

June 23, 2022



Proposal of Hyannis Air Service, Inc. dba Cape Air to provide Essential Air Service for:

Augusta & Rockland, Maine

Docket DOT-OST-1997-2784

Non-stop to/from Boston with codeshare of **jetBlue**



Cape Air

A proven partner for Rockland & Augusta

Note: DOT refers to the Knox County Regional Airport as "Rockland", so this proposal uses that moniker



- ✓ Multi-engine aircraft
- ✓ JetBlue codeshare
- ✓ Service to Boston—a large local market *and* major global gateway
- ✓ Seamless connectivity: interlines with all legacy airlines



Hyannis Air Service, Inc., dba Cape Air
Attn: Andrew Bonney, SVP Planning
660 Barnstable Road, Hyannis, MA 02601
(508) 862-9719



Cape Air Fast Facts



The Cape Air team appreciates your support!

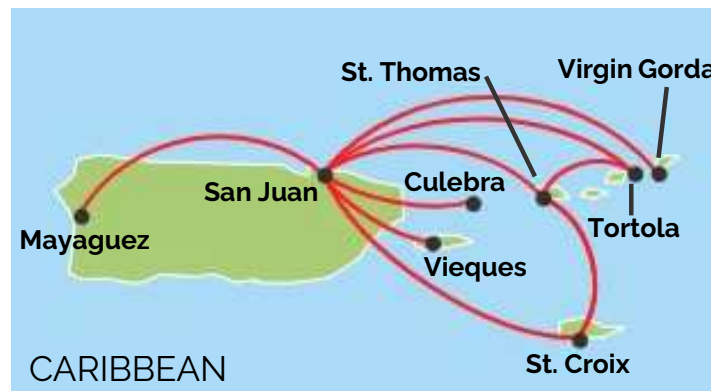
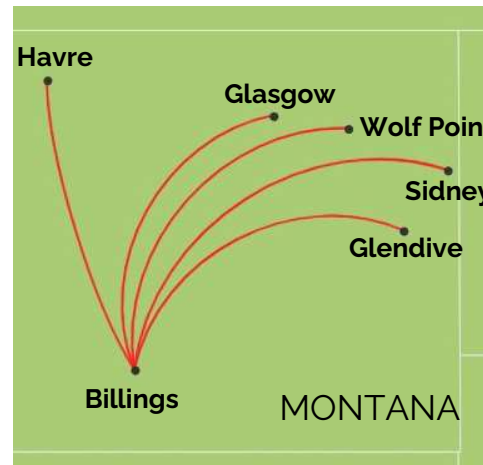


- Started scheduled airline service in 1989 to/from Boston
- 104 aircraft in the fleet
- 37 cities served
- 700 employees
- Flying 500,000+ passengers per year
- New England-based company



Cape Air Route Maps

July 2022 schedule



Maps not to scale

Featuring

World class distribution



- ✓ Codeshare with JetBlue Airways
- ✓ Interline with all legacy airlines
- ✓ Distribution through major online travel agencies
- ✓ Hosted in Amadeus reservation system



Cape Air

Airline Partners
Cape Air connects with:



Cape Air's partnership with JetBlue enables Rockland and Augusta to be codeshare cities



jetBlue

AUG → FLL | Sep 27 | 1 Traveler | Sign in

Explore fares

Economy

Business



First Class

Select your flight

The trip you've selected includes options for flights operated by one of our partners.

Sort

Departing

4:00pm AUG	▶ 5:10pm BOS	1h 10m Flight 5138	Economy	 Operated by: Cape Air
Layover 2h 35m – BOS				
7:45pm BOS	▶ 11:03pm FLL	3h 18m Flight 769	Economy	
Total Travel 4h 28m				

\$198
one-way

Select

Prices displayed are one-way per person including taxes and fees. Additional baggage fees may apply. Flights operated by partner airlines can only be paid using credit cards. The order of flights displayed is not neutral with respect to carrier identity; lowest priced JetBlue flights are displayed first, followed by codeshare and interline partner-operated flights, prioritized by price and schedule.



Connecting itineraries are also available on aa.com...



