

SHOW LOW CITY COUNCIL
STUDY SESSION - TUESDAY, FEBRUARY 20, 2024

PURSUANT to A.R.S. Section 38-431.02, notice is hereby given to the Show Low City Council and to the general public, that a **Study Session** of the Show Low City Council will be held on Tuesday, February 20, 2024, at 5:00 PM in the City Council Chambers, 181 North 9th Street, Show Low, Navajo County, Arizona. The agenda for this meeting is as follows:

1. Call to Order.
2. Roll Call.
3. Interviews with Essential Air Service Proposers for Show Low Regional Airport.
 - A. 5:00 p.m. Boutique Air
 - B. 5:30 p.m. Contour Airlines
 - C. 6:00 p.m. Southern Airways Express, LLC
4. Presentation of Safety Procedures. (Show Low Police Commander Jeff McNeil)
5. Adjournment.

Pursuant to the Americans with Disabilities Act (ADA), the City Council endeavors to ensure the accessibility of its meetings to all persons with disabilities. If you need accommodation for a meeting, please call the City Clerk's office at (928) 532-4061 at least 48 hours prior to the meeting for accommodation.

Council Chambers will open at least ten minutes prior to the meeting to allow public access to the room. Council Chambers has a maximum occupancy of 139 people.

Rachael Hall

I, Rachael Hall, do hereby certify that the foregoing notice was posted on February 16, 2024.



Essential Air Service Proposal

Show Low, AZ

DOT-OST-1998-4409

January 22, 2024

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.

Essential Air Service

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, providing reliable and high quality air transportation to over twenty EAS communities over the past 9 years.

Our Aircraft

Boutique Air currently operates a modern fleet of Pilatus PC-12 aircraft. Boutique Air ensures that aircraft are equipped with amenities beyond those found in typical commercial airline aircraft, and that pilots provide a level of customer service beyond that of normal commercial airlines, as they may routinely fly both public and private charter flights. Our aircraft have the following amenities:

- 8 or 9 Passenger Seat Configuration
- Leather Seats
- Pressurized Cabin
- Power Outlets
- Enclosed Lavatory
- Refreshments Provided on all Boutique Flights

Proposal

Overview

Our airline service will be operated with 8 or 9 seat Pilatus PC-12. We are proposing a two, three, or four year contract duration for the community to consider with a 7% increase each year. Boutique Air will provide air service from Show Low, AZ to Phoenix, AZ 18 times per week. Alternatively, Boutique Air can provide 12 round trips to Phoenix and 6 round trips to Las Vegas, NV.

Boutique Air will maintain at least 98% controllable flight completion. Through the past 12 months, Boutique Air has maintained 99.65% controllable completion over nearly 6,000 scheduled flight operations.

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, television, and internet advertising.

United Airlines Interline and Codeshare Agreement

Boutique Air launched an interline and codeshare agreement with United Airlines on May 1, 2017. Customers of Boutique Air will have flow-through ticketing and baggage capabilities for those flights that connect with United Airlines.

United.com example: Massena, NY to Newark, NJ

[Screenshot taken 4/25/2017](#) [Screenshot taken 4/25/2017](#)

DEPART ON: April 4

1 STOP

5:30 PM

MSS

4H, 29M

9:59 PM

EWR

BOS — 1H, 38M

Includes Travel Operated by Boutique Air

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

Economy

\$148

American Airlines Interline Agreement

In addition Boutique Air has an interline agreement with American Airlines as of August 7, 2019. Passengers are also able to book through United.com and AA.com and connect with any of United or American flights.

AA.com example: Carlsbad, NM to Los Angeles, CA

Depart Carlsbad, NM to Los Angeles, CA
Thursday, April 6, 2023

Lowest Fare Flexible < Sun, Apr 02 \$ 344 Mon, Apr 03 \$ 299 Tue, Apr 04 \$ 232 Wed, Apr 05 \$ 222 Thu, Apr 06 \$ 222 >

Sort by: Total travel time

Main Cabin **First**

One way \$ 247 2 seats left

One way \$ 337 1 seat left

CNM LAX
3:35 PM → 7:50 PM 5h 15m 1 stop

CNM - ABQ - 48 653 - PL2-Platus PC-12

Operated by Boutique Air

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, Boutique Air

Boutique Air EAS Proposal at Show Low, AZ

Option 1: 18 Weekly Nonstop Round Trips to PHX

Operations	<u>PC-12</u>
Scheduled Flights	1,872
SOW-PHX	936
PHX-SOW	936
Flight Completion	98%
Scheduled Flight Time	1,077
Scheduled Block Time	1,404
Scheduled Seats	16,848
Scheduled ASM	2,158,833
Revenue	
Passengers	16,427
Average Fare	\$69
Fare Revenue	\$1,133,449
Expenses	
Direct Operating Expenses	\$3,285,604
Indirect Operating Expenses	\$542,943
Airport Facilities	\$188,800
Ownership	\$844,915
Total Expenses	\$4,862,262
Profit Element	
Margin (5.0%)	\$243,113
Total Annual Subsidy Year 1	\$3,971,926
Total Annual Subsidy Year 2	\$4,249,960
Total Annual Subsidy Year 3	\$4,547,458
Total Annual Subsidy Year 4	\$4,865,780
Subsidy per Flight	\$2,122

