JOPLIN REGIONAL AIRPORT

February 2021 Essential Air Service Bid Comparison



JOPLIN *MISSOURI*

FEBRUARY 2021

JOPLIN 2020 EAS BID CONTEXT

- **American Airlines had provided air service at Joplin since 2011;**

  - Service was supported by the EAS program until March of 2019, when American saw no further need for subsidy

  - American traffic grew 76% from 2011 (54,146 passengers) to 2019 (95,148 passengers)

  - American placed dual class 76-seat RJs in the market beginning in 2017

  - American and Joplin executed a separate MRG agreement to facilitate Chicago ORD service as of June of 2019.

- **The Covid-19 pandemic caused the suspension of ORD service in March of 2020. American file notice of intent to terminate all Joplin service on 8/28/2020, which triggered Joplin's reentry into the EAS program.**

- **On 9/24/2020 the DOT issued Order 2020-9-23, holding American to provide basic EAS service at Joplin until a EAS bid proceeding results in the selection of and placement of an EAS designated carrier at Joplin. The Hold-in Order has now been extended to March 1, 2021**

- **Order 2020-9-23 also called for carrier proposals to provide EAS service at Joplin, with or without subsidy, with proposals due on 10/26/2020.**

- **EAS proposals were received from three airlines, American, Boutique and SkyWest (United) and the DOT requested community comments on the three proposals by November 30, 2020.**

- **Joplin submitted the recommendation of SkyWest bid to DOT on November 23, 2020.**

COMPARISON OF EAS PROPOSAL METRICS

- **American Airlines has submitted a proposal to provide Joplin air service, with subsidy**
- **American Airlines proposed service to DFW hub, with annual subsidy of $1,528,913 for 12 round trips per week with 50-seat ERJ aircraft.**
- **The carrier indicated that as traffic recovered post pandemic that addition frequency may be added, and that dual class RJs may be operated in lieu of the 50-seat ERJ indicated in the proposal.**
- **American Airlines is the largest airline in the world and is the Joplin incumbent carrier**
- **American proposal contains a carrier opt out on 120-day notice, no hold-in.**

- **SkyWest has submitted a proposal to provide Joplin air service, under the United brand and code, with subsidy**
- **SkyWest proposed 12 round trips per week with 50-seat CRJ aircraft through Chicago ORD and/or Denver hubs, under the United Airlines code and brand, for a three-year contract with annual subsidy needs of $1,222,934, $795,943 and $498,452 in each successive year.**
- **SkyWest is the largest regional airline in the United States, operating regional jets for American, Alaska, Delta and United. SkyWest is also the largest EAS carrier in the nation.**

JOPLIN 2020 CONVENTIONAL EAS BID OPTION COMPARISON

Bidding Carrier		Period	Service Description				Annual Forecast								Attributes			
Carrier	Bid	Year	Aircraft	Seats	Hub	Frequency	Seg Sched	Seg Flown	Comp %	O&D	Subsidy	Sub/O&D	Seats	Load Factor	TSA ?	GDS Status	Brand	T&B
American	A	Two Year	ERJ	50	DFW	12 / week	1,248	1,236	99%	43,243	$1,528,913	$35.36	61,776	70.0%	Yes	Global	American	Network
Boutique	A	Two Year	King Air	8 9	DFW	30 / week	3,120	3,058	98%	21,341 21,341	$0 $0	$0.00 $0.00	24,461 27,518	87.2% 77.6%	No	Limited	Boutique	NA / Non sterile
SkyWest	A	One Two Three	CRJ-200	50 50 50	ORD/DEN ORD/DEN ORD/DEN	12 / week 12 / week 12/ week	1,248 1,248 1,248	1,214 1,214 1,214	97.2% 97.2% 97.2%	52,000 53,000 54,000	$1,222,934 $795,943 $498,452	$23.52 $15.02 $9.23	60,700 60,700 60,700	85.7% 87.3% 89.0%	Yes Yes Yes	Global	United	Network

SKYWEST AIRLINES EAS PERFORMANCE

- For the period March 2019 to February SkyWest served 39 EAS cities.
- Currently 9 of these Cities have Dual Hub EAS service.
- Some cities are served under the Delta brand, most under the United brand.
- SkyWest has not had an EAS city violate the $200 subsidy cap at any city where the cap applies.