Plan Travel

Travel Information

AAdvantage

Home Log in English

Search AA.com

Depart Chicago, IL to Augusta, ME

Tuesday, September 13, 2022

[Product comparison](#)

Lowest Fare	Flexible	<	Sun, Sep 11 \$ 252	Mon, Sep 12 \$ 172	Tue, Sep 13 \$ 167	Wed, Sep 14 \$ 167	Thu, Sep 15 \$ 178	>
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Sort by: Total travel time

Main Cabin

First

ORD AUG
8:25 AM → 1:45 PM 4h 20m [1 stop](#)

ORD - BOS AA 1287 738-Boeing 737



BOS - AUG 9K 1005 CNA-Cessna (Light)
Operated by Cape Air

One way
\$172
1 seat left

One way
\$331
1 seat left



...And united.com...



English - United States \$
Search
SIGN IN
MENU

Washington IAD ↔ Rockland RKD
 Oct 26
Money
Miles
Update
or Advanced Search

Depart: Washington, DC, US to Rockland, ME, US

Fares are for the entire one-way trip, per person. Fare attributes apply to flights operated by United and United Express®.

United flights may be listed first.

EXCLUSIVE OFFER

\$300 statement credit
+30,000 bonus miles

[Learn more >](#)

Show refundable fares from \$383

Sort and filter

Sun 10/23 \$262	Mon 10/24 \$232	Tue 10/25 \$223	Wed 10/26 \$223	Thu 10/27 \$232	Fri 10/28 \$241	Sat 10/29 \$232
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Flight Info

Depart on Oct 26, 2022

Economy

✓ Choose your seat

Economy

(fully refundable)

✓ Choose your seat

First

(2-cabin)

✓ Extra-spacious seat

<p>2 STOPS</p> <p>9:00 AM 3:20 PM</p> <p>IAD 6H, 20M RKD</p> <p> EWR — 1H, 39M BOS — 1H, 3M</p> <p>Includes Travel Operated By Cape Air</p> <p>Details Seats</p>	\$259	\$419	\$358
<p>1 STOP</p> <p>12:35 PM 7:15 PM</p> <p>IAD 6H, 40M RKD</p> <p> BOS — 3H, 58M</p> <p>Includes Travel Operated By Cape Air</p>	\$223	\$383	\$322
			2 tickets left at this price
			Mixed cabin
			5 tickets left at this price



...And delta.com



DELTA | RKD - LGA | One Way | Sep 20 | 1 Passenger | [MODIFY](#) | [SIGN UP](#) | [LOG IN](#) | |

One Way RKD · LGA

Price includes taxes and fees. Baggage fee may apply. Services and amenities may vary or change.

Price In: [\\$ USD](#) | [Miles](#) | [Miles + Cash](#) | [Sort & Filter](#)

Tue, Sep 20, 2022 [Main](#)

FASTEST

9K1854 ¹ , DL5721 ²	3h 40m
12:45pm → 4:25pm	
RKD — BOS 1h 5m — LGA	
<small>¹ 9K1854 is operated by Cape Air. ² DL5721 is operated by Republic Airways DBA Delta Connection.</small>	
Details Seats	

Economy Main	
\$282	
One Way	
1 left at this price	

9K1856 ¹ , DL5854 ²	3h 54m
4:40pm → 8:34pm	
RKD — BOS 1h 10m — LGA	
<small>¹ 9K1856 is operated by Cape Air. ² DL5854 is operated by Republic Airways DBA Delta Connection.</small>	
Details Seats	

Economy Main	
\$262	
One Way	
2 left at this price	



Featuring a

Boston hub



- ✓ 91 domestic non-stop destinations
- ✓ 50 international non-stop destinations
- ✓ Top 10 metropolitan area in the United States
- ✓ Collocated in terminal with JetBlue, Boston's largest carrier



Cape Air

Boston has non-stop service to 141 destinations, making Logan Airport a great hub for Maine cities



