



Essential Air Service Proposal

Merced, CA | DOT-OST-1998-3521

Corporate Flight Management Inc. d/b/a Contour Airlines
A Tennessee Corporation
808 Blue Angel Way, Smyrna, TN 37167



Dear Mr. Faulk,

Contour Airlines is pleased to submit this proposal to provide Essential Air Service to Merced, CA. As part of our proposal, we are offering the community 12-weekly flights. Contour has included options for the community that include all twelve (12) weekly flights to Los Angeles (LAX), or alternatively seven (7) weekly flights to LAX complemented with five (5) weekly flights to either Phoenix (PHX) or Las Vegas (LAS). Contour prefers a 48-month term for the award.

Contour Airlines will utilize twin-engine regional jet aircraft, comfortably configured with 30 seats. Passengers can connect to Contour partners American, United, and Alaska Airlines. Contour anticipates significant passenger stimulation through a combination of larger equipment, lower fares, and partner airline connectivity.

We are confident that Contour's proposed service to Merced would be beneficial for the airport, local community, and the broader region's economic development. Thank you for your consideration.



Ben Munson
President



Introduction to Contour Airlines



Corporate History

- Founded in 1982 in Nashville, Tennessee
- Current management assumed control in 2015 - reset business model and launched growth strategy

Our Platform

- Contour Aviation includes EAS operations, private jet charters, Part 145 maintenance, and FBO services
- Airline has been optimized for EAS Markets
 - Significant portion of company's business is EAS flying, commercial and operational functions built accordingly
 - Connections to multiple major airline partners
 - High level of community engagement across all levels



**Connect to
30 Cities**



**Fleet of Over
35 Aircraft**



**700+
Employees**



Contour Amenities



Flight Attendant
on every flight



36" pitch
at every seat



Food & Beverage on
every flight



Free Carry-On &
Free Checked Bag



Our Airline Network

- Largest independently branded regional airline in the USA
- Contour operates the second largest Essential Air Service (EAS) network in the country
- Contour has maintained its commitment to its Essential Air Service communities – never terminating service during course of contract



Partner Portfolio

Major Airline Connecting Partners



- American Airlines was the first major airline partner, launching approximately five (5) years ago
- In 2024, Alaska Airlines and United Airlines were added to the partner profile
- By connecting to multiple partners, Contour provides additional schedule and fare options for passengers booking a flight connection

Distribution Strategy

- Contour tickets, regardless of connecting carrier, will distribute across all traditional channels.
- Both Contour and connecting flights will display on all major OTAs and Meta-searches, as well as our partner airline sites.
- Contour actively engages with all carriers to provide better connections, distribution, and product experience for EAS communities

Promoting Traffic Growth

Contour Marketing Difference

- Independent brand supported by professional agencies to build awareness
- Contour marketing plan with a budget of \$25,000 per market to work collaboratively with community to promote service
- Promotional fares with discounted price point relative to most regional travel options
- Emphasis on traffic stimulation

Contour Airlines
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Beginning April 1st, Contour is proud to announce that Moab, UT and Vernal, UT will be adding an additional route to Denver, CO!!

While both locations will still be flying to/from Phoenix, AZ, Moab will offer 7 weekly flights and Vernal will offer 5 weekly flights to Denver. Plus, connect beyond Denver with our newest partner, United Airlines.

Hurry, tickets start at \$69 one way*. Book now at www.contourairlines.com.

*Terms and Conditions Apply. Please visit [sales](#) for details.

Fly Denver
nonstop to — ✈️
Moab and Vernal, UT

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Beginning October 1st, Contour is proud to announce new jet service from Show Low, AZ to Phoenix, AZ!! Plus, connect worldwide with our partner, American Airlines.

To book your flight now, go to www.contourairlines.com. Terms and Conditions apply*.

*For details, please visit www.contouraviation.com/fare-sales.

There's a New Sheriff in Town
New jet service from **Show Low** to **Phoenix** begins October 1st.

Fares starting at **\$49** one way*

CONTOUR Connections available worldwide with our partner, **American Airlines**
*Terms and Conditions apply

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[Book now](#)

Growing EAS Markets

Contour has a long and very established history of generating significant growth in EAS markets.

Traffic growth is a function of:

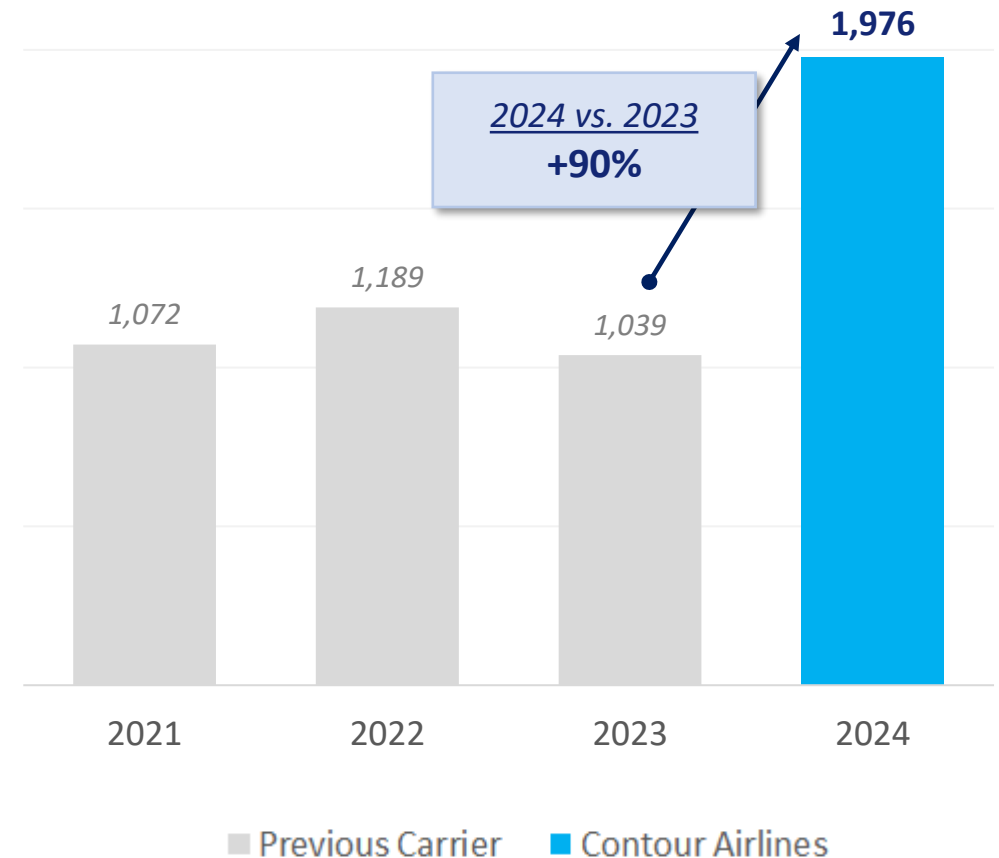
- Cabin class product configured with very comfortable 30-seat regional jet cabin
- Partnerships with multiple mainline carriers
- Pricing structure designed to stimulate traffic
- Independent brand to interact more directly with communities

Contour recent market launch reflect this reality:

- In October 2024 Contour replaced a 9-seat operator in Show Low, AZ (SOW) to Phoenix (PHX)
- Contour traffic nearly **doubled vs. prior carrier**, comparable to forecasted expectation in Merced, CA

Contour Market Stimulation

Show Low, Arizona (SOW) Q4 Enplanements



Contour Bid (Option A)

Bid Overview	
Essential Air Service Market	Merced, CA
Frequency	12 weekly Round-Trips
Hub(s)	LAX (12)
Aircraft Type	30-Seat Regional Jet
Term	48 months preferred
Annual Escalation	5% Year over Year

Notes

All flights to be conducted as 14 CFR Part 380 public charters. Accordingly, service is contingent on community waiving its rights to scheduled air transportation or submitting a proposal for Alternate Essential Air Service (AEAS).

Operations	
Scheduled R/Ts Per Week	12
Completion Factor	97%
Annual Departures	1,211
Seats per Departure	30
Revenue	
Forecast Passengers	20,822
Average Fare	\$75
Total Revenue	\$1,561,613
Expenses	
Departure Costs	\$1,687,442
Aircraft Operating Costs	\$3,950,408
Overhead and Ownership	\$1,364,049
Marketing	\$25,000
Total Expenses	\$7,026,899
Profit Component (5%)	\$351,345
Proposed Subsidy Year 1	\$5,816,631
Proposed Subsidy Year 2	\$6,107,463
Proposed Subsidy Year 3	\$6,412,836
Proposed Subsidy Year 4	\$6,733,478

Contour Bid (Option B)

Bid Overview	
Essential Air Service Market	Merced, CA
Frequency	12 weekly Round-Trips
Hub(s)	LAX (7) and LAS (5)
Aircraft Type	30-Seat Regional Jet
Term	48 months preferred
Annual Escalation	5% Year over Year

Notes

All flights to be conducted as 14 CFR Part 380 public charters. Accordingly, service is contingent on community waiving its rights to scheduled air transportation or submitting a proposal for Alternate Essential Air Service (AEAS).

Operations	
Scheduled R/Ts Per Week	12
Completion Factor	97%
Annual Departures	1,211
Seats per Departure	30
Revenue	
Forecast Passengers	21,284
Average Fare	\$80
Total Revenue	\$1,702,736
Expenses	
Departure Costs	\$1,708,610
Aircraft Operating Costs	\$4,151,185
Overhead and Ownership	\$1,364,049
Marketing	\$25,000
Total Expenses	\$7,248,845
Profit Component (5%)	\$362,442
Proposed Subsidy Year 1	\$5,908,551
Proposed Subsidy Year 2	\$6,203,979
Proposed Subsidy Year 3	\$6,514,178
Proposed Subsidy Year 4	\$6,839,886

Contour Bid (Option C)

Bid Overview	
Essential Air Service Market	Merced, CA
Frequency	12 weekly Round-Trips
Hub(s)	LAX (7) and PHX (5)
Aircraft Type	30-Seat Regional Jet
Term	48 months preferred
Annual Escalation	5% Year over Year

Notes

All flights to be conducted as 14 CFR Part 380 public charters. Accordingly, service is contingent on community waiving its rights to scheduled air transportation or submitting a proposal for Alternate Essential Air Service (AEAS).

Operations	
Scheduled R/Ts Per Week	12
Completion Factor	97%
Annual Departures	1,211
Seats per Departure	30
Revenue	
Forecast Passengers	22,210
Average Fare	\$80
Total Revenue	\$1,776,768
Expenses	
Departure Costs	\$1,343,899
Aircraft Operating Costs	\$4,653,129
Overhead and Ownership	\$1,364,049
Marketing	\$25,000
Total Expenses	\$7,386,077
Profit Component (5%)	\$369,304
Proposed Subsidy Year 1	\$5,978,613
Proposed Subsidy Year 2	\$6,277,544
Proposed Subsidy Year 3	\$6,591,421
Proposed Subsidy Year 4	\$6,920,992



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