SKYWEST EAS ROUTES WITH 12 MONTHS OPERATION: MARCH 2019 TO FEBRUARY 2020

Origin	Passengers	Seats	Load Factor	Departures	Scheduled	Completion	Est Subsidy	Sub/O&D	Code	Hub
Aberdeen	61,751	80,218	76.99%	1,600	1,644	97.3%	$1,298,572	$21	DL	MSP
Alpena	26,545	66,750	48.33%	1,335	1,380	96.7%	$2,404,327	$91	DL	DTW
Bemidji	63,529	79,900	79.34%	1,598	1,614	99.0%	$1,344,499	$21	DL	MSP
Brainerd	45,317	67,900	66.84%	1,358	1,383	98.2%	$1,973,113	$44	DL	MSP
Butte	54,659	73,114	74.78%	1,460	1,460	100.0%	$796,249	$15	DL	SLC
Cape Girardeau	25,689	95,150	48.27%	1,903	1,980	96.1%	$3,371,863	$131	UA	ORD
Cedar City	47,169	82,490	57.46%	1,633	1,639	99.6%	$2,576,773	$55	DL	SLC
Chisholm/Hibbing	36,596	68,100	53.67%	1,362	1,380	98.7%	$2,792,813	$76	DL	MSP
Clarksburg	39,508	80,890	48.71%	1,602	1,670	95.9%	$2,799,356	$71	UA	IAD/ORD
Devils Lake	14,932	65,000	40.15%	1,300	1,374	94.6%	$3,935,087	$264	UA	DEN
Eau Claire	48,617	75,830	64.03%	1,515	1,588	95.4%	$2,363,769	$49	UA	ORD
Escanaba	40,715	65,700	61.98%	1,314	1,360	96.6%	$3,017,718	$74	DL	DTW
Greenbrier	26,212	65,500	43.40%	1,310	1,369	95.7%	$3,758,289	$143	UA	IAD/ORD
Houghton	52,561	74,510	70.06%	1,487	1,596	93.2%	$2,204,520	$42	UA	ORD
Hays	35,419	130,450	56.60%	2,609	2,705	96.5%	$3,123,573	$88	UA	DEN/ORD
International Falls	36,530	69,452	52.55%	1,388	1,412	98.3%	$2,981,632	$82	DL	MSP
Iron Mountain	47,228	71,700	65.80%	1,434	1,485	96.6%	$3,275,512	$69	DL	DTW/MSP
Jamestown (ND)	26,023	100,600	56.42%	2,012	2,136	94.2%	$2,688,493	$103	UA	DEN
Kearney	50,315	77,240	63.50%	1,544	1,610	95.9%	$3,675,276	$73	UA	DEN
Laramie	37,580	64,740	59.00%	1,294	1,367	94.7%	$2,113,774	$56	UA	DEN
Hattiesburg	25,545	75,610	43.13%	1,485	1,533	96.9%	$3,066,327	$120	UA	IAH
Liberal	14,423	66,000	22.39%	1,320	1,362	96.9%	$3,788,409	$263	UA	DEN
Meridian	41,013	98,840	57.77%	1,964	2,017	97.4%	$3,265,490	$80	UA	IAH
Moab	34,044	60,300	56.45%	1,206	1,265	95.3%	$2,978,980	$88	UA	DEN
Muskegon	39,355	75,300	50.00%	1,494	1,577	94.7%	$3,174,790	$81	UA	ORD
North Platte	33,794	65,140	51.68%	1,302	1,358	95.9%	$3,419,349	$101	UA	DEN
Paducah	39,439	126,090	52.92%	2,521	2,620	96.2%	$3,117,436	$79	UA	ORD
Pellston	60,705	113,566	69.58%	2,269	2,324	97.6%	$1,724,962	$28	DL	DTW
Pierre	34,847	74,090	57.57%	1,481	1,548	95.7%	$3,638,439	$104	UA	DEN/ORD
Plattsburgh	39,510	66,440	59.15%	1,328	1,366	97.2%	$3,371,895	$85	UA	IAD
Prescott	58,344	78,990	75.50%	1,579	1,605	98.4%	$3,983,055	$68	UA	DEN/LAX
Pueblo	23,699	95,654	30.66%	1,911	1,996	95.7%	$2,784,664	$118	UA	DEN
Rhinelander	57,764	85,984	66.97%	1,710	1,741	98.2%	$2,293,516	$40	DL	MSP
Salina	31,889	99,750	48.50%	1,995	2,056	97.0%	$3,310,166	$104	UA	DEN/ORD
Sault Ste. Marie	51,925	71,800	72.29%	1,436	1,470	97.7%	$2,729,306	$53	DL	DTW
Scottsbluff	35,605	67,520	58.44%	1,343	1,405	95.6%	$2,989,039	$84	UA	DEN
Staunton	36,085	81,450	53.24%	1,629	1,676	97.2%	$3,238,406	$90	UA	IAD/ORD
Vernal	26,820	63,250	42.27%	1,265	1,353	93.5%	$3,097,656	$115	UA	DEN
Watertown (SD)	27,828	61,500	49.63%	1,230	1,307	94.1%	$3,244,118	$117	UA	DEN/ORD
Group	1,529,529	3,082,508	49.6%	61,526	63,731	96.5%	$111,711,211	$73		