Boston's non-stop destinations 2022

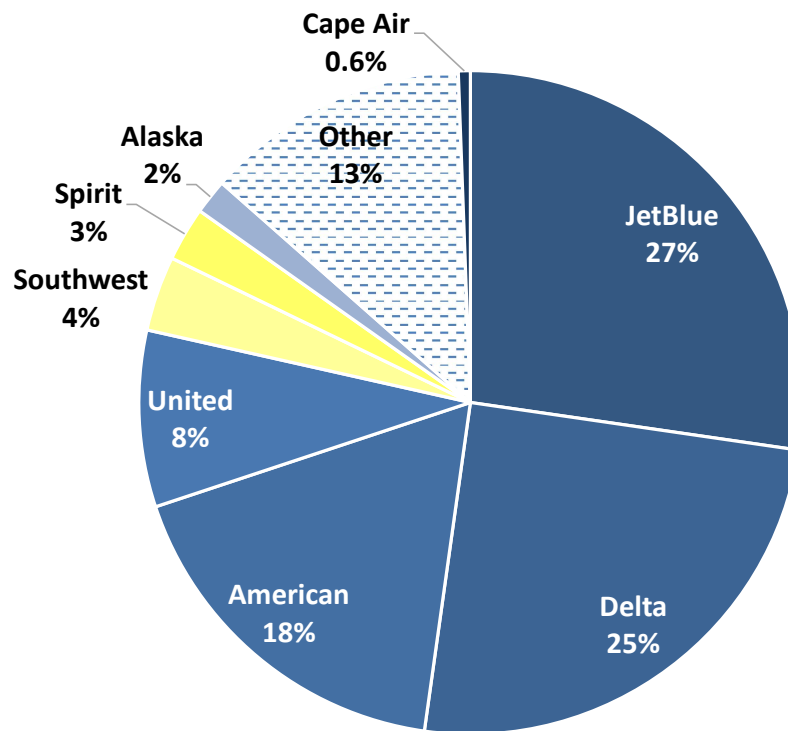
City	Code	Seats	City	Code	Seats	City	Code	Seats	City	Code	Seats	City	Code	Seats
1 Washington, DCA	DCA	1,165,914	29 San Juan, PR	SJU	269,567	57 New Orleans, LA	MSY	108,254	85 Copenhagen, Denmark	CPH	32,342	113 Philipsburg, Sint Maarten	SXM	12,042
2 Chicago ORD	ORD	950,839	30 Houston IAH	IAH	269,473	58 Doha, Qatar	DOH	105,938	86 Asheville, NC	AVL	32,036	114 Barbados	BGI	11,598
3 Atlanta, GA	ATL	822,083	31 Paris, France	CDG	239,659	59 Kansas City, MO	MCI	105,231	87 Marthas Vineyard, MA	MVY	31,006	115 Augusta, ME	AUG	11,106
4 New York LGA	LGA	806,167	32 Toronto, ON YYZ	YYZ	231,854	60 Milwaukee, WI	MKE	97,762	88 Barcelona, Spain	BCN	30,458	116 Bangor, ME	BGR	10,716
5 Orlando, FL	MCO	783,380	33 Washington IAD	IAD	230,167	61 Montreal, QC	YUL	96,574	89 Charlotte Amalie, VI	STT	26,479	117 Terceira, Portugal	TER	9,978
6 Miami, FL	MIA	780,746	34 Austin, TX	AUS	226,545	62 Zurich, Switzerland	ZRH	96,184	90 Montego Bay, Jamaica	MBJ	23,396	118 Rutland, VT	RUT	9,855
7 Philadelphia, PA	PHL	739,988	35 San Diego, CA	SAN	212,022	63 Munich, Germany	MUC	94,379	91 Nassau, Bahamas	NAS	23,224	119 Valparaiso, FL	VPS	8,826
8 Charlotte, NC	CLT	713,148	36 St. Louis, MO	STL	211,647	64 Santo Domingo, DR	SDQ	85,008	92 Norfolk, VA	ORF	23,131	120 Atlantic City, NJ	ACY	8,042
9 Los Angeles, CA	LAX	704,168	37 Salt Lake City, UT	SLC	211,494	65 Myrtle Beach, SC	MYR	83,507	93 Sacramento, CA	SMF	22,144	121 San Jose, CA	SJC	7,980
10 New York JFK	JFK	703,417	38 Amsterdam, Netherlands	AMS	209,410	66 Savannah, GA	SAV	80,326	94 Knoxville, TN	TYS	21,246	122 Traverse City, MI	TVC	7,600
11 San Francisco, CA	SFO	702,838	39 Chicago MDW	MDW	204,378	67 Santiago, DR	STI	73,156	95 Edinburgh, UK	EDI	21,152	123 Sao Paulo, Brazil	GRU	7,560
12 Newark, NJ	EWR	654,958	40 Pittsburgh, PA	PIT	188,560	68 Portland, OR	PDX	71,464	96 London, LGW	LGW	20,700	124 Bozeman, MT	BZN	7,452
13 London, LHR	LHR	576,310	41 Richmond, VA	RIC	179,772	69 Rochester, NY	ROC	70,700	97 Athens, Greece	ATH	19,631	125 Saranac Lake, NY	SLK	7,101
