carriers to offset the cost of offering such service in areas where ridership cannot be to the level to achieve profitability. This program is intended to help small communities in economic development, community development and population stabilization. Hall County has benefited from this program over the last few years by assuring that the area continued flight service for citizens and businesses.

Every two years the Department of Transportation asks for proposals from air carriers for the various EAS communities for the continuation of air service. Proposals from American Airlines, SkyWest, and Boutique Air were submitted for the Central Nebraska Regional Airport. A summary of the proposals are attached for City Council review.

## **Discussion**

The Airport Authority Board, in a letter to Mayor Steele, is requesting concurrence from the City for the formal request to the Department of Transportation for the Essential Air Service. This is a requirement of the DOT on matters such as this.

On January 20, 2021 the Hall County Airport Authority conducted a public meeting to discuss the bids for Essential Air Service to Grand Island, NE. The Hall County Airport Authority is recommending American Airlines to the Department of Transportation (DOT) for air service for the Central Nebraska Regional Airport under the Essential Air Service Program.

## **Alternatives**

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

- 1. Move to approve
- 2. Refer the issue to a Committee
- 3. Postpone the issue to future date
- 4. Take no action on the issue

## **Recommendation**

City Administration recommends that the Council accept the recommendation of the Hall County Airport Authority Board submitted by American Airlines and authorize the Mayor to send a letter to the Department of Transportation expressing support of such proposal.

## **Sample Motion**

Move to accept the recommendation of the Hall County Airport Authority Board submitted by American Airlines and authorize the Mayor to send a letter to the Department of Transportation expressing support of such proposal.

## BEFORE THE DEPARTMENT OF TRANSPORTATION WASHINGTON, DC

Essential Air Service at Grand Island, Nebraska

DOT-OST-2002-13983

Under 49 U.S.C §41731 et seq.

#### AMERICAN AIRLINES' PROPOSAL TO PROVIDE ESSENTIAL AIR SERVICE AT GRAND ISLAND, NEBRASKA

American Airlines, a wholly owned subsidiary of American Airlines Group, Inc., respectfully submits its proposal to continue subsidized Essential Air Service to Grand Island, Nebraska. American Airlines seeks to continue service between American's largest hub, Dallas/Fort Worth International Airport ("DFW"), and the Grand Island Regional Airport ("GRI"), with twelve weekly roundtrips.

The service would be operated by American Airlines' regional brand, American Eagle, using a 50 seat ERJ-145 regional jet, which is an increase in number of seats from prior bid. We may also continue to substitute a larger airplane with more capacity or add additional frequencies as we have done in the past. Aircraft type will be decided based on market demand and aircraft availability.

We had made great progress in developing air-service Grand Island, and saw the influence of the current service to redefine the local catchment area. Our previous bids reflected our belief that the Essential Air Service subsidy is vital, and the market is on a trajectory to one day be self-sufficient.

As it has been for much of the United States and the World, this has been a very difficult year financially for American Airlines, Inc. ("American") and for the aviation industry in general due to the ongoing COVID-19 crisis and the resulting loss of passenger demand for air transportation. These are unprecedented times and unfortunately American needs to make changes to improve its financial performance and allow it to protect as many of the over 100,000 team members it employs around the United States and the World. The current bid reflect this reality with an increase in subsidy in year 1 and a return to prior subsidy level when adjusted for seats in year 2.

American Airlines regional feed is operated under the American Eagle brand. American Airlines customers have access to 345 cities, 56 countries, and more than 6,900 daily departures. Through our oneworld alliance, customers have access to more than 1,010 destinations and 159 countries.

The service proposed by American Airlines continues existing service to American's largest hub, Dallas/Fort Worth International Airport. At DFW, American and American Eagle will offer between 750 and 900 departures to nearly 225 non-stop destinations. This direct access provides the community of Grand Island and its visitors unparalleled connecting opportunities across the world. Additionally, when traffic level would warrant it, American will actively look at adding service to another gateway, which in turn will increase the level of connectivity for the community.