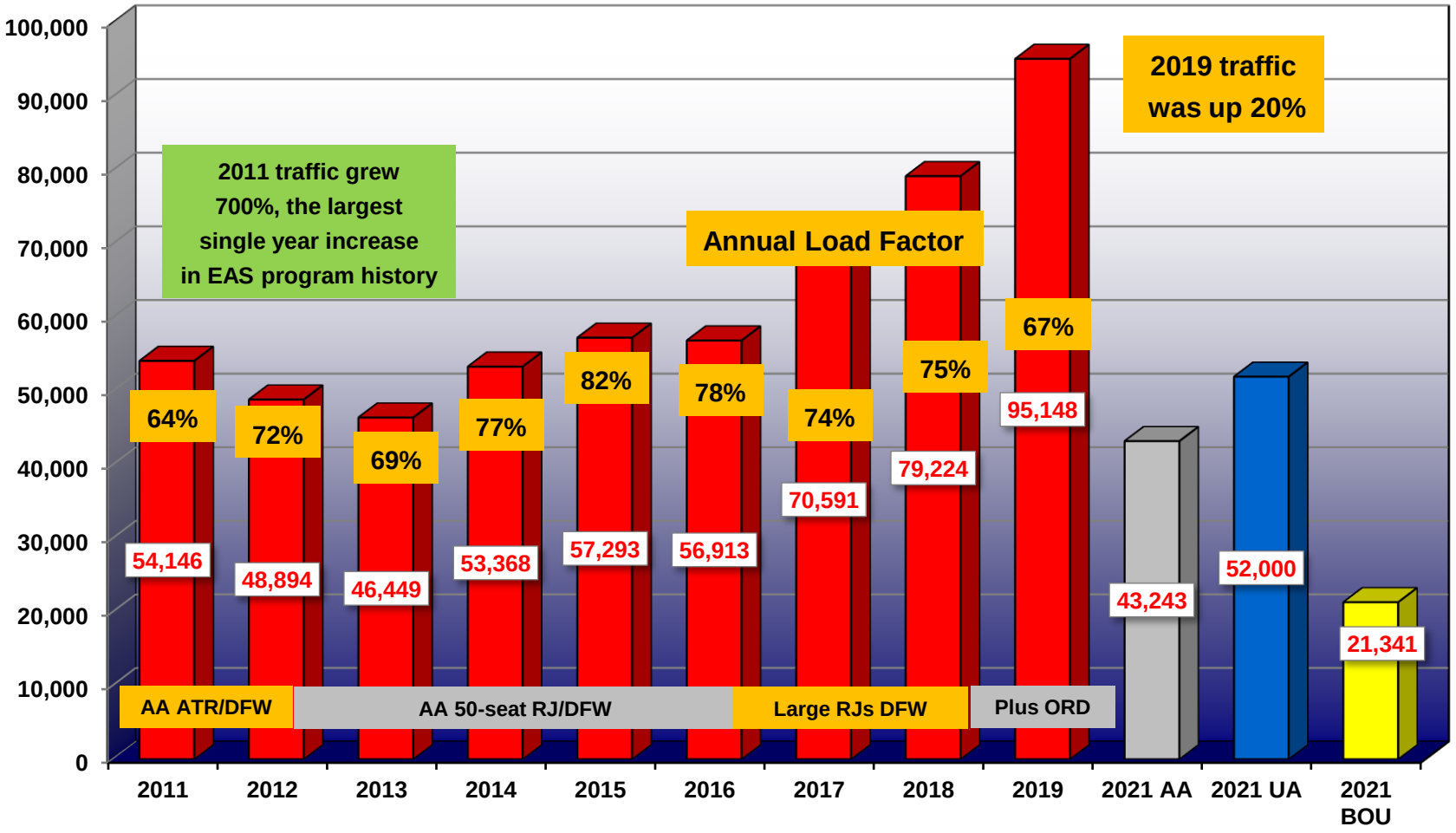
$200 cap markets shaded in green

Blue shaded cities have been or are Volaire clients

TRAFFIC HISTORY WITH BID FORECASTS IMPOSED

Joplin Total O&D Traffic

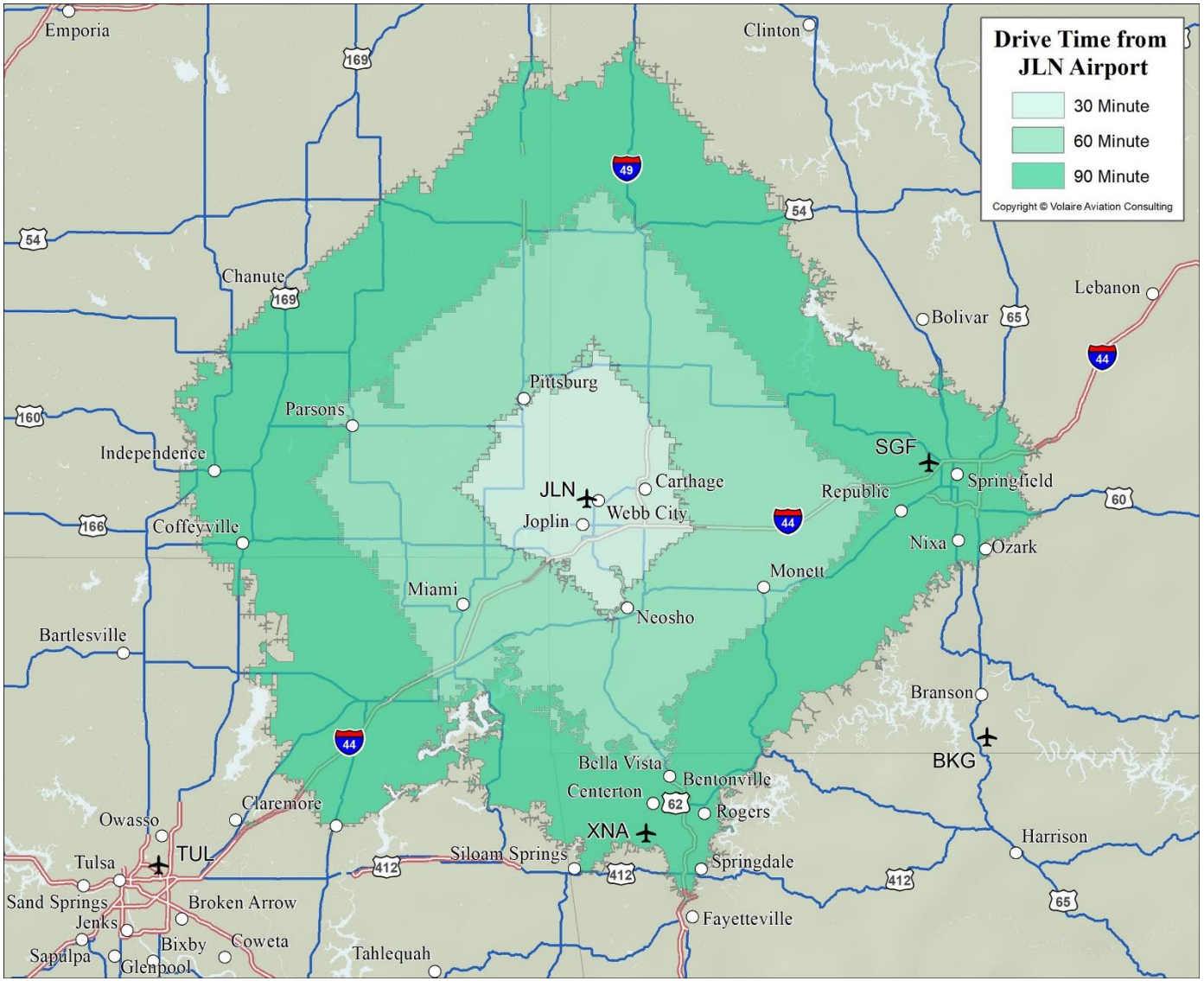
Year 2011 – 2019 DOT T100 Reports and 2021 Traffic Forecasts of each Carrier EAS bid