14 Dallas/Ft. Worth, TX	DFW	573,935	42 Reykjavik, Iceland	KEF	178,149	70 Madrid, Spain	MAD	70,166	98 Panama City, Panama	PTY	19,594	126 St. Lucia, St. Lucia	UVF	7,090
15 Denver, CO	DEN	488,850	43 Cincinnati, OH	CVG	174,604	71 Seoul, Korea	ICN	62,918	99 Providenciales	PLS	18,064	127 Puerto Plata	POP	6,966
16 Fort Lauderdale, FL	FLL	487,712	44 Cleveland, OH	CLE	153,784	72 Honolulu, HI	HNL	58,380	100 Key West, FL	EYW	17,940	128 Pensacola, FL	PNS	6,520
17 Seattle, WA	SEA	452,719	45 Frankfurt, Germany	FRA	149,419	73 Sarasota, FL	SRQ	58,196	101 Vancouver, BC	YVR	17,576	129 Liberia, Costa Rica	LIR	5,748
18 Baltimore, MD	BWI	444,046	46 Jacksonville, FL	JAX	143,821	74 Punta Cana	PUJ	56,988	102 Halifax, NS	YHZ	16,570	130 Massena, NY	MSS	4,896
19 Minneapolis, MN	MSP	405,736	47 Indianapolis, IN	IND	142,257	75 Tokyo, Japan	NRT	55,185	103 Wilmington, NC	ILM	16,036	131 Calgary, AB	YYC	4,860
20 Detroit, MI	DTW	393,854	48 Cancun, Mexico	CUN	140,474	76 Shannon, Ireland	SNN	54,280	104 Grand Rapids, MI	GRR	15,618	132 Hyannis, MA	HYA	4,005
21 Tampa, FL	TPA	377,168	49 Aruba, Aruba	AUA	138,773	77 Ponta Delgada, Portugal	PDL	53,406	105 Harrisburg, PA	MDT	15,400	133 Hayden, CO	HDN	3,888
22 Raleigh/Durham, NC	RDU	333,841	50 Dubai, UAE	DXB	126,187	78 Buffalo, NY	BUF	47,462	106 Bar Harbor, ME	BHB	15,120	134 Grand Cayman	GCM	3,448
23 Fort Myers, FL	RSW	319,588	51 Charleston, SC	CHS	124,339	79 Nantucket, MA	ACK	47,220	107 Louisville, KY	SDF	15,064	135 Port Au Prince, Haiti	PAP	2,106
24 Phoenix, AZ	PHX	313,132	52 Columbus, OH	CMH	121,570	80 San Antonio, TX	SAT	46,798	108 Memphis, TN	MEM	14,364	136 Houston HOU	HOU	1,543
25 Las Vegas, NV	LAS	287,586	53 Lisbon, Portugal	LIS	116,156	81 Tel Aviv, Israel	TLV	46,201	109 Provincetown, MA	PVC	13,437	137 Hilton Head, SC	HHH	1,444
26 Nashville, TN	BNA	287,122	54 Toronto, ON YTZ	YTZ	112,924	82 Syracuse, NY	SYR	45,550	110 Flint, MI	FNT	13,392	138 Palm Springs, CA	PSP	972
27 Dublin, Ireland	DUB	281,504	55 Rome, Italy	FCO	112,786	83 Hong Kong	HKG	34,886	111 Lebanon, NH	LEB	13,140	139 Portland, ME	PWM	918
28 West Palm Beach, FL	PBI	275,858	56 Istanbul, Turkey	IST	108,840	84 Hamilton, Bermuda	BDA	34,706	112 Rockland, ME	RKD	12,366	140 Green Bay, WI	GRB	150
												141 Greer, SC	GSP	76