Option 2: 12 Weekly Round Trips to PHX and 6 Round Trips to Las Vegas

Operations	<u>PC-12</u>
Scheduled Flights	1,872
SOW-PHX	624
PHX-SOW	624
SOW-Las Vegas	312
Las Vegas-SOW	312
Flight Completion	98%
Scheduled Flight Time	1,520
Scheduled Block Time	1,848
Scheduled Seats	16,848
Scheduled ASM	3,215,073
Revenue	
Passengers	16,680
Average Fare	\$109
Fare Revenue	\$1,818,068
Expenses	
Direct Operating Expenses	\$4,675,411
Indirect Operating Expenses	\$754,691
Airport Facilities	\$358,000
Ownership	\$1,056,144
Total Expenses	\$6,844,245
Profit Element	
Margin (5.0%)	\$342,212
Total Annual Subsidy Year 1	\$5,368,390
Total Annual Subsidy Year 2	\$5,368,390
Total Annual Subsidy Year 3	\$5,744,177
Total Annual Subsidy Year 4	\$6,146,270
Subsidy per Flight to/from PHX	\$2,288
Subsidy per Flight to/from LAS	\$4,028



Proposal for Essential Air Service

Show Low, AZ

DOT-OST-1998-4409



Expanding Network

Contour Airlines has grown rapidly without sacrificing industry-leading reliability

- Contour launched its first scheduled route, Tupelo (TUP) to Nashville (BNA) in 2016
- Contour has since expanded to 26 cities nationwide, carrying over 350,000 passengers annually.
- Contour has maintained industry-leading reliability despite its rapid growth, with its controllable completion factor topping 96% each of the last twelve months.



Contour Airlines Route Network August 2023



Regional Jet Fleet



Contour's regional jet fleet provides a consistent and reliable product to our customers

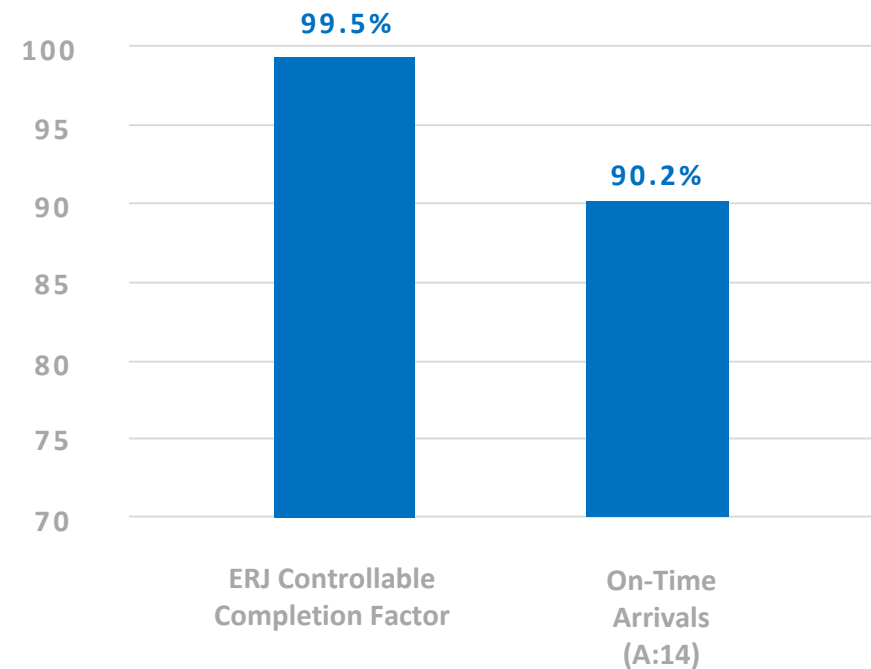
- Contour operates a fleet of 30+ regional jets and a variety of business jets available for private charter.
- Our Embraer regional jets seat 30 passengers in a 2 by 1 configuration and feature 36" of seat pitch in every row.
- Contour performs heavy checks in-house at its primary maintenance facility in Smyrna, TN, as well as line maintenance at multiple outstations across the country.

Reliability and Safety

- In 2021 Contour's network on time performance was 90.2% and controllable completion factor was 99.5%, both of which are among the best in the industry.
- Contour has been consistently ranked either the first or second most punctual airline in America by OAG.
- The company renewed its Department of Defense certification and underwent an audit that imposes the most exacting safety standards



2021 Operational Reliability



CONTOUR

*Source: OAG Airline Monthly OTP – September/October 2019

EAS Success

Contour's operational reliability has driven considerable traffic growth over prior carriers in EAS markets

More passengers, jet service could lead to bigger things

"Contour promised to deliver, and they've made good on that promise. Almost always on time, Contour helped bring passenger boardings at Tupelo Regional Airport to a nine-year high."