We believe that our success in the past in these communities is demonstrative of the American Airlines network and marketing programs. American Airlines fully intend to communicate on the route on any platform that the Marketing team sees as adequate (Online, Traditional or Social Media) as part of its normal course of action.

American requests that the DOT and Grand Island waive the right to hold-in American Airlines service upon issuance of 120 days-notice to terminate service. Although our intent is to remain in the GRI market for the long term, we cannot be operationally constrained and kept in a market indefinitely without the ability to adapt to changing circumstances.

We look forward to serving the Grand Island area for many years to come and appreciate the community's and the Department of Transportation's consideration of continued American Airlines service.

Sincerely,

Jason Reisinger Managing Director Global Planning – Network Planning American Airlines

## **EAS Bid Summary** DFW-GRI @ 1 5/7 Daily RT Frequency with a E145

Prepared December 2020

| EAS Market                                |                  | DFW-GRI            |                        |
|---|------------------|--------------------|------------------------|
| <u>Stats</u>                              | <u>Year 1</u>    | Year 2             | <u>Total</u><br>Period |
| A/C Type                                  | E145             | E145               | E145                   |
| Seats Per Departure                       | 50               | 50                 | 50                     |
| Weekly Round Trips                        | 12               | 12                 | 12                     |
| Annual Departures (99% completion factor) | 1,236            | 1,236              | 2,471                  |
| Stage Length (Miles)                      | 561              | 561                | 561                    |
| Block Hours Per Departure                 | 1.8              | 1.8                | 1.8                    |
| Annual Block Hours (Factors)              | 2,244            | 2,244              | 4,489                  |
| RPMs ('000s)                              | 24,259           | 25,646             | 49,905                 |
| ASMs ('000s)                              | 34,656           | 34,656             | 69,313                 |
| Estimated Load Factor                     | 70%              | 74%                | 72%                    |
| Pasenger Revenue                          |                  |                    | <u>Total</u>           |
|   | <u>Year 1</u>    | <u>Year 2</u>      | <u>Period</u>          |
| Average Onboard Fare                      | \$122            | \$136              | \$129                  |
| Onboard Pax                               | <u>43,243</u>    | <u>45,714</u>      | <u>88,957</u>          |
|   | \$5,265,972      | \$6,237,671        | \$11,503,642           |
| Revenue Forecast                          |                  |                    | <u>Total</u>           |
|   | <u>Year 1</u>    | <u>Year 1</u>      | Period                 |
| Passenger Revenue                         | \$5,265,972      | \$6,237,671        | \$11,503,642           |
| Other Revenue                             | <u>\$463,406</u> | <u>\$717,332</u>   | <u>\$1,180,738</u>     |
| Total Revenue                             | \$5,729,377      | \$6,955,003        | \$12,684,380           |
| Expense Forecast                          |                  |                    |                        |
| Direct Expense                            | \$4,926,147      | \$5,314,827        | \$10,240,974           |
| Indirect Expense                          | \$716,051        | \$754,140          | \$1,470,191            |
| Aircraft Ownership and Overhead           | <u>\$817,422</u> | <u>\$1,001,266</u> | <u>\$1,818,689</u>     |
| Total Expense                             | \$6,459,621      | \$7,070,233        | \$13,529,854           |
| Profit/(Loss)                             | (\$730,244)      | (\$115,230)        | (\$845,474)            |
| Profit Element                            | \$286,469        | \$347,750          | \$634,219              |
| Subsidy Requirement                       | \$1,016,713      | \$462,981          | \$1,479,693            |
| Subsidy Requirement                       |                  |                    |                        |
| Subsidy Per Trip                          | \$823            | \$375              | \$599                  |
| Subsidy Per Passenger                     | \$24             | \$10               | \$17                   |
| , 0                                       | -                | -                  | -                      |



December 23, 2020

Mark Raggio United States Department of Transportation Office of Aviation Analysis 1200 New Jersey Ave SE Washington, DC 20590

SkyWest Airlines' Essential Air Service Proposal for Grand Island, NE

Dear Mr. Raggio:

Attached is SkyWest Airlines' proposal to provide air service from Grand Island, NE to Denver International Airport (DEN) and Chicago O'Hare International Airport (ORD).