Joplin Catchment Area Traffic Leakage Study

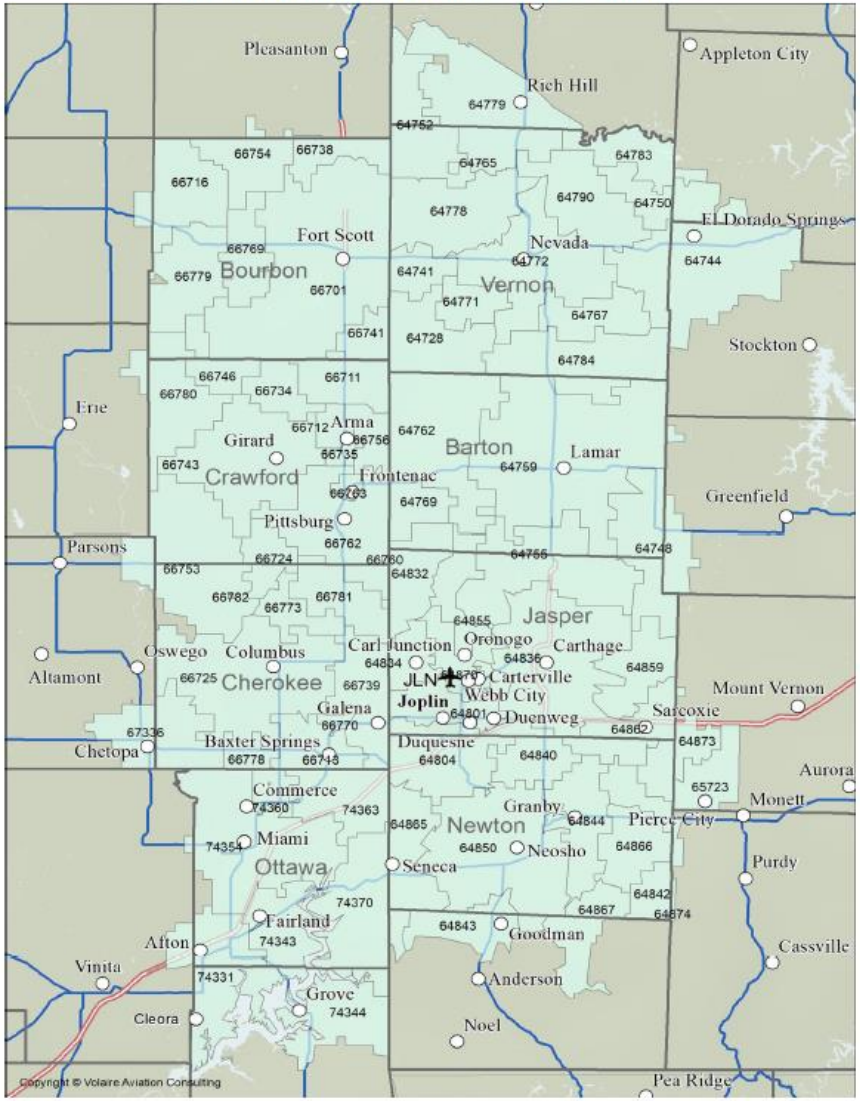
JOPLIN 30-60-90 MINUTE DRIVE RADIUS MAP



JOPLIN AIR TRAVEL LEAKAGE CATCHMENT AREA

- **81 zip codes in nine counties of SW Missouri, the SE Kansas and the NW Oklahoma.**
- **Catchment area a vertical rectangle from the I-44 corridor to about 50 miles north of the JLN Airport.**
- **Sample of 8,432 catchment area tickets (year 2017) combined with DOT data to extrapolate a market size of 830,820 annual passengers.**
- **773,841 domestic at $185.**
- **56,979 international $466.**

Joplin Regional Airport Zip Code Catchment Area Map

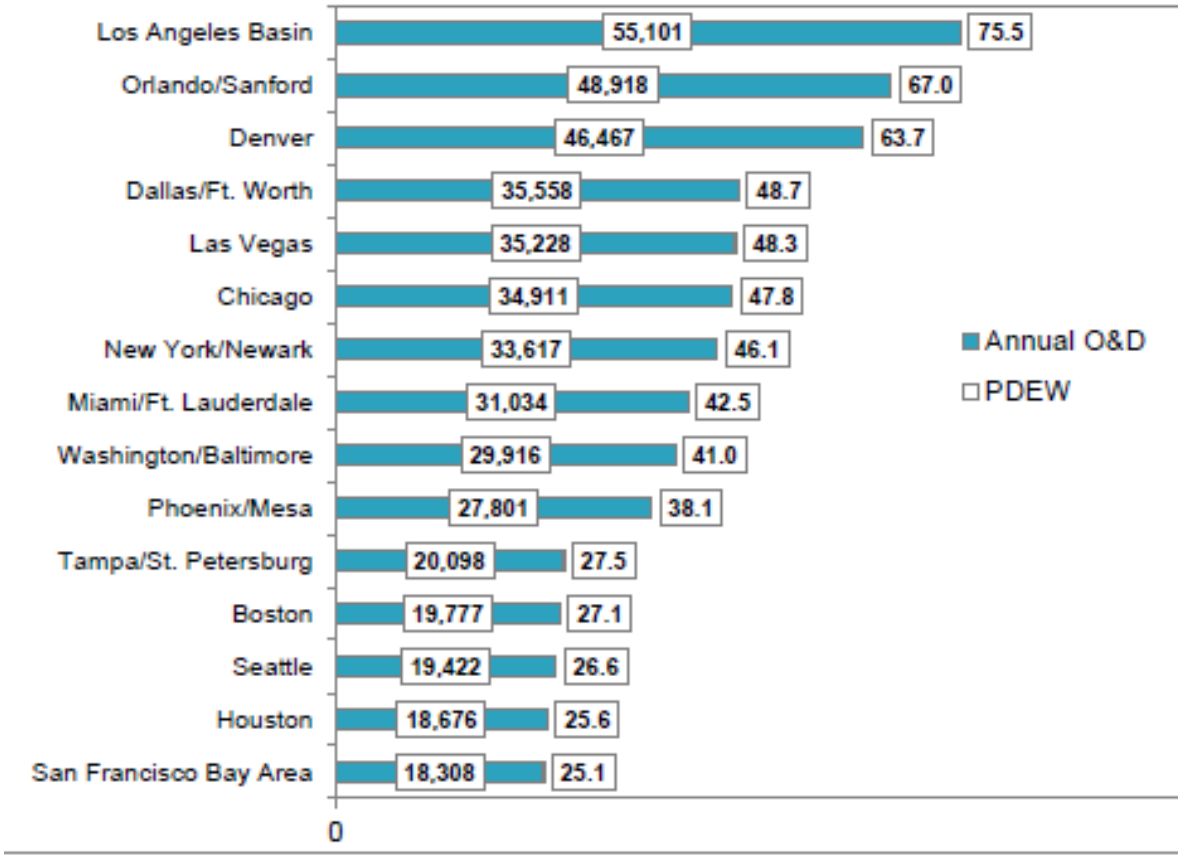


JOPLIN AIR TRAVEL DEMAND; TOP 15 MARKETS

- **Top markets east of Joplin total 118,221 annual passengers at $195;**

- Chicago 34,911 annual passengers at $172
- New York City 33,617 annual passengers at $206
- Washington D.C. 29,916 annual passengers at $205
- Boston 19,777 annual passengers at $188