Source: OAG 2022

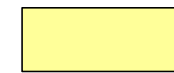
Cape Air connects with more than 80% of the seats at Boston Logan



Boston Logan seat share
2022



Blue shading indicates
Cape Air connect partner



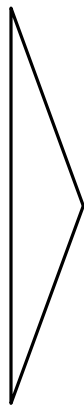
Yellow shading indicates
not yet a connect partner



Cape Air participates in TSA's PreCheck program



TSA Pre✓™



With TSA Pre✓ you **don't** need to remove:



SHOES



LAPTOPS



3-1-1 LIQUIDS



BELTS



LIGHT JACKETS



City ticket offices: A unique feature of Cape Air



City ticket office highlights

- Increases the visibility of the airport and air service within the community
- Provides a welcoming place for people to learn about the air service from a friendly Cape Air agent
- Enables the redemption of targeted promotions, providing wide latitude in marketing the air service
- Enhances the central business district with a vibrant retail space



Cape Air's marketing department specializes in small community air service marketing and communicating Cape Air's many strengths



The marketing plan for Augusta and Rockland includes:

- ✓ Targeted SEM, SEO and digital display
- ✓ Traditional mediums:
print/outdoor/radio/TV/streaming/social platforms
 - ✓ Edible Maine, Downeast Magazine, Ellsworth American, Mount Desert Islander
 - ✓ Star 97.7
 - ✓ Summer In Maine Guide, Kennebec Valley Guidebook
- ✓ Local contesting and trip giveaways
 - ✓ Sponsored with Mix Maine Media
- ✓ Leveraging UGC to inspire travel
- ✓ Partnerships with Kennebec Valley Chamber, local businesses, and arts community
- ✓ Cape Air has an in-house professional marketing team

Make the most of summer.
Need more vacation time? Next time fly. Escape to your happy place with fast, daily flights from Cape Air.

Augusta Bar Harbor
Rockland
Boston Provincetown
Martha's Vineyard Hyannis Nantucket

Cape Air.
capeair.com | 800-CAPE-AIR

Food for thought.
Next time, fly.

Hop on a quick flight to Logan International Airport for easy connections to wherever you're headed this summer. Skip the drive, beat the traffic and enjoy the ride.

Augusta Bar Harbor
Rockland
Boston

Cape Air.
Enjoy the ride.
capeair.com 800-CAPE-AIR

Make the most of summer.
You deserve a change of scenery. Land a low fare from Cape Air.

Cape Air.