SkyWest welcomes the opportunity to offer air service to the community of Grand Island. Our combination of safe and reliable aircraft, well-timed schedules, and access to one of the world's largest airline networks will provide passengers with quality air service and stimulate economic growth in the region.

As directed by the RFP, we will offer 13 round-trip flights per week for a three year term. All flights will depart and arrive to facilitate seamless connections to United's large and diverse flight schedules, which will make the service convenient for both business and leisure travelers. Our proposal makes it easy to get to destinations across the country and around the world. All flights are subject to gate availability and up line scheduling restrictions.

SkyWest believes this proposal provides the best overall option for air service in Grand Island, with excellent connectivity to the national transportation system.

Thank you for your consideration.

my atter

Greg Atkin Managing Director – Market Development SkyWest Airlines

444 S. River Road | St. George Utah 84790 | 435.634.3000 | skywest.com

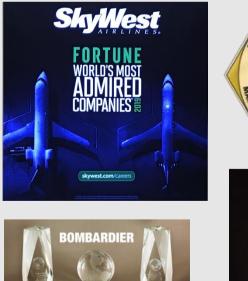
With over 13,000 aviation professionals operating nearly 2,400 daily flights, SkyWest Airlines connects millions of passengers each month to 258 destinations across North America. SkyWest operates in partnership with Alaska Airlines, American Airlines, Delta Air Lines, and United Airlines and has a fleet of 484 aircraft. SkyWest has been connecting small communities to the national transportation system for its entire 47 year history.

Headquartered in St. George, Utah, SkyWest's industryleading workforce and excellent leadership team have consistently generated top tier operational reliability, setting the standard for excellence in the regional airline industry.



- Fortune World's Most Admired Companies 2019
- ATW Regional Airline of the Year three times
- Bombardier's top reliability award for the CRJ200 six times
- The FAA's AMT Employer Gold Award for Excellence multiple times











skywest.com

Grand Island



### **50 Seat Twinjet Service**

The CRJ-200 is a quiet and modern twinjet that is both safe and fast. All SkyWest CRJ200 aircraft are serviced by a highly-trained flight attendant and each plane features a restroom, further adding to the comfort and convenience of each passenger's flying experience. SkyWest operates over 150 CRJ-200 aircraft.



#### **Superior Traffic Generation**

SkyWest 50 seat jets provide the best opportunity for passenger growth. SkyWest service provides significantly higher seat capacity than other regional operators and delivers industry leading reliability. Passengers also benefit greatly from seamless connectivity to one the largest global airlines in the world.



Page 9 / 25



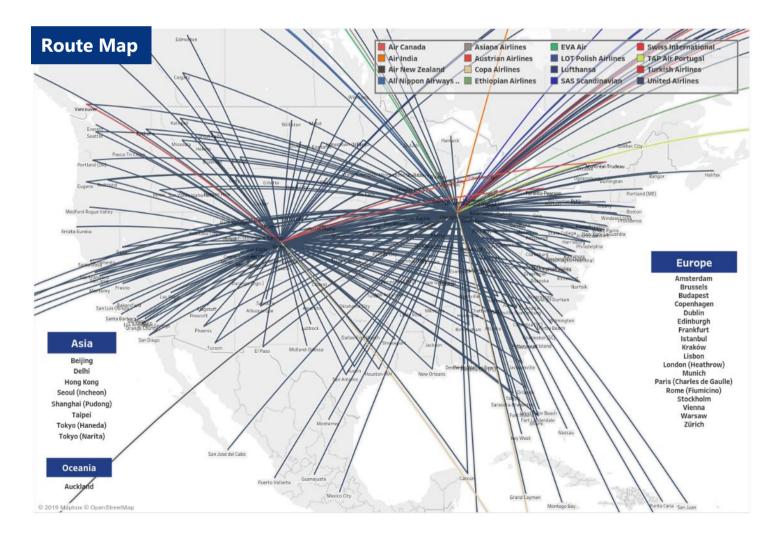
## **Superior Network and Connectivity**

This service will be marketed as United Express and will feature seamless bookings, connections, and baggage transfers that will access United Airlines' vast global network. This includes over 5,400 daily flights to more than 370 airports. United is also the largest member of the Star Alliance network, which allows travelers to connect to more than 22,000 daily flights to nearly all parts of the globe. This full codeshare and connectivity makes it simple for passengers to plan their travel and to effortlessly fly to their destination.