15 LARGEST JOPLIN CATCHMENT AREA DOMESTIC MARKETS 2017



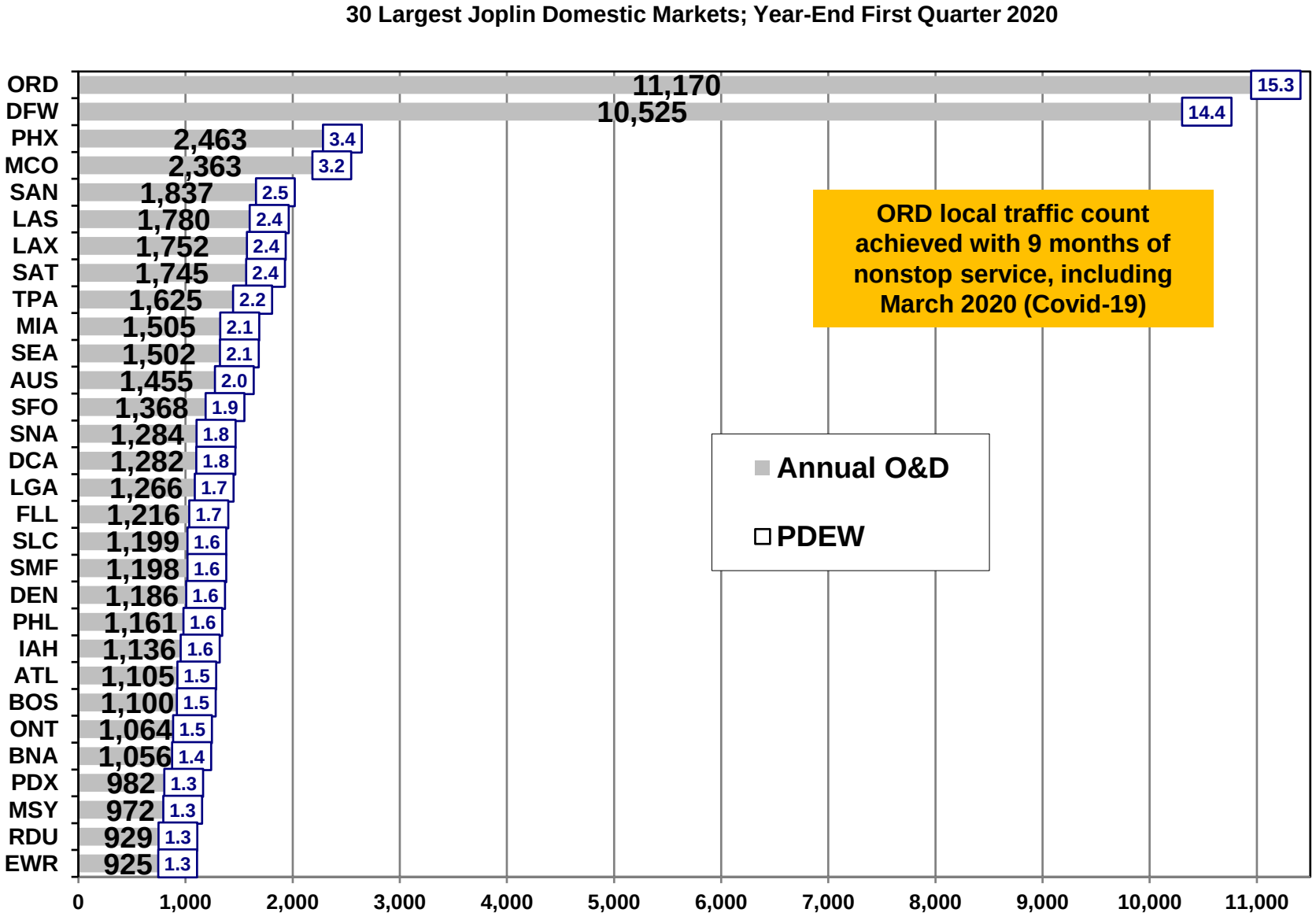
JOPLIN AIR TRAVEL DEMAND; KEY CONCLUSIONS

- **In 2017 JLN captured 9% of catchment domestic O&D with single carrier service to single hub DFW.**
- **SGF only captured 10% of catchment leakage.**
- **Primary leakage point is MCI, (50% share) driven by a combination of pricing and more carrier options with more nonstop service.**
- **Southwest is primary leakage carrier given MCI & TUL service/pricing.**