-Daily Journal, January 13, 2019

Contour revitalizes Tupelo air service

"Contour has restored reliability and trust to air service in the All-America City."

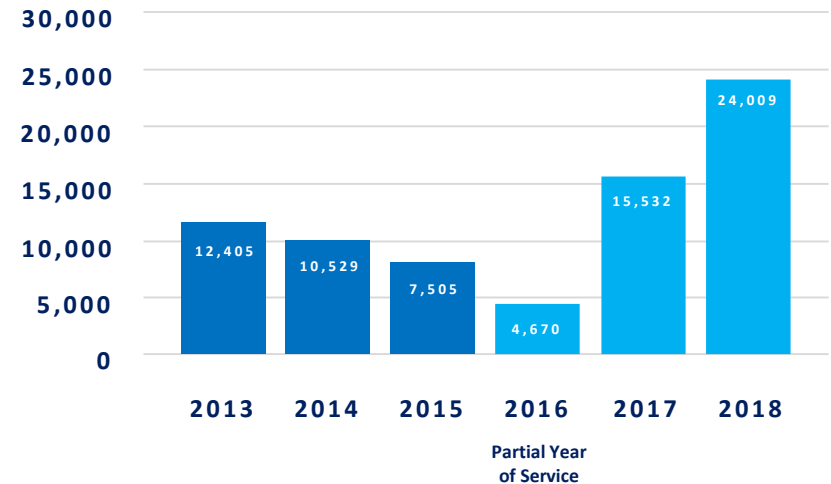
-Daily Journal, January 4, 2019

Contour Airlines numbers continue to fly high

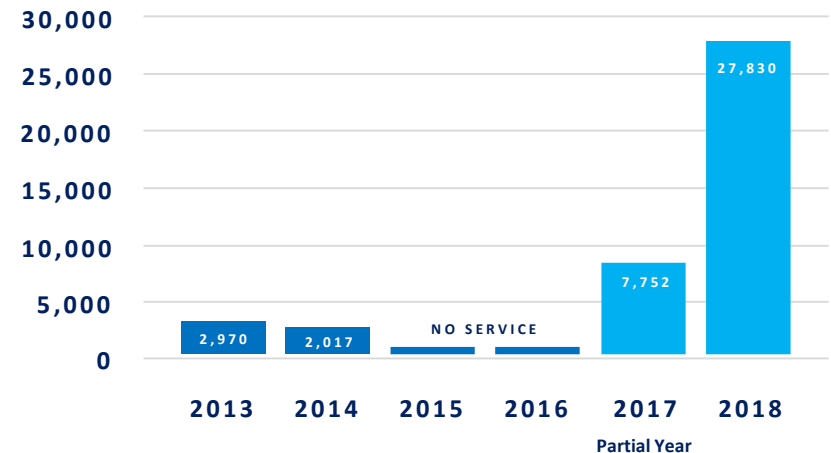
"Month after month, the number of passengers flying through the Middle Georgia Regional Airport continues to soar...It's a level of success the airport hasn't seen..."

- 41 NBC Macon, July 11, 2018

**Tupelo, MS
Passenger
Traffic by
Year**



**Macon, GA
Passenger
Traffic by
Year**



Contour
Previous Carrier

Marketing Plan

- Contour schedules are ideally timed for business travel and onward connections.
- Contour commits to a marketing spend of at least \$25K annually using mix of social media, print, radio, billboards, and sponsorships
- An interline agreement with American Airlines now offers seamless connections to destinations around the world
- Contour offers a complimentary checked bag to all passengers as well as other consumer-friendly policies, particularly when compared to legacy carriers
- Super Saver Fares are unique to Contour and offer highly discounted fares for last minute travel as low as \$19 each way, stimulating demand and increasing passenger traffic.



Customer Experience

Contour has made significant investments in our internal and external customer experience

- Contour has an interline partnership with American Airlines that began October 2019. Contour and American combined itineraries can be booked via contourairlines.com, AA.com, and all major online and retail travel agencies.
- Contour has launched a mobile app that supports booking, trip management, check in, and flight status monitoring.
- Contour will be co-located with American Airlines in Terminal 4 at PHX by the end of Q1 2024, making connections even easier.