Cape Air proposes service in our fleet of new twin-engine Tecnam Travellers



Cape Air's Tecnam Traveller



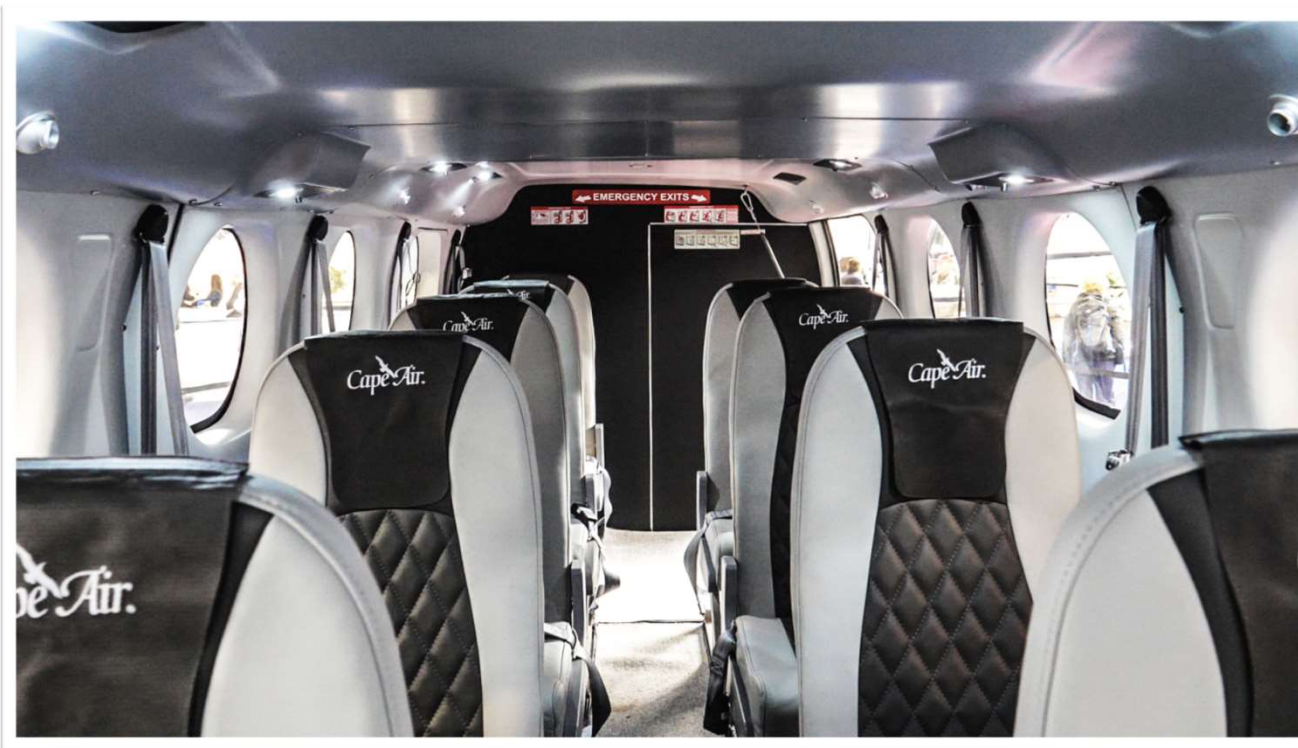
Features

- **Two engines, for safety**
- 9 passenger seats*
- 2 pilot seats, and certificated for single pilot operations
- Italian leather seats
- Air conditioning
- LED lighting
- USB ports



*Flights may be restricted to 8 selling seats

The Traveller was custom designed by Cape Air and Tecnam for commuter air service



Highlights

- The first new purpose-designed commuter twin in 40 years
- Electronically controlled engines
- Glass cockpit
 - Garmin G1000 Nxi avionics
- Spacious cabin with 9 single seats



The cockpit features Garmin G1000NXi



Cape Air

Cape Air is pursuing a green future, having put cash deposits down on 75 Eviation Alice electric aircraft

A photograph of an Eviation Alice aircraft on a runway. The aircraft is white with blue accents and is positioned in the center of the frame. The background shows a forested area under a blue sky. The aircraft's registration number, NBB221, is visible on the tail. Technical specifications are overlaid at the bottom of the image.

ALICE

Built to make flight the sustainable, affordable, quiet solution to regional travel.

440 NM	250 KTS	2,500 LBS
MAX RANGE	MAX CRUISE SPEED	MAX PAYLOAD

Cape Air aims to be a good neighbor, and has self-imposed noise abatement procedures including a voluntary curfew



2.16 Rockland

**ROCKLAND MUNICIPAL AIRPORT
(KRKD)
ROCKLAND, ME**

SPECIAL ARRIVAL AND DEPARTURE PROCEDURES

VFR Departures

- Standard uncontrolled airport procedures.
- All RWYS have left traffic.
- SEE NOISE ABATEMENT PROCEDURES.
- VFR heading to BOS: about 240°.
- VFR heading to ENE: about 260°.
- VFR heading to MHT: about 255°.

IFR Departures

- Special takeoff minimums RWYS 3 and 31.
- Special DP RWYS 3 and 31.

IFR Routing

- RKD-BOS: PSM STEVO LWM.

General Cautions

- Deer and sea gulls on and in vicinity of airport.
- Voluntary night curfew 2230-0600.
- NOISE ABATEMENT PROCEDURES IN EFFECT

Noise Abatement

- Courtesy operating hours: 0600-2200 local.
- Touch and Goes Maintenance Run-ups are prohibited during these hours.
- Unless approved by Flight Ops Management, early morning flights (before 0600) are prohibited.

Noise Abatement - Arrivals

- Left traffic patterns for all runways.
- Traffic Pattern Altitude- 1,056MSL (just fly 1,000MSL).
- Runway 21 preferred whenever winds are 5kts or less.
- Maintain 1,000' AGL on downwind.
- Keep base inside of North Shore Dr.
- RWY 13 has a noise sensitive area 1SM off the arrival end
 - Stay as high as safety permits while on final
 - Stay left of centerline if possible while on short final if possible
- RWY 31 has a noise sensitive area 1SM off the arrival end
 - Maintain 600' while on final until the shore
 - Stay as high as safety permits until you cross the road (Ash Point Dr.) on short final
- Keep Base leg inside N. Shore Dr. or fly a wide pattern over water on downwind or base.

