

HELENA AIR SERVICE ALLIANCE UPDATE



HELENA AIR SERVICE ALLIANCE CORE STAKEHOLDERS

- Helena Regional Airport Authority
- Helena Area Chamber of Commerce
- Montana Business Assistance Connection
 - Helena Tourism Alliance

WE INVITE YOUR ORGANIZATION TO JOIN US!

HELENA MUST BE COMPETITIVE

Creation of a **community funded* “war chest”

****Federal regulations do not allow airport funds to be used for air service revenue guarantees or incentives.***

- Airline Relationships – Ongoing Dialogue and Outreach
 - Professional air service consultant (Boyd Group)
 - Montana Airline Rendezvous
 - Ongoing communications, meetings
- Airline Revenue Guarantees / Incentives
- Marketing Support / Awareness
- Community Outreach and Education

OTHER COMMUNITIES ARE DOING SIMILAR EFFORTS

AIRPORT SPECIFIC ACTIONS

- **AIRPORT FACILITIES**

- \$50 Million invested between 2018-2023

- **ECONOMICALLY VIABLE USE FEES / BUSINESS PLAN**

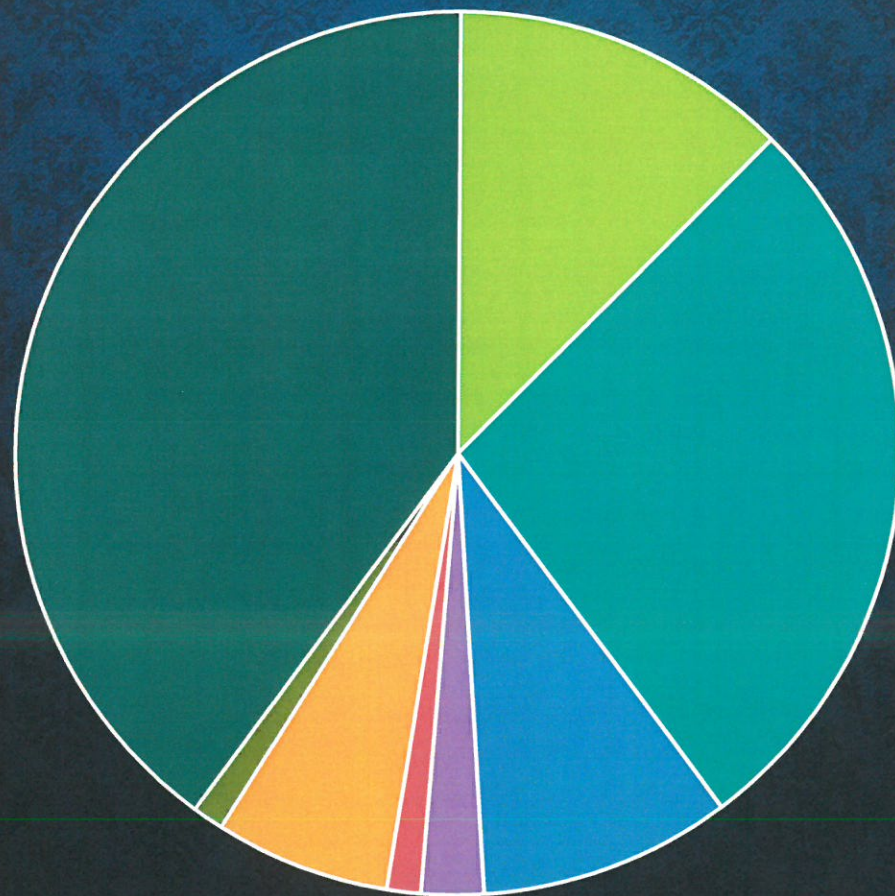
- Low barriers to entry
- Airport Use Fee Waiver Program for any new service (FAA Approved Plan)

AIRPORT'S **DIVERSIFIED** REVENUE SOURCES

Income Sources

**NO City, County, or State Funds for Operations & Maintenance
2 MILS removed in 1993**

Airport is financially self sufficient (except Federal Funds for SOME capital projects)



■ Airline Rents and Fees

■ Landing Fees

■ Parking, Rental Cars, Concessions

■ Commercial, GA Ground Leases

■ Fire Training Center/Track

■ T and Shed Hangars

■ Fuel Flowage Fees

■ Non-Aeronautical

AVIATION SYSTEM CHALLENGES

- Pilot / Labor Shortage
 - 1,500 Hour Rule
 - Age Limitations (65)
 - Cost of Training \$250,000
 - Military pilot shortage a contributing factor also
- Fuel/Labor Costs
- Economics (50 seat aircraft retirement), **limited aircraft to convert to**
- Increasing regulatory burdens / costs
- Technology challenges – airline and FAA systems
- FAA ATC system / labor
- **Airline Route Profitability**
- **Competition Among Communities/Airports**

AIRCRAFT FLEET TRANSITIONS CRJ/Q400 RETIREMENTS



NATIONWIDE AIR SERVICE LOSSES

*Source: www.rallyforairservice.com



All ● Communities losing ALL air service. ● Communities losing LESS than 25% air service. ● Communities losing MORE than 25% air service.