Show Low, AZ

Route: SOW-PHX

Service in Regional Jet Aircraft configured with 30 passenger seats

All flights conducted as 14 CFR Part 380 public charters

Year 1 Projection - 36 Month Term

Annual Escallation: 5% Year Over Year

Operations

Scheduled Flight Segments		1,248
Completion Factor/Completed Flight Segments	97%	1,211
Scheduled Seats	30	37,440

Revenue

Estimated Average Load Factor/Total Annual Passengers	55%	20,592
Average Fare	\$	65.00
Total Revenue	\$	1,338,480.00

Expenses

Fuel	\$	1,790,840.00
Maintenance and Reserves	\$	1,246,055.00
Pilot Costs	\$	1,825,000.00
Aircraft Fixed Costs	\$	850,000.00
Marketing	\$	25,000.00
Other Indirect Costs	\$	910,000.00
Total Expenses	\$	6,646,895.00

Profit Component (Percentage of Total Expenses)	5%	\$ 332,344.75
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Proposed Subsidy - Year 1	\$	5,640,759.75
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**Service contingent on the community waiving its right to scheduled air transportation*

ESSENTIAL AIR SERVICE AT

Show Low, Arizona



America's Leading Commuter Airline

SOUTHERN

UNDER 49 U.S.C. § 41731 ET SEQ.

BY ORDER 2023-12-13 |

DOT-OST-1998-4409

**Proposal to Provide Subsidized
Essential Air Service**

By Order 2023-12-13, the Department requested proposals from carriers interested in providing Essential Air Service to Show Low, Arizona. Pursuant to that Order, Southern Airways Express LLC ("Southern") cordially submits this proposal.

**Correspondence with regard
to this document should be
addressed to:**

Stan Little
Chief Executive Officer

2875 South Ocean Boulevard,
Palm Beach, Florida, 33480

(901) 672-7820
iFlySouthern.com

Southern Airways Express hereby offers a proposal to continue to be the air service provider at the Show Low Regional Airport. This proposal is for a period of two or four years.

The Southern Airways Story

Southern Airways launched in Memphis, Tennessee in 2013 with only two aircraft and four pilots. Since that time, Southern has grown to become the largest commuter airline in the United States and a well-known provider of Essential Air Service to communities from coast to coast.

Southern's initial entry into the marketplace was intended to fill a void in Memphis and the Gulf South following the elimination of non-stop flight options from other airlines. While in pursuit of that goal, the opportunity to expand presented itself. In 2016, Southern acquired Sun Air Express, a commuter airline providing Essential Air Service to communities in Pennsylvania, Maryland, and New York. Southern worked swiftly following the acquisition to combine the two companies, while at the same time building additional scale in both the mid-Atlantic and Gulf regions.

In February 2019, Southern leveraged its growth by acquiring Mokulele Airlines, a commuter airline that has connected the Hawaiian Islands for the last 30 years.

The 2020 pandemic presented unprecedented challenges for the aviation community.

While many airlines did not survive the pandemic, Southern took a different path and strengthened its commitment to the Hawaiian Islands by acquiring aircraft and staff from Makani Kai, a small commuter airline that was uniquely dedicated to providing air service to the island of Molokai. The combination of Mokulele and Makani Kai in Hawaii, along with Southern's Essential Air Service routes across the continent, positioned the company to have the diversification and strength needed to survive the extensive travel restrictions of the Covid era.

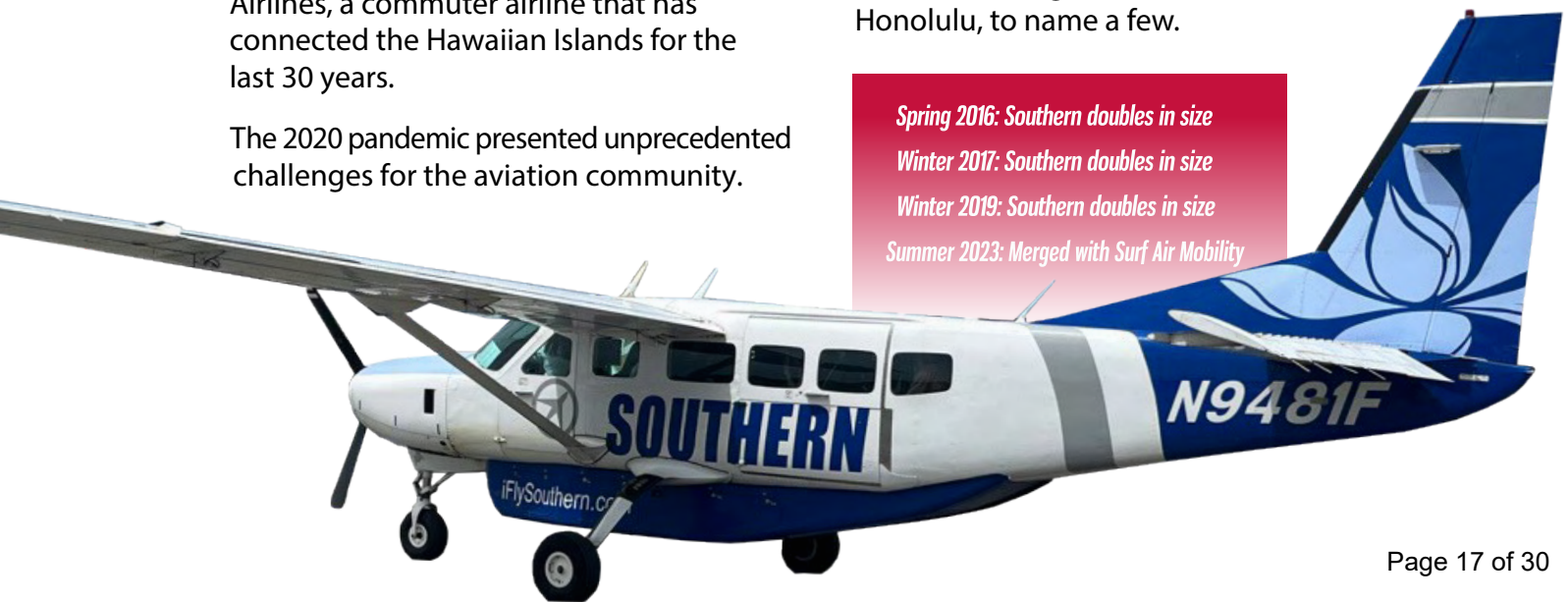
Southern completed its most recent acquisition in March 2022 when it acquired St. Louis-based commuter airline Air Choice One. With this acquisition, Southern was able to expand to the mid-West and Great Lakes, making Southern a dominant player across the country with major airport hubs that include Washington-Dulles, Atlanta, Chicago-O'Hare, Dallas-Ft. Worth, Denver, Los Angeles, Phoenix, and Honolulu, to name a few.