Noise Abatement - Departures

- RWYS 3/21, 13
 - Climb runway heading to 1,000AGL, then turn on course
- RWY 31
 - Turn heading 320 until 1,000AGL
- Traffic Pattern or Downwind Departure
 - Climb runway heading to 700AGL, then turn Crosswind

HYANNIS AIR SERVICE, INC.



The Cape Air difference: Multi-engine aircraft, connectivity, community



- **Multi-engine** aircraft
 - Brand new Tecnam P2012 Travellers
- **JetBlue** codeshare
- **Collocated with JetBlue**, Boston's largest carrier
- **Prime gate** location at Boston Logan
- Dedicated community partner
 - Robust **marketing budget: \$65,000**/year per city
 - **Ticket office** in each community
- **Interline** partnerships with:
 - Alaska
 - American
 - Delta
 - Hawaiian
 - JetBlue
 - United
 - And more!
- **TSA PreCheck**
- Planes and pilots **based in Augusta and Rockland**



Cape Air proposes to continue seasonally adjusted frequency to right-size capacity with demand



Seasonal Frequency Proposal

<u>Season</u>	<u>Defined</u>	<u>Daily round trips</u>	
		<u>AUG</u>	<u>RKD</u>
Winter	January - Wed. before Memorial Day	3	3
Spring	Thu. before Memorial Day - Independence Day Weekend	4	4
Summer	Independence Day Weekend - Tue. after Labor Day	4	6
Fall	Wed. after Labor Day - Tue. after Columbus Day	4	4
Winter	Wed. after Columbus Day - December	3	3

Cape Air's proposal



Drivers

	<u>AUG</u>	<u>RKD</u>
Stage (naut. miles)	129	135
Seats per Dpt	9	9
Sched. RTs/Day	3.3	3.8
Completion Rate	97%	97%
Annual Actual Dpts	2,325	2,667
PDEW	15.2	18.4
Pax/Dpt	4.6	4.9
Load Factor	58%	61%
Annual Passengers	10,786	13,015
Avg. Net Fare	\$74	\$111
Passenger Rev	\$799,413	\$1,448,334

4-year option preferred

Expenses

Two-year term; discount for 4-year term, preferred, is noted below

	<u>AUG</u>	<u>RKD</u>
Fuel	\$874,987	\$1,026,594
Maintenance	\$811,177	\$974,625
Pilots	\$472,540	\$521,352
Ownership	\$671,288	\$806,548
Stations	\$579,177	\$822,661
Marketing	\$65,000	\$65,000
Law enforcement officer	\$17,000	\$126,000
De-icing	\$22,963	\$26,670
General & Admin./Other	\$182,531	\$217,635
Operating Expense	\$3,696,664	\$4,587,084
Return of 5%	\$194,561	\$241,425
Economic Expense	\$3,891,225	\$4,828,510
Passenger Revenue	\$799,413	\$1,448,334
Profit	(\$3,091,812)	(\$3,380,176)
Subsidy Required	\$3,091,812	\$3,380,176
Per Departure	\$1,330	\$1,267
4-Year discount		
Subsidy Required	\$3,021,655	\$3,303,476
Per Departure	\$1,300	\$1,239

Note: Please see escalation factors subsequent slide

To align revenue with costs, Cape Air proposes escalation factors for each city



Annual subsidy including escalation

Preferred

Two-year reselection	<u>AUG</u>	<u>RKD</u>
Year 1	\$3,091,812	\$3,380,176
Year 2	\$3,339,157	\$3,650,590
Four-year reselection		
Year 1	\$3,021,655	\$3,303,476
Year 2	\$3,263,388	\$3,567,755
Year 3	\$3,524,459	\$3,853,175
Year 4	\$3,806,416	\$4,161,429

Thank you!



Hyannis Air Service, Inc., dba Cape Air
Attn: Andrew Bonney, SVP Planning
660 Barnstable Road, Hyannis, MA 02601
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