## **Superior Airports and Terminals**

Chicago is among the largest cities in the country. In addition, it is also the chief hub for United Airlines. Denver is also a key hub and is United's 'gateway to the West'. Flights will arrive and depart from United's main terminal in both locations. This means passengers will not have to reclear security or hop on a bus to make a connection.







## **Superior Reliability**

SkyWest has been named the most reliable CRJ-200 operator in North America five times since 2007. We have also been named the #1 On Time carrier for contiguous 48 states several times.



## **Subsidy Cap Compliant**

All SkyWest EAS communities are comfortably compliant with the DOT's passenger subsidy cap. This SkyWest proposal will provide measurable assurance in complying with DOT regulations and ensure the community is well positioned for continued future air service.



#### **Marketing Plan**

SkyWest will actively market the service with a variety of promotions. We will dedicate \$20,000 per year for marketing support. We advertise in print, digital, radio, online, and other means necessary. This effort will assist in generating awareness of the flight options offered.





## EAS Bid

| SkyWest Airlines                |                |                |              |  |
|---------------------------------|----------------|----------------|--------------|--|
| Essential Air Service Bid       |                |                |              |  |
| 12/23/2020                      | Year 1         | Year 2         | Year 3       |  |
|                                 | GRI            | GRI            | GRI          |  |
|                                 | DEN/ORD        | DEN/ORD        | DEN/ORD      |  |
|                                 |                |                |              |  |
| Number of Round Trips Per Week  | 13             | 13             | 13           |  |
| Aircraft Type                   | CRJ            | CRJ            | CRJ          |  |
| Passenger Revenue               |                |                |              |  |
| Passengers                      | 51,000         | 53,200         | 56,400       |  |
| Average Fare                    | \$ 123.00      | \$ 126.00      | \$ 129.00    |  |
| Revenue                         | \$ 6,282,000   | \$ 6,708,800   | \$ 7,256,400 |  |
| Neverine -                      | \$ 0,202,000   | ÷ 0,700,000    | Ş 7,230,400  |  |
| Block Time                      |                |                |              |  |
| Trip Block Time (minutes)       | 104            | 104            | 104          |  |
| Total Scheduled Block Time      | 2,335          | 2,335          | 2,335        |  |
| Total Completed Block Time      | 2,192          | 2,192          | 2,192        |  |
| RPMS                            |                |                |              |  |
| Passengers                      | 51,000         | 53,200         | 56,400       |  |
| Stage Length                    | 452            | 452            | 452          |  |
| Total RPMs                      | 22,944,000     | 23,900,800     | 25,401,600   |  |
|                                 | 22,344,000     | 23,500,800     | 23,401,000   |  |
| ASMs                            |                |                |              |  |
| Scheduled Departures            | 1,352          | 1,352          | 1,352        |  |
| Competed Departures             | 1,312          | 1,312          | 1,312        |  |
| Stage Length                    | 452            | 452            | 452          |  |
| Available Seats                 | 50             | 50             | 50           |  |
| Total ASMs                      | 29,577,109     | 29,577,109     | 29,577,109   |  |
| F                               |                |                |              |  |
| Expenses                        | ¢              | ć 20.000       | ¢ 20.000     |  |
| Marketing Costs                 | \$ 20,000      | \$ 20,000      | \$ 20,000    |  |
| Direct Operating Expenses       | \$ 5,961,182   | \$ 5,961,611   | \$ 5,962,235 |  |
| RPM Related                     | \$ 209,063     | \$ 218,081     | \$ 231,199   |  |
| Departure Related               | \$ 1,261,767   | \$ 1,261,767   | \$ 1,261,767 |  |
| ASM Related                     | \$ 275,659     | \$ 275,659     | \$ 275,659   |  |
| Total Expenses                  | \$ 7,727,670   | \$ 7,737,118   | \$ 7,750,860 |  |
| Operating Income (loss)         | \$ (1,445,670) | \$ (1,028,318) | \$ (494,460) |  |
| 5% Profit Margin                | \$ 386,384     | \$ 386,856     | \$ 387,543   |  |
| Annual Subsidy Requirement      | \$ 1,832,054   | \$ 1,415,174   | \$ 882,003   |  |
| Effective Subsidy Rate Per Unit |                |                |              |  |
| Subsidy Per Trip                | \$ 1,396       | \$ 1,078       | \$ 672       |  |
| Subsidy Per Passenger           | \$ 36          | \$ 27          | \$ 16        |  |
|                                 | 700/           | 0404           | 0.00         |  |
| Load Factor                     | 78%            | 81%            | 86%          |  |