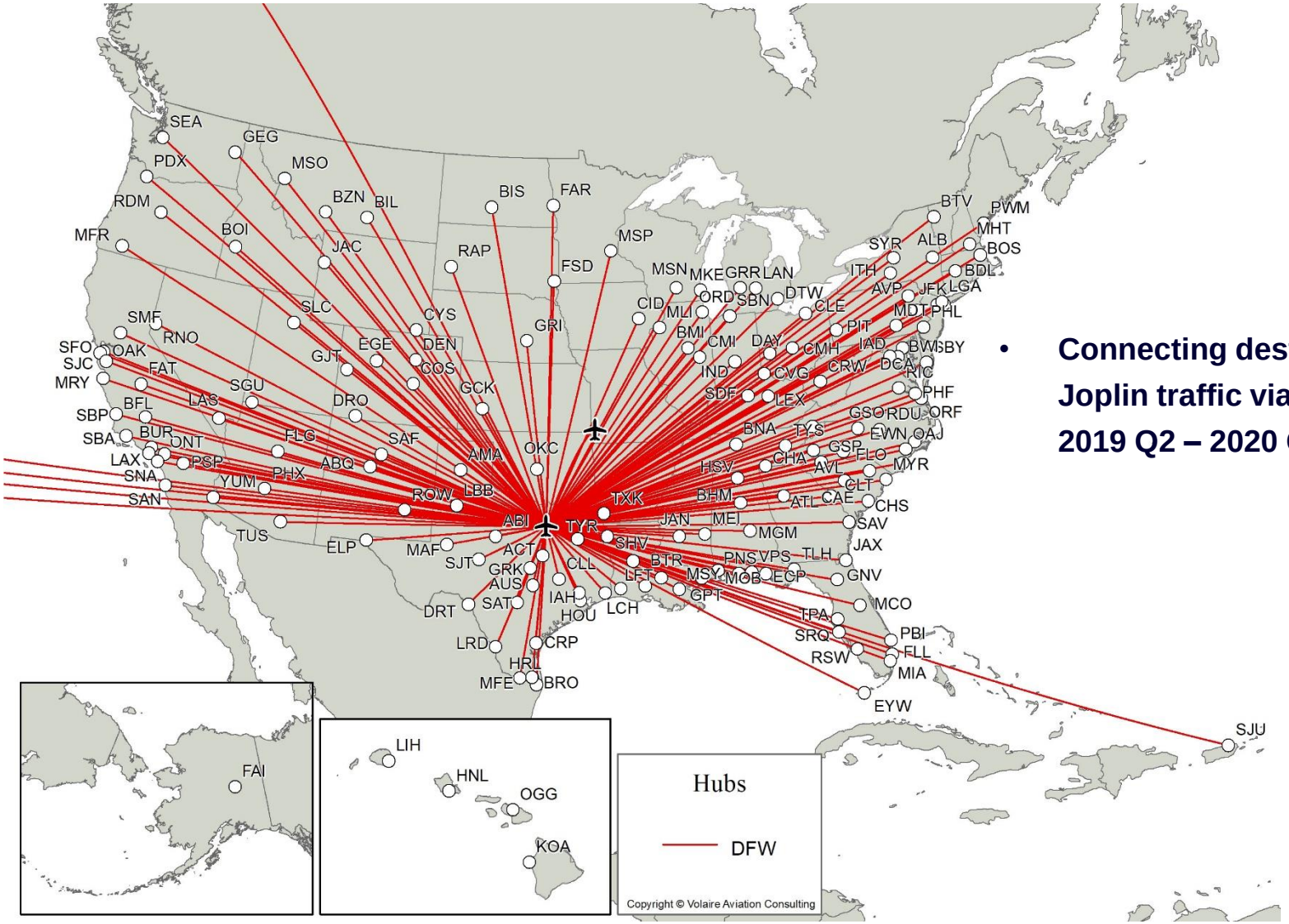
American Service Summary



JOPLIN TOP DOMESTIC MARKETS 2020 Q1

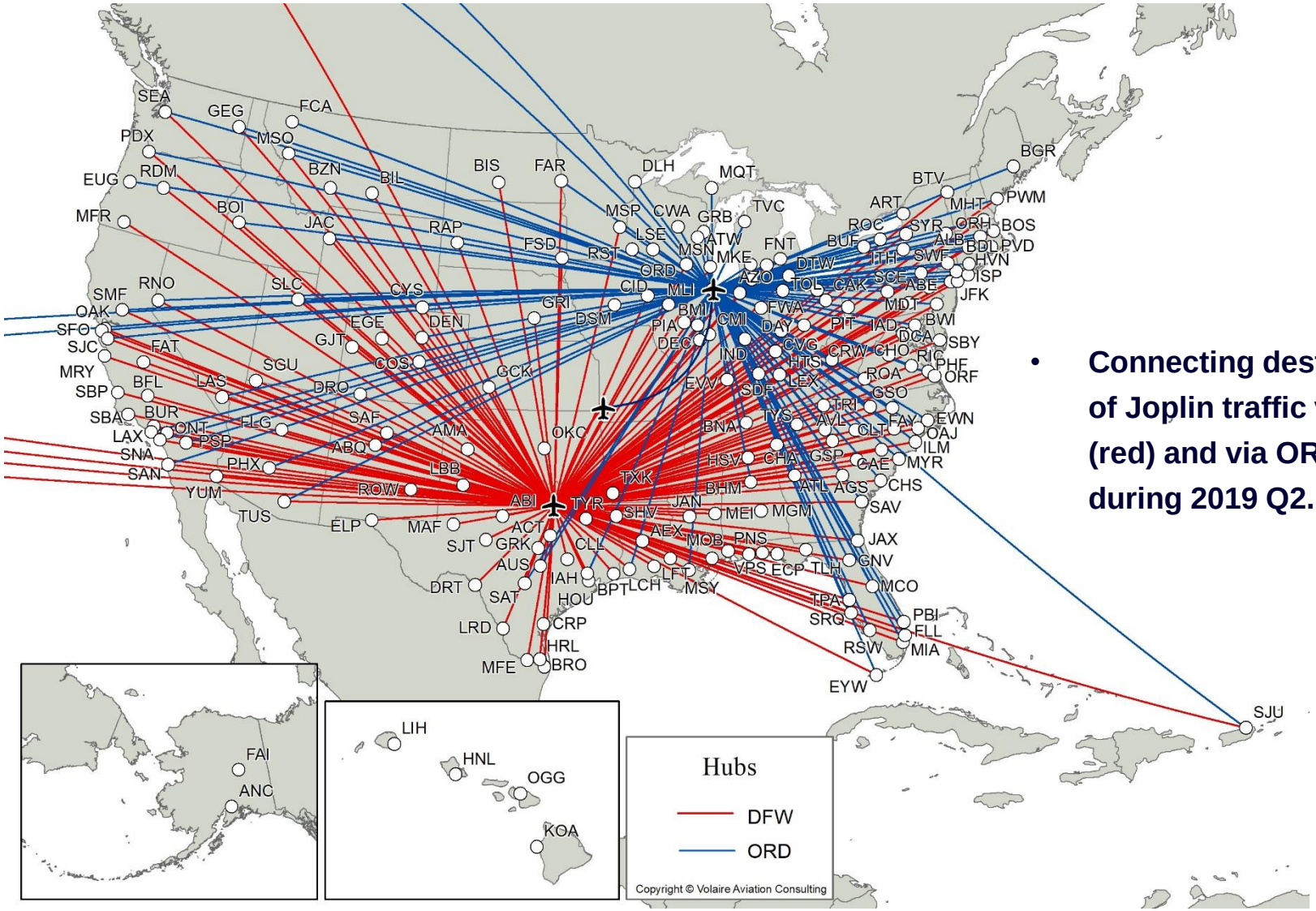


JLN TRAFFIC VIA DFW; 2019 Q3 to 2020 Q1



- **Connecting destination of Joplin traffic via DFW for 2019 Q2 – 2020 Q1.**

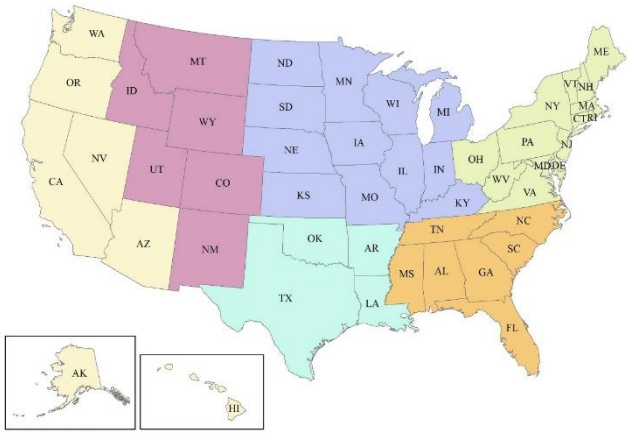
JLN TRAFFIC BY HUB; 2019 Q3 TO 2020 Q1



- **Connecting destination of Joplin traffic via DFW (red) and via ORD (blue) during 2019 Q2.**

JOPLIN DOMESTIC TRAFFIC BY REGION

- **Comparing Joplin domestic traffic for the nine months 2018 Q3 to 2019 Q1 (single hub) to the nine months 2019 Q3 to 2020 Q1 (dual hub).**
- **Midwest region traffic grew by 408%, driven by Chicago locals.**
- **Northeast and Southeast region traffic grew by 53% and 29% respectively.**



JOPLIN TRAFFIC BY REGION CHANGES: DFW ONLY VS DFW & ORD

Measuring 2018 Q3 to 2019 Q1 (single hub) against 2019 Q3 to 2020 Q1 (dual hub)