Spring 2016: Southern doubles in size

Winter 2017: Southern doubles in size

Winter 2019: Southern doubles in size

Summer 2023: Merged with Surf Air Mobility



Southern's ten-year history of acquisitions and rapid growth to becoming the largest commuter airline in America made the carrier a perfect partner for Surf Air Mobility, a regional air mobility platform based in Los Angeles. Southern began operating flights on behalf of Surf Air in the summer of 2022. This partnership led to the discovery of a shared vision between each company's founders-- and it led to the decision to combine the entities and unite as one.

On July 27, 2023, Southern Airways and Surf Air merged and listed on the New York Stock Exchange. Combined under the name Surf Air Mobility (NYSE:SRFM), the vision is two-fold: One, expand our growing network of commuter air service, and two, change the future of aviation by bringing to market the first electric propulsion system for commercial airplanes.

Southern Creates its own Solutions to the National Pilot Shortage

As airlines across the nation grapple with the national pilot shortage, Southern has been thriving with its pilot recruiting, training, and retention initiatives. Southern has innovated *The Southern Airways Pilot Cadet Program*, which allows for experienced captains (should they choose) to advance in their aviation career to the major airlines. This program secures Southern with an ample supply of the nation's best cadets from whom to choose. After completing the Southern training program, pilots are offered a contract that expedites their ability for career advancement and also guarantees Southern a predictable and steady pilot pipeline. Southern has also experienced success with *The Southern Senior Leadership Program*, which provides part-time opportunities for recently retired airline captains to continue flying and impart their knowledge and skills to younger pilots.



Two in-house training centers, one located in DuBois, Pennsylvania, and one in Kahului (Maui), Hawaii conduct daily flight training sessions with new-hire pilots.



[FACEBOOK.COM/IFLYSOUTHERN](https://www.facebook.com/IFLYSOUTHERN)



[INSTAGRAM.COM/FLYSOUTHERN](https://www.instagram.com/FLYSOUTHERN)



[PINTEREST.COM/IFLYSOUTHERN](https://www.pinterest.com/IFLYSOUTHERN)



[TWITTER.COM/IFLYSOUTHERN](https://twitter.com/IFLYSOUTHERN)



[YOUTUBE.COM/USER/IFLYSOUTHERN](https://www.youtube.com/user/IFLYSOUTHERN)

Success in Numbers:

2023 Total: Southern created or upgraded 293 pilots.

Quarter 4, 2023: Unplanned pilot resignations plummeted over 60% when compared to the prior quarter.

January 2024: Over 80 pilots currently in training!



*"Voted as the
best Specialty &
Leisure Airline in
the USA"*

— Trip Advisor, April 2019



The Southern Fleet

Southern offers varying fleet types to meet the specific needs of each community. Doing so allows for some communities to choose multiple frequencies per day, while other cities may choose to have fewer departure, but more seats per departure. Also, due the vastness of the Southern network, having a wide range of fleet options allows the airline to select the aircraft best suited to each route, such as those operating in higher elevations or those with unique runway limitations.

First and foremost, the backbone of the Southern fleet is the time-tested and reliable Cessna Grand Caravan. Southern operates over 40 Cessna Grand Caravans and has delivered multiple months of near-perfect reliability to many markets, while also posting record setting passenger counts in multiple communities.

