

Essential Air Service Proposal



Merced, CA

DOT-OST-1998-3521

April 06, 2021



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 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.

Special Note on Option 1

Boutique Air reserves the right to move up to 7 weekly round trips from Sacramento to Los Angeles.





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: Merced, CA to Denver, CO

Depart: Merced, CA, US to Denver, CO, US

Fares are for the entire one-way trip, per person. Fare attributes may not apply for flights not operated by United or United Express®.

Book now with flexibility. Book a flight today and change it with no change fee. [Learn more](#)

Sat 4/17 \$122	Sun 4/18 \$242	Mon 4/19 \$180	Tue 4/20 \$112	Wed 4/21 \$127
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

Flight info
Depart on Apr 20, 2021

	Economy Free carry-on bags	Economy (fully refundable) Free carry-on bags
--	--------------------------------------	---

<p>11:30 AM MCE</p> <p>4H, 35M SMF → 1H, 30M</p> <p>Includes Travel Operated By Boutique Air</p> <p>Details Seats</p>	<p>1 STOP</p> <p>5:05 PM DEN</p> <p>\$112 3 tickets left at this price</p>	<p>\$583</p>
---	---	---------------------

AA.com example: Merced, CA to Phoenix, AZ

Depart Merced, CA to Phoenix, AZ

Wednesday, April 21, 2021

[Product comparison](#)

Lowest Fare	Flexible	<	Mon, Apr 19 \$ 149	Tue, Apr 20 \$ 132	Wed, Apr 21 \$ 132	Thu, Apr 22 \$ 138	Fri, Apr 23 \$ 149	>
-------------	----------	---	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	---

Sort by: Total travel time

<p>MCE → PHX</p> <p>7:10 AM → 12:36 PM 5h 26m 1 stop</p> <p>MCE - LAX = 4B 326 = PL2-Pilatus PC-12</p> <p>LAX - PHX = AA 1702 = 320-Airbus A321neo</p> <p> </p>	<p>Main Cabin</p> <p>One way \$ 152 1 seat left</p>	<p>First</p> <p>One way \$ 235 1 seat left</p>
---	---	--



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



Merced, CA to Los Angeles and Sacramento

Option 1: 28 Nonstop RTs (14 LAX, 14 SMF)

Operations	PC-12
Scheduled Flights	2,912
Completed Flights (98%)	2,852
Scheduled Block Hours	2,880
Scheduled Seats	23,296
Scheduled ASMs	4,158,336
Revenue	
Passengers	18,600
Average Fare	\$69
Fare Revenue	\$1,283,400
Total Revenue	\$1,283,400
Expenses	
Fuel	\$794,690
Ownership	\$960,000
Maintenance	\$1,186,474
Crew	\$437,520
Airport Rent	\$407,875
Landing Fees	\$112,116
Staff	\$332,000
Insurance	\$20,000
Marketing	\$20,000
Other Indirect Costs	\$191,000
Total Costs	\$4,461,675
Profit Element	\$223,084
Margin	5.0%
Total Annual Subsidy Year 1	\$3,401,359
Total Annual Subsidy Year 2	\$3,469,386
Total Annual Subsidy Year 3	\$3,538,773
Total Annual Subsidy Year 4	\$3,609,548



Merced, CA to Los Angeles

Option 2: 28 Nonstop RTs (28 LAX)

Operations	PC-12
Scheduled Flights	2,912
Completed Flights (98%)	2,854
Scheduled Block Hours	3,792
Scheduled Seats	23,296
Scheduled ASMs	6,033,664
Revenue	
Passengers	18,600
Average Fare	\$69
Fare Revenue	\$1,283,400
Total Revenue	\$1,283,400
Expenses	
Fuel	\$838,480
Ownership	\$960,000
Maintenance	\$1,171,822
Crew	\$433,560
Airport Rent	\$376,323
Landing Fees	\$112,116
Staff	\$327,235
Insurance	\$20,000
Marketing	\$20,000
Other Indirect Costs	\$186,000
Total Costs	\$4,445,536
Profit Element	\$222,277
Margin	5.0%
Total Annual Subsidy Year 1	\$3,384,413
Total Annual Subsidy Year 2	\$3,391,181
Total Annual Subsidy Year 3	\$3,462,004
Total Annual Subsidy Year 4	\$3,531,244



Merced, CA to Los Angeles and Monterey

Option 3: 28 Nonstop RTs (21 LAX, 7 MRY)

Operations	PC-12
Scheduled Flights	2,912
Completed Flights (98%)	2,854
Scheduled Block Hours	3,336
Scheduled Seats	23,296
Scheduled ASMs	5,096,000
Revenue	
Passengers	18,600
Average Fare	\$69
Fare Revenue	\$1,283,400
Total Revenue	\$1,283,400
Expenses	
Fuel	\$800,476
Ownership	\$960,000
Maintenance	\$1,179,845
Crew	\$436,200
Airport Rent	\$351,324
Landing Fees	\$112,116
Staff	\$327,800
Insurance	\$20,000
Marketing	\$20,000
Other Indirect Costs	\$186,000
Total Costs	\$4,393,761
Profit Element	\$219,688
Margin	5.0%
Total Annual Subsidy Year 1	\$3,330,050
Total Annual Subsidy Year 2	\$3,396,651
Total Annual Subsidy Year 3	\$3,464,584
Total Annual Subsidy Year 4	\$3,533,875



Merced, CA to Los Angeles and Reno

Option 4: 28 Nonstop RTs (21 LAX, 7 RNO)

Operations	PC-12
Scheduled Flights	2,912
Completed Flights (98%)	2,854
Scheduled Block Hours	3,336
Scheduled Seats	23,296
Scheduled ASMs	5,096,000
Revenue	
Passengers	18,600
Average Fare	\$69
Fare Revenue	\$1,283,400
Total Revenue	\$1,283,400
Expenses	
Fuel	\$794,186
Ownership	\$960,000
Maintenance	\$1,177,090
Crew	\$436,200
Airport Rent	\$376,619
Landing Fees	\$121,141
Staff	\$327,800
Insurance	\$20,000
Marketing	\$20,000
Other Indirect Costs	\$186,000
Total Costs	\$4,419,036
Profit Element	\$220,952
Margin	5.0%
Total Annual Subsidy Year 1	\$3,356,588
Total Annual Subsidy Year 2	\$3,423,719
Total Annual Subsidy Year 3	\$3,492,193
Total Annual Subsidy Year 4	\$3,562,036