Region	States	Service	Traffic	Avg Fare	Revenue
14 Northeast States	ME,NH,VT,MA,RI,VN,NY,PA,JN,DL,MD,VA,WV,OH	One Hub	6,446	$244	$1,572,824
		Dual Hub	9,832	$232	$2,281,024
		Change	52.5%	-4.9%	45.0%
12 Midwest States	MI,WI,MN,ND,SD,NE,IA,IL,IN,KY,MO,KN	One Hub	2,950	$244	$719,800
		Dual Hub	14,986	$159	$2,382,774
		Change	408.0%	-34.8%	231.0%
7 Southeast States	NC,SC,TN,GA,AL,MS,FL,PR	One Hub	10,549	$226	$2,384,074
		Dual Hub	13,578	$204	$2,769,912
		Change	28.7%	-9.7%	16.2%
4 South Central States	AR,OK,LA,TX	One Hub	14,845	$191	$2,835,395
		Dual Hub	14,566	$202	$2,942,332
		Change	-1.9%	5.8%	3.8%
6 Intermountain States	MT,ID,WY,UT,CO,NM	One Hub	2,904	$221	$641,784
		Dual Hub	3,148	$229	$720,892
		Change	8.4%	3.6%	12.3%
7 Far West States	AK,HA,WA,OR,CA,NV,AZ	One Hub	15,368	$249	$3,826,632
		Dual Hub	14,773	$256	$3,781,888
		Change	-3.9%	2.8%	-1.2%