Southern has selected the Pilatus PC-12 to operate its flights in the Western half of the United States. This pressurized aircraft is the perfect commuter aircraft for routes that operate in higher elevations such as the Rockies, as well as for operating routes with longer stage lengths.

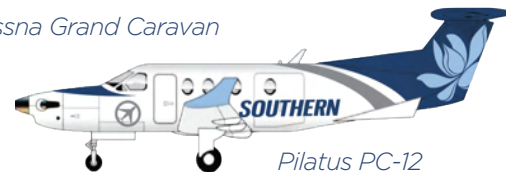
The Saab 340 is a 30-seat twin engine aircraft that has been a staple in regional air transportation across the globe. Southern operates the Saab 340 in communities where a large number of people need to travel at the same time.

The Tecnam P-2012 Traveller is the newest addition to the Southern fleet and offers an economical solution for communities that require twin engine service.

With its various aircraft offerings, Southern can customize its service to each specific route and deliver multiple options to meet passenger demand and community air service needs.



Cessna Grand Caravan



Pilatus PC-12



Tecnam P2012 Traveller



SAAB 340

Southern Airways

By the Numbers

250 Daily Departures

40,000 Monthly Passengers

650 Employees

270 Pilots

50 Aircraft

43
*Amazing
Destinations*

IN THE EAST:

Bradford, Penn.
Boston Harbor, Mass.
DuBois, Penn.
East Hampton, N.Y.
Lancaster, Penn.
Montauk, N.Y.
Morgantown, W. Va.
Shelter Island, N.Y.

CENTRAL:

Burlington, Iowa
El Dorado, Ark.
Harrison, Ark.
Hot Springs, Ark.
Jackson, Tenn.
Jonesboro, Ark.
Muskegon, Mich.
Quincy, Ill.

IN THE WEST:

Chadron, Nebr.
Imperial, Calif.
Show Low, Ariz.
Pueblo, Colo.

IN HAWAI'I:

Hana	Hilo
Kapalua	Kalaupapa
Kona	Lāna'i City
Molokai	Waimea-Kohala
Honolulu	Kahului

15 HUB/FOCUS CITIES:

Atlanta	Memphis
Chicago	Nashville
Dallas/Ft. Worth	New York City
Denver	Phoenix
Honolulu	Pittsburgh
Kahului	St. Louis
Los Angeles	Washington-Dulles



ALL MAJOR DISTRIBUTION CHANNELS

Southern invests a considerable portion of its marketing budget to promote its service to traditional travel agents and to internet shoppers who purchase tickets through online travel agencies.

MAJOR GLOBAL DISTRIBUTION SYSTEMS:

Sabre
Amadeus
Worldspan
Galileo
Travelport
Apollo

MAJOR ONLINE TRAVEL AGENCY WEBSITES:

Expedia
Travelocity
Orbitz
Kayak
Priceline
Cheaptickets

amadeus

Sabre

Travelport 

KAYAK

ORBITZ

priceline.com

 Expedia


travelocity



SURFAIR

A Surf Air Mobility Company

Southern's interline partners *American, Alaska, United, Hawaiian.*

Southern is interline partners with four major airlines. This means seamless ticketing and baggage connections to and from your final destination.

American Airlines 

Alaska®

UNITED



HAWAIIAN
AIRLINES





**Now serving 49 cities with over
250 daily departures!**



Seaplane routes
operated by:



Hawai'i Island



MOKULELE

SURFAIR

A Surf Air Mobility Company

COMING 2024

Clearing the Air for Electric Aviation

Surf Air Mobility is working to enhance the passenger experience by bringing electric aircraft to short-haul passenger travel...and the date of the first electric flight may be closer than you think! Electrification is the future of air travel, and the aircraft in Southern's fleet will be the first types to undergo this conversion as Surf Air's electric powertrains will first be integrated on the Cessna Grand Caravan.

The benefits of electric aviation are both environmental and financial. The first-generation hybrid electric powertrains are targeting emission reductions of up to 50% and direct operating cost savings of up to 25%, without sacrificing aircraft performance. Fully electric versions will realize up to 100% emission reduction and up to 50% operating cost reduction.

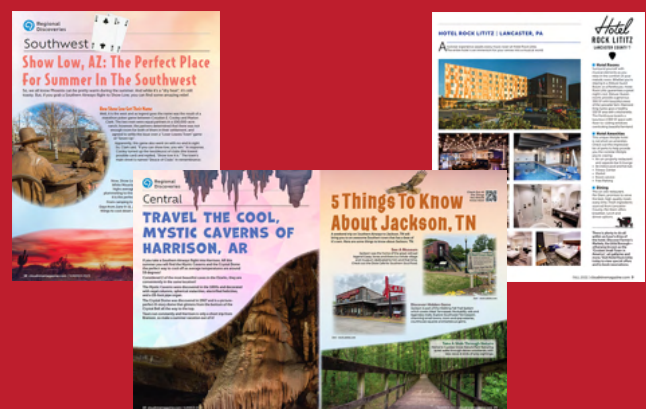


For passengers, this cost reduction can lead to more flight options and stable fares. With over 40 Cessna Grand Caravans in the Southern fleet transitioning over time to electric propulsion, Southern and Surf hope to become the shining example for airlines across the globe to emulate when determining their future plans.