## **Essential Air Service Proposal**



**Grand Island, NE** 

DOT-OST-2002-13983

December 28, 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 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 Passenger Executive Configuration Pressurized Cabin
- Power Outlets
- Enclosed Lavatory





# 5

## Proposal

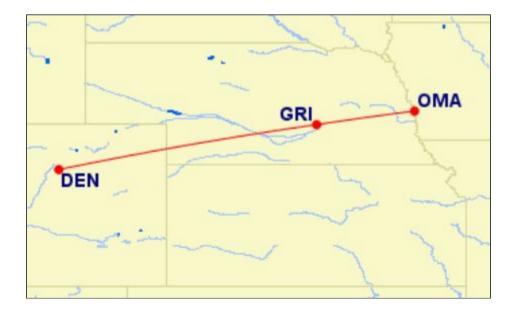
#### Overview

Our airline service will be operated with 8 or 9 modern Pilatus PC-12 aircraft. We have proposed two, three, or four year contract durations 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.

#### 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.





## **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. This ensures continued access to high quality professional pilots interested in safely maintaining a long term aviation industry career.

## **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. This includes codeshare advantage pricing.

## **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: Chadron, NE to Fort Lauderdale, FL and Los Angeles, CA

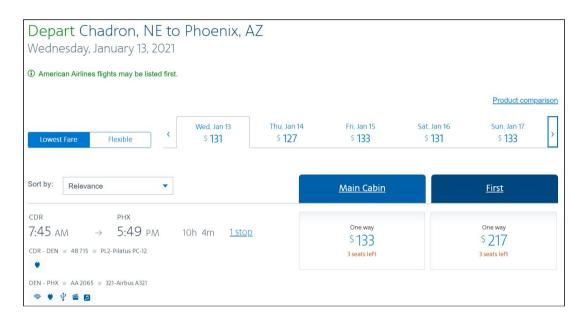
| ~   |                            |                 | ort Lauderda<br>r person, and inc |                  | fees. Additiona | l bag charges ma     | ay apply. |
|---|----------------------------|-----------------|-----------------------------------|------------------|-----------------|----------------------|-----------|
| Sun 1/10  | Mon 1/11                   | Tue 1/12        | Wed 1/13                          | Thu 1/14         | Fri 1/15        | Sat 1/16             |           |
| \$205   | \$205                      | Not available   | \$185                             | \$205            | \$205           | \$261                |           |
| <b>With stops</b>   | \$185 Choose               | connecting airp | ports                             |                  |                 |                      |           |
| Sort flights  | by: Custom 🤜               | •               |                                   |                  | Econom          |                      | Eco       |
| Depart  | Arrive                     | Stops Dur       | ation                             |                  | (lowest         | price)               | (full     |
| 2:30 pm<br>Includes Trave   | 11:54 pm<br>Operated By Bo |                 | 24m 🕨                             | Details 🕨 🕨 Seat |                 | \$185<br>Select      | e         |
| <ul> <li>Departure: Chadron, NE, US → Los Angeles, CA, US Edit search</li> <li>i) Fares are for the entire one-way trip, per person, and include taxes and fees.<br/>Additional bag charges may apply.</li> </ul> |                            |                 |                                   |                  |                 |                      |           |
| Wed 1/13  | Thu 1/14                   | Fri 1/15        | Sat 1/16                          | Sun 1/1          | 7 Mon 1/        | 18 Tue 1/1           | 9         |
| \$165   | \$175                      | \$175           | \$165                             | \$175            | \$175           | Not availa           | ble       |
| With stops <b>\$165</b> Choose connecting airports  |                            |                 |                                   |                  |                 |                      |           |
| Sort flights  | by: Custom                 | •               |                                   |                  | 300 M           | onomy<br>west price) |           |
| Depart  | Arrive                     | Stops D         | uration                           |                  | (IC             | west price)          |           |
| No change fe  | es                         |                 |                                   |                  |                 |                      |           |
| 7:45 am   | 12:46 pm                   | <b>1 stop</b> 6 | h 1m                              | Details          | Seats           | \$165                |           |
| Includes Trave  | l Operated By E            | Boutique Air    |                                   |                  |                 | Select               | -         |
|   |                            |                 |                                   |                  | 2               | tickets left at th   | is price  |

