

Response to Order: Order: 2018-3-2

Essential Air Service at

Alamosa, Colorado

Under 49 U.S.C. § 41731 *et seq.*

DOCKET DOT-OST-1997-2960

July 06, 2018



DenverAir

CONNECTION

A Key Lime Air Company

This document serves as a response to Orders Requesting Proposals DOT-OST-1997-2960 and the grant of extension request received via email posted on regulations.gov on March 29, 2018 by the United States Department of Transportation.

Key Lime Air started as a small passenger and cargo operation in 1997. In the past 22 years, it has grown to be one of the largest cargo feeder aircraft networks in the United States. Additionally, Key Lime Air has developed a thriving passenger air charter service; flying for over 30 NCAA sports teams, numerous oil companies, and clients in the movie and entertainment business.



Beginning October 2005, Key Lime Air d/b/a Denver Air Connection established a scheduled passenger route between Grand Junction, CO and Centennial Airport in Denver, CO. To date, this operation has adapted to changing regulatory environments, utilizing Part 135 fractional charter, 135/380 Public Charters, and Part 121 domestic operations on Metroliners, EMB-120 Brasilias and Dornier 328Jets.

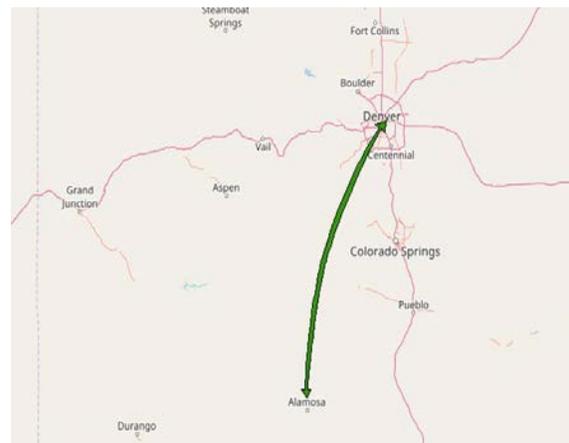


In 2015, Denver Air Connection entered into partnership with local communities and the state of Wyoming to provide daily scheduled air service between Denver, Riverton and Sheridan, WY. Initially, these flights were

conducted under Part 135/380 Public Charter rules, with an industry leading 99.6% completion rate. In June 2018, Key Lime Air successfully added the Dornier 328Jet to our 121 Domestic/Supplemental Operations Specifications. This coupled with future major airline connectivity is designed to better serve these and other small communities that have economic and logistical challenges connecting to the US air transportation system.

Since 2015, Key Lime Air has serviced our partners in Wyoming and western Colorado daily with 99.6% flights completed and 94.91% of all flights being on time. We are proud of these numbers as they well exceed industry standards.

Key Lime Air is based in Englewood Colorado. This location puts the company in a great position to service the needs of Alamosa through Denver International Airport. Nearly 53 million passengers traverse Denver International Airport annually making it the 15<sup>th</sup> largest airport in the world. This incredible hub will allow worldwide access via air to and from Alamosa on a daily basis. These flights will operate from the A Concourse allowing passengers direct access to connecting flights.



Unique to the industry, Key Lime Air owns, operates and maintains its entire fleet of aircraft which enables the company to control and effectively manage its stringent operational and maintenance programs at the highest standards.

Key Lime Air's proposed EAS operation for Alamosa will consist of two aircraft types assigned to the route. The first aircraft type will be a Metro 23 with 9 seats operating scheduled service under Part 135 commuter regulations. The second aircraft type will be a Dornier 328 Jet with 30 seats and operating scheduled service under Part 121 domestic regulations.



The Dornier 328Jet is a comfortable jet powered 30 seat aircraft equipped with a flight attendant and lavatory.

The Metro 23 is a pressurized twin engine jet-prop operated as a two crew aircraft. In the nine seat configuration, it offers plenty of leg room and comfort for the very quick flight to and from Alamosa.

Key Lime Air fully understands the importance of baggage interline and major airline connectivity. We are in the process of expanding our capabilities to include GDS and OTA distribution channels as well as working diligently to expand our relations with major carriers, and develop interline and code share agreements.

*Testimonial from Sheridan Wyoming: "For 20 months Denver Air Connection has impressed our community with reliable, first class air service. The owners, flight crews, and customer service staff are second to none and have always gone the extra mile to ensure the success of air service in our community. We look forward to a long-term relationship with DAC!" Renee Obermueller, Administrative Director, Sheridan Wyoming.*

## Proposal Direct service between Alamosa, CO and Denver, CO.

19 Weekly round trips are proposed for the Alamosa, CO to Denver, CO communities. Key Lime Air will operate these flights with two of three aircraft they currently operate: The Dornier 328Jet and the Metro 23 Aircraft.

### Representative Schedule

Key Lime Air will work with the community to develop the best possible schedule to meet community needs, company needs as well as all compliance and regulatory requirements. The following is a representative schedule:

Days	Aircraft	Origin	Dest	Dept	Arr
Sunday, Thursday	Metroliner	ALS	DEN	7:00	7:45
		DEN	ALS	8:30	9:15
		ALS	DEN	11:00	11:45
		DEN	ALS	12:30	13:15
		ALS	DEN	19:00	19:45
	Dornier 328Jet	DEN	ALS	20:30	21:15
Monday, Friday	Dornier 328Jet	ALS	DEN	7:00	7:40
		DEN	ALS	11:00	11:35
		ALS	DEN	15:00	15:40
	Metroliner	DEN	ALS	20:10	20:50
Tuesday, Wednesday, Saturday	Metroliner	ALS	DEN	7:00	7:45
		DEN	ALS	8:30	9:15
		ALS	DEN	11:00	11:45
		DEN	ALS	12:30	13:15
		ALS	DEN	19:00	19:45
		DEN	ALS	20:30	21:15

3 Roundtrip flights to be conduct on five days of each week in a 9 seat configured Metro 23.

2 Roundtrip flights to be conducted on two days of each week in a 30 seat configured Dornier 328Jet.  
Aircraft swaps will be made in Denver.



## Costs for Alamosa, CO / Denver, CO route

Key Lime Air will be utilizing a Metro 23 aircraft and a Dornier 328Jet aircraft to operate the route between Alamosa, CO and Denver, CO. The costs associated for this route are as follows:

<b>REVENUE</b>	<b>ALS</b>
Traffic	17,773
Fare	80.00
Passenger Revenue	1,421,840
<b>COST</b>	<b>ALS</b>
Total Aircraft Lease/Ownership	156,000.00
Total Crew Cost	1,205,678.26
Total Maintenance	578,247.54
Total Insurance	82,200.00
Total Overhead Facilities/Supplies/Staff	189,000.00
Total DEN Operating Expense	706,620.00
Total DIA Operating Expense	256,356.40
Total ALS Operating Expense	260,061.50
Total Other Cost	63,120.00
Total Set-Up	145,000.00
Total Fuel Cost	1,081,080.00
Total Expense	<u>4,723,363.69</u>
Operating Loss	3,301,523.69
Operating Margin 5%	<u>236,168.18</u>
Total Compensation Requirement	<u>3,537,691.88</u>
Subsidy per Passenger	199.05
Cost per Block Hour	2,516.25

For questions or comments, please contact:

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