JOPLIN INTERNATIONAL TRAFFIC 2011 - 2019




United Air Lines Branded
Service Options at Joplin
UNITED
N824UA

UNITED SERVICE OPTIONS

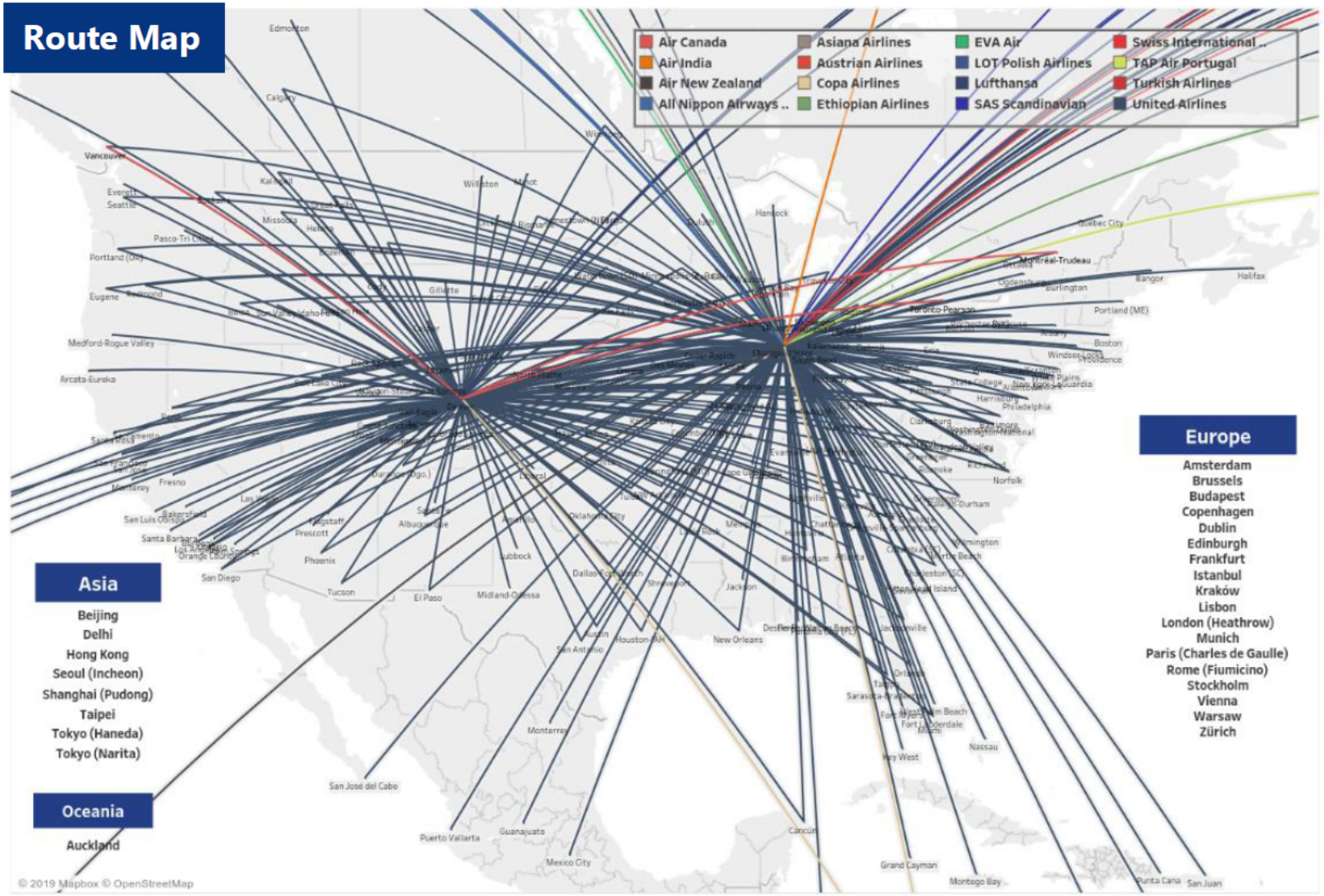
- **American service via DFW and via ORD (for nine months) generated 95,000 passenger trips for American in 2019.**
- **DFW is the best single hub for Joplin service, offering connectivity on roughly 270 degrees of the compass with only connectivity to the northern tier having excessive circuity.**
- **Chicago ORD (United or American) is the second-best hub for Joplin but offers poor circuity to the far west and south-central regions.**
- **Denver (United) is the third-best hub option for Joplin but offers poor circuity east of the Mississippi River.**
- **Houston (United) is the fourth-best hub option for Joplin, offering reasonable connectivity across the southern tier but excessive circuity otherwise.**

SERVICE OPTIONS BY LOCAL TRAFFIC

- For the year ended 2020 Q1 the Joplin region generated 397,923 annual O&D to/from Chicago.
- For the same period the region generated 298,561 annual Denver locals.
- For the same period the region generated 313,925 annual Houston locals.
- For the same period the region generated 301,847 annual Dallas locals.

JLN AREA LOCAL TRAFFIC CHICAGO, DENVER, HOUSTON, DALLAS: 2020Q1					
Chicago Local Traffic	Passengers	PDEW	Avg Fare	Revenue	RDEW
JLN	11,170	15	$137	$1,525,952	$2,085
SGF	67,253	92	$177	$11,914,324	$16,276
TUL	231,314	316	$181	$41,874,499	$57,206
XNA	88,186	120	$265	$23,327,383	$31,868
Chicago Total	397,923	544	$198	$78,642,158	$107,435
Denver Local Traffic	Passengers	PDEW	Avg Fare	Revenue	RDEW
JLN	1,186	2	$234	$276,997	$378
SGF	47,806	65	$194	$9,281,021	$12,679
TUL	181,014	247	$123	$22,342,619	$30,523
XNA	68,555	94	$125	$8,542,561	$11,670
Denver Total	298,561	408	$135	$40,443,197	$55,250
Houston Local Traffic	Passengers	PDEW	Avg Fare	Revenue	RDEW
JLN	1,726	2	$197	$340,280	$465
SGF	25,534	35	$217	$5,543,485	$7,573
TUL	231,314	316	$181	$41,874,499	$57,206
XNA	55,351	76	$200	$11,067,034	$15,119
Houston Total	313,925	429	$187	$58,825,298	$80,362
Dallas Local Traffic	Passengers	PDEW	Avg Fare	Revenue	RDEW
JLN	10,525	14.38	$202	$2,121,652	$2,898
SGF	46,335	63.30	$209	$9,681,859	$13,227
TUL	159,772	218.27	$127	$20,354,960	$27,807
XNA	85,215	116.41	$229	$19,506,711	$26,649
Dallas Total	301,847	412.36	$171	$51,665,182	$70,581

ROUTE MAP CONNECTIONS VIA ORD & DEN



Summary



SUMMARY

- **Based on year end 2020 Q1 data, Joplin will be the largest city (measured by traffic) in the EAS program.**
- **American placed Joplin back into the EAS program by filing to Terminate service.**
- **American has offered a two-year proposal for twice daily EAS subsidy supported service to DFW for $1.5 million dollars annually. The American proposal contains a carrier opt out on 120-day notice, no hold in.**
- **SkyWest has offered a three-year proposal for twice daily EAS subsidy supported service to ORD (1 trip) and DEN (1 trip) for $1.2 million dollars year one, $796,000 year two and $498,000 year three.**
- **If Joplin 2021 traffic is depressed 30% from 2019 levels, there is still annual traffic total of 66,000+ passengers.**
- **DFW can reasonably provide single hub connectivity to most of the country.**
- **Dual Hub ORD/DEN can reasonably provide greater connectivity to most of the country than the Single Hub DFW**
- **American has demonstrated that Chicago service can easily generate over 12,000 local annual passengers in addition to connecting east, north, northwest and southeast.**
- **SkyWest has stated that Houston can serve as a third hub for United branded Joplin service.**
- **American has stated that additional hub options for JLN will be Charlotte not Chicago.**
- **Joplin Airport Board unanimously (one absent) approved this recommendation on Nov. 13, 2020.**