CAPITAL CITIES WITH NO/LIMITED AIR SERVICE

- Salem, Oregon (population 400,000)
- Topeka, Kansas (population 360,000)
- Frankfort, Kentucky (population 27,680)
- Dover Delaware (population 37,523)
- Olympia, Washington (population 51,534)
- Carson City, Nevada (too close to Reno)
- Cheyenne, Wyoming (population 63,607) – 2 flights a day to Denver
(**subsidized by City/State at \$2.5 Million/year**)
- Pierre, South Dakota (population 13,961) – Service on 1 Federally
subsidized small airline to Denver

EXAMPLES OF NEARBY LOCAL SUBSIDIZED AIR SERVICE

- Cheyenne, Wyoming - (\$2.5 Million/ year by City, State)
- Casper, Wyoming – (\$755,000/year paid by the County/State)
- Lewiston, Idaho – (\$4 Million paid by County over 3 years)
- Pocatello, Idaho – (\$1.01 Million/year by City of Pocatello)
- Twin Falls, Idaho – (\$800,000/year paid by City of Twin Falls)

HELENA OPPORTUNITIES

- Community Growth / Relocation
- Recreation / Tourism
- Business Attraction
- Central Location
- Airline Income

HELENA SEAT AVAILABILITY VS NATIONAL AVERAGE

- Airports nationwide have **lost an average of 31%** of their flights since 2019*.
- As of June 2, 2023, Helena has mostly recovered and now only has **7% fewer seats than 2019.**

***Source: rallyforairservice.com**

UNITED AIRLINES – DENVER HUB (ACCESS, OPTIONS)

- **Denver is 3rd busiest airport in the U.S.**
- **199 United destinations through the Denver hub**
- **10,000 United employees based at Denver**
- **12 new United Gates at Denver by end of 2024 (90 gates total)**
- **Helena - as of June 2, 2023 (52% increase over 2019):**
 - Added second daily connection to Denver hub.
 - Increased the size of the aircraft from 50-76 seats moving forward
 - 50 seat jets continue to be retired
 - 40 major cities cut from United's route map since 2019 (Helena is bucking this trend!) **HELENA AIR SERVICE ALLIANCE – PROGRESS MADE ALREADY!**

DELTA AIRLINES

- 19 cities cut since 2020
- 16 more cities cut announced for August 2023
- Pilot / Aircraft Limitations/changing economics
- Hub Challenges (Minneapolis specifically)
- Recently met with Delta – no Minneapolis service return for 2023 – maybe 2024, or 2025.
- Offered 2 years of no airport use fees to incentivize return of this route.

SALT LAKE CITY HUB EXPANSION PROJECT

- Delta plans SLC to be a larger hub for the west (90 destinations/400 flights per day)
- Delta signed \$2.8 Billion lease agreement to 2044
- 66 Delta Gates Total
 - 5 new gates opened in May
 - 4 more gates opening in August
 - 13 additional gates to be opened by October 31
 - Bus transfer between concourse A and B will end once the new connecting tunnel project is completed
- SLC Airport Ranked #1 for on-time performance
- 4,000 Delta employees based at SLC

ALASKA AIRLINES

Strong load factors

Aircraft fleet transition

We keep working to get added SEA or PDX flights or a RON



ALASKA CUTS NATIONALLY IN NOVEMBER 2023

- Boise - Austin
- Boise - San Jose
- Boise - Palm Springs
- Los Angeles - Bozeman
- Los Angeles - Reno
- Portland - MSO
- Portland - Billings
- San Diego - Salt Lake City

AMERICAN AIRLINES RECRUITMENT UPDATE

INCENTIVE PACKAGE (\$1.6 Million +)

- US DOT Small Community Air Service Grant \$1,004,743 (**largest ever in Montana**)
- Local Cash Donations for Incentive Package \$126,000 and still growing
- Local In-Kind Marketing - \$107,000
- Airport Incentive Package (Fee Waivers) \$365,000
- Grant is available until 2027
 - **PILOT & AIRCRAFT RESOURCE LIMITATIONS**
 - **PILOT UNION WAGE NEGOTIATIONS**

WHY AMERICAN, WHY DALLAS?

- Adding American Airlines brings an entirely new brand to Helena which provides additional access, options, and competition (which helps lower fares overall)
- Dallas (DFW) is American Airline's largest hub (#2 Airport in U.S.)
- 800 flights/day, 240+ daily connections including 25 countries - ACCESS/OPTIONS!!
- Developing 24 more gates at DFW – GROWTH OPPORTUNITY
- 85% of DFW Airport Traffic is American Airlines – related
- 2/3 of American Airline's total domestic passengers connect through DFW Airport

AMERICAN SERVICE CUTS SINCE 2020

- **120 regional jets still parked (many will be retired permanently)**
- Arcata/Eureka, California.
- Cheyenne, Wyoming.
- Columbus, Georgia.
- Del Rio, Texas.
- Dubuque, Iowa.
- Duluth, Minnesota.
- Hattiesburg/Laurel, Mississippi.
- Islip, New York.
- Ithaca, New York.
- Joplin, Missouri.
- Long Beach, California.
- Meridian, Mississippi.
- New Haven, Connecticut.
- New Windsor, New York.
- Oakland, California.
- Sioux City, Iowa.
- Toledo, Ohio.
- Williamsport, Pennsylvania.

UPCOMING AMERICAN ROUTE CUTS SEPTEMBER 2023