Cloud Nine

The Official In-Flight Magazine of Southern Airways



Southern uses Cloud Nine to promote travel to each of its of unique communities!

The *REGENT* seaglider

Southern has partnered with REGENT to be the launch customer of the fully electric Regent Viceroy seaglider. REGENT's innovative new vessel, now with a full-scale operational prototype, will change the way people commute between coastal communities. Float. Foil. Fly. Passengers will board the seaglider at a dock and depart the harbor the same they would a boat. Once reaching the desired speed, the vessel will rise above the water on hydrofoils and eventually fly. In flight, passengers glide over the water in a gravitational state known as wing-in-ground effect.



With speeds comparable to the Cessna Grand Caravan and seating up to 12 passengers, this will be the future of connectivity for coastal and island communities. Southern hopes to operate the first seagliders in Hawaii and then expand this new mode of transportation to South Florida, the Bahamas, and the Caribbean.

Recent Accomplishments

MORGANTOWN, WV: 2023 – Highest annual passenger count since 2016.

LANCASTER, PA: October 2023 – Record-setting monthly passenger count (going back 10 years).

IMPERIAL, CA: October 2023 – Best October passenger count in over 10 years.

QUINCY, IL: October 2023 – Highest monthly passenger count of the year.

JACKSON, TN: November 2023 – Highest monthly passenger count of the year.

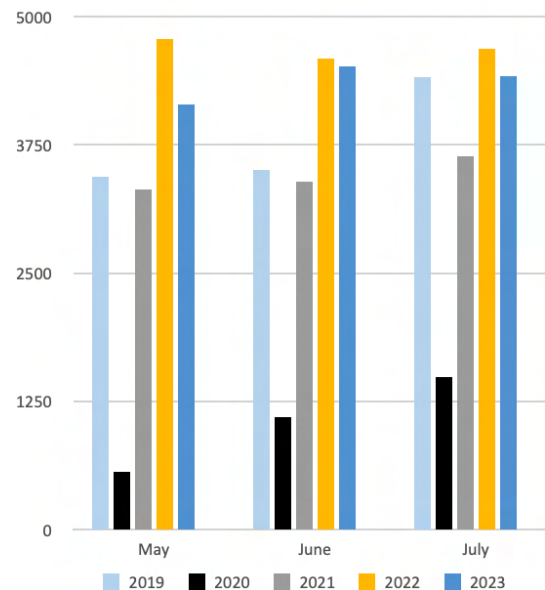
SHOW LOW, AZ: November 2023 – Highest monthly passenger count of the year.

JONESBORO, AR: November 2023 – Highest monthly passenger count of the year.

SIZZLING SUMMERS IN THE MID-ATLANTIC

Southern's 2022 & 2023 Passenger Counts in Morgantown, DuBois, Bradford, and Lancaster were the highest on record!

(See the trend over the past five years)



Becoming the Best Commuter Airline in America

Southern Airways is the largest commuter airline in America and is making strides to be one of the best passenger experiences in the country as well. Below are a few of the improvements that Southern has made over the past few years that has positioned the airline to provide a greater experience for the passenger.



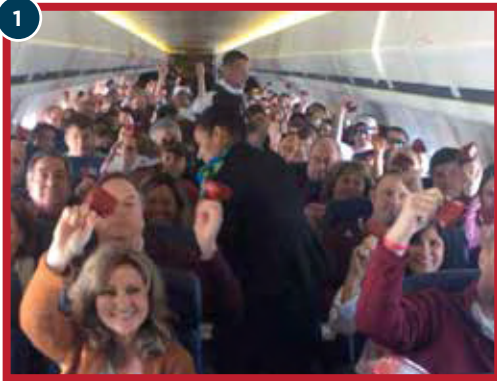
- Southern has secured interline agreements with American, United, Alaska, and Hawaiian Airlines.
- Southern developed the most robust pilot recruiting program in the country. As a result of five full years of pilot recruiting, training, and retention, Southern is now poised to provide reliable service for the next decade.
- Southern developed SIREN, a proprietary software program that automatically updates passengers of delays by text, email, and voice.
- Southern moved its crew-basing away from the hubs, an involved process that included the recruiting of new pilots wishing to live in smaller communities. Now completed, this move assures the originating flight to the hubs and the terminating flight into the EAS communities every day.
- Southern implemented online check-in.
- Southern has upgraded all outdated arrival and departure boards at the hometown airports to digital monitors that are updated throughout the day with flight status information.
- Southern joined TSA PreCheck.
- Southern pioneered a passenger intercept data collection and reporting system to provide the local airports and their governing boards with passenger demographic data, including passengers' home ZIP codes and final destinations.
- Southern increased its call center and customer service center to 24 hours per day, 365 days a year.
- Southern developed its own mobile booking app, rivaling the most interactive airline booking apps available.