548 Market St, Suite 73298 | San Francisco, CA 94104 | t. 415.449.0505 | f. 415.738.7671

6



## AA.com: Chadron, NE to Phoenix, AZ and Dallas, TX



| Depart Chadron, NE to Dallas/ For<br>Wednesday, January 13, 2021   | rt Worth, T                 | X                                 |                             |                                  |
|--|-----------------------------|-----------------------------------|-----------------------------|----------------------------------|
| ① American Airlines flights may be listed first.   |                             |                                   |                             |                                  |
|  |                             |                                   |                             | Product comparison               |
| Lowest Fare Flexible Ved, Jan 13<br>5 127  | Thu, Jan 14<br>S <b>127</b> | Fri, Jan 15<br>§ <b>133</b>       | Sat, Jan 16<br>S <b>127</b> | Sun, Jan 17<br>\$ 133            |
| Sort by: Relevance   |                             | <u>Main Cabin</u>                 |                             | <u>First</u>                     |
| $ \begin{array}{ccc} \text{CDR} & \text{DFW} \\ \hline 7:45 \text{ AM} & \rightarrow & 1:44 \text{ PM} & 4\text{h} 59\text{m} & \underline{1stop} \\ \hline \text{CDR-DEN} & = & 4\text{B} & 715 & \text{PL2-Pilatus PC-12} \\ \hline \bullet & \hline \end{array} $ |                             | One way<br>\$ 127<br>3 seats left |                             | One way<br>S 216<br>3 seats left |
| DEN - DFW = AA 2515 = 321-Airbus A321  |                             |                                   |                             |                                  |

548 Market St, Suite 73298 | San Francisco, CA 94104 | t. 415.449.0505 | f. 415.738.7671

7



## **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

## 5

## Grand Island, NE

| Option 1: 42 Nonstop RTs (DEN, OMA) |              |
|-------------------------------------|--------------|
| Operations                          | <u>PC-12</u> |
| Scheduled Flights                   | 4,368        |
| Completed Flights (98%)             | 4,280        |
| Scheduled Block Hours               | 3,608        |
| Scheduled Seats                     | 34,944       |
| Scheduled ASMs                      | 5,299,840    |
| Revenue                             |              |
| Passengers                          | 25,000       |
| Average Fare                        | \$99         |
| Fare Revenue                        | \$2,475,000  |
| Total Revenue                       | \$2,475,000  |
| Expenses                            |              |
| Fuel                                | \$931,946    |
| Ownership                           | \$860,000    |
| Maintenance                         | \$1,468,456  |
| Crew                                | \$497,240    |
| Airport Rent                        | \$380,490    |
| Landing Fees                        | \$162,675    |
| Staff                               | \$338,050    |
| Insurance                           | \$20,000     |
| Marketing                           | \$20,000     |
| Other Indirect Costs                | \$174,000    |
| Total Costs                         | \$4,852,857  |
|                                     |              |
| Profit Element                      | \$242,643    |
| Margin                              | 5.0%         |
|                                     |              |
| Total Annual Subsidy Year 1         | \$2,620,500  |
| Total Annual Subsidy Year 2         | \$2,672,910  |
| Total Annual Subsidy Year 3         | \$2,726,368  |
| Total Annual Subsidy Year 4         | \$2,780,895  |
|                                     |              |

548 Market St, Suite 73298 | San Francisco, CA 94104 | t. 415.449.0505 | f. 415.738.7671

9



January 20, 2021

Mayor Roger Steele City of Grand Island PO Box 1968 Grand Island, NE 68802

Dear Mayor Steele:

Today, the Hall County Airport Authority adopted Resolution 21-02 being the Hall County Airport Authority Board will make the following recommendation to the Department of Transportation (DOT) for air service in Grand Island under the Essential Air Service program:

American Airlines will provide 12 weekly round trips from the Central Nebraska Regional Airport in Grand Island, NE (GRI) to Dallas/Fort Worth International Airport (DFW) in Dallas/Fort Worth, TX, utilizing a E145 50 seat jet.

The term is for a two-year period from July 1, 2021 through June 30, 2023, with an annual subsidies: Year 1 - \$1,016,713.00 and Year 2 - \$462,981.00.

The Hall County Airport Authority Board respectively requests concurrence from the City Council in our support for American Airlines to Dallas/Fort Worth Texas International Airport, and a letter of support from Mayor Steele recommending the same to the Department of Transportation.

Sincerely submitted,

HALL COUNTY AIRPORT AUTHORITY

Michael J. Olson, AAE Executive Director

MJO:dkp

Enclosures

cc: Jerry Janulewicz – City Administrator RaNae Edwards – City Clerk

3579 Sky Park Road | Grand Island, NE 68801 | Office (308) 385-5170 | Fax (308) 385-5179 | FlyGrandIsland.com

#### Hall County Airport Authority

January 20, 2021

Resolution 21-02

Essential Air Service (EAS) Recommendation for (GRI) Grand Island, Nebraska

AUTHORITY ACTION TAKEN: Resolution being the Hall County Airport Authority Board makes the following recommendation to the Department of Transportation for commercial air service for GRI under the EAS Program:

- A. American Airlines Proposal
- B. Boutique Air Proposal, or
- C. SkyWest Proposal

(Board will select one option at the meeting.)

and

Brian Quandt, Board Chair

Michael J. Olson, Executive Director

#### RESOLUTION 2021-19

WHEREAS, the Central Nebraska Regional Airport has been working diligently to improve the air service options available to central Nebraskans and to increase the number of enplanements from the Central Nebraska Regional Airport; and

WHEREAS, on January 20, 2021, the Hall County Airport Authority Board approved Resolution #21-02 authorizing a recommendation to the Department of Transportation to allow American Airlines to provide 12 weekly round trips from Central Nebraska Regional Airport in Grand Island, NE (GRI) to Dallas/Fort Worth International Airport (DFW) in Dallas/Fort Worth, Texas; and

WHEREAS, the recommendation would serve more passengers in central Nebraska, and would be the best use of federal Essential Air Service subsidies, and

WHEREAS, the City of Grand Island supports the efforts to increase affordable, convenient options for air travel for central Nebraska; and

WHEREAS, increased air traffic to serve central Nebraska would be a valuable asset to the community.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Mayor and City Council of the City of Grand Island hereby pledge their full support, endorsement, and cooperation with the efforts of the Hall County Airport Authority in submitting a recommendation to the Department of Transportation seeking Essential Air Service improvement funding to allow American Airlines to provide 12 weekly round trip nonstop flights to Dallas/Fort Worth International Airport in Dallas/Fort Worth, Texas.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized to send a letter to the Department of Transportation expressing support of such proposal.

\_ \_ \_

Adopted by the City Council of the City of Grand Island, Nebraska, January 26, 2021.

Roger G. Steele, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form¤January 22, 2021¤City Attorney