A screenshot of the Southern Airways Express login page. It features the airline's logo at the top, followed by the text "Log In To Southern Airways". Below this are input fields for "Username" and "Password", with links for "Forgot Username..." and "Forgot Password...". There are checkboxes for "Remember Us..." and "Use Face ID". A "LOG IN" button is present, along with a "JOIN IFLYSOUTHERN" button. At the bottom, there is a link to "CONTINUE AS A GUEST" and links for "PRIVACY POLICY" and "NEED HELP? CONTACT US".A screenshot of the Southern Airways Express flight booking page. It features the text "Book a Flight" and "All fields are required". Below this are tabs for "ROUND-TRIP" and "ONE-WAY". There are input fields for "PIT" and "MKG", and a date range "Mon, Jun 5 - Wed, Jun 7". There are also input fields for "PASSENGERS" (with a minus, 1, and plus button) and "PROMOTION" (with an "Enter Code" button). A "FIND FLIGHTS" button is at the bottom.

TSA Pre✓



SOUTHERN: The Airline for Your Community



1. Mississippi State fans ringing cowbells on the Southern Airways MD-80 charter to Miami for the Orange Bowl!
2. One of Southern's trademark customer appreciation ramp parties
3. Southern sponsors community events throughout the year
4. Southern engages the local airports, like when we bet the Harrison. Arkansas airport director on the outcome of the 2020 Ole Miss versus Arkansas football game... and lost! Southern sold \$5.00 tickets to Dallas for losing.



ENPLANEMENT INITIATIVES

Southern Airways has developed a number of proprietary business development and enplanement initiatives that can be customized to each marketplace. Many of these programs have already been launched across the Southern system. Full implementation of the Initiative Suite will happen in 2023 in all Southern Airways markets.

ExpressPass

CARECONNECTOR

**COMMUNITY
CONNECTOR**

CampusConnection

Fueling the Local Economy

Southern is committed to being a good airport partner and an asset not just to the aviation community, but to the entire area as a whole. To this extent, Southern pledges to purchase as much competitively-priced fuel in its hometown airports as weight and balance restrictions allow.

From a finance prospective, Southern's obligation as the EAS provider must be to operate as cost-effectively as possible in an effort to manage the subsidy. If while doing so, Southern can also purchase fuel in the out-stations, then both the airline and the local community benefit.



AS THE FOLLOWING BIDS ARE BEING REVIEWED, PLEASE CONSIDER:

Southern's commitment to reliable service and long-term sustainability is evidenced by its commitments to the hometown airports. Through solving problems related to the National Pilot Shortage, creating interline partnerships, and providing consistent executive level "boots on the ground," Southern has developed a strong platform for growth in all of its communities.

Southern Airways Express believes that our proposal will provide an unsurpassed level of service, grow enplanements, seamlessly connect passengers to the world's transportation infrastructure, and provide the local community with a sustainable airline partner for both the local passengers and the visitors traveling to the community. Southern further believes that it is the right partner to deliver the above benefits while also maintaining compliance with all Department of Transportation requirements for continued participation in the Essential Air Service program.

Respectfully submitted,



R. Stan Little Jr.
Chief Executive Officer
Southern Airways Express, LLC



Show Low, Arizona

	Option A PC-12
Weekly Round Trips	
SOW-PHX	18
Total	18
Operating Revenues	
SOW-PHX	\$876,240
Total Operating Revenues	\$876,240
Operating Expenses	
Flying Operations	\$1,411,152
Fuel and Into Plane	\$440,769
Maintenance	\$666,479
Aircraft	\$802,860
Indirect	\$286,063
Total Operating Expenses	\$3,607,323
Operating Loss	\$2,731,083
Profit Element (5%)	\$180,366
Compensation Required	\$2,911,449
Compensation per Departure	\$1,579
Annual Seats	16,596
Annual Passengers	14,604
Load Factor	88%
Departures	1,844
Average Fare	\$60
Completion Factor	98.5%
Compensation Required Year 1	\$2,911,449
Compensation Required Year 2	\$2,984,235
Compensation Required Year 3	\$3,058,841
Compensation Required Year 4	\$3,135,312

SCHEDULE:

Upon the community's selection of the preferred option, Southern will work with local officials to develop an optimized flight schedule.

STATUS	VENDOR	VENDOR	PROJECTED SPEND
Proposed	Local Newspaper	Newspaper	\$3,000
Proposed	Television	Cable/Broadcast	\$4,000
Proposed	Local Radio	Radio	\$5,000
Proposed	Enhanced Digital	Digital	\$3,000
Proposed	Community Sponsorships	Chamber, CVB, Etc	\$6,000
Proposed	Customer Appreciation Party	Live Airport Event	\$4,000
Total			\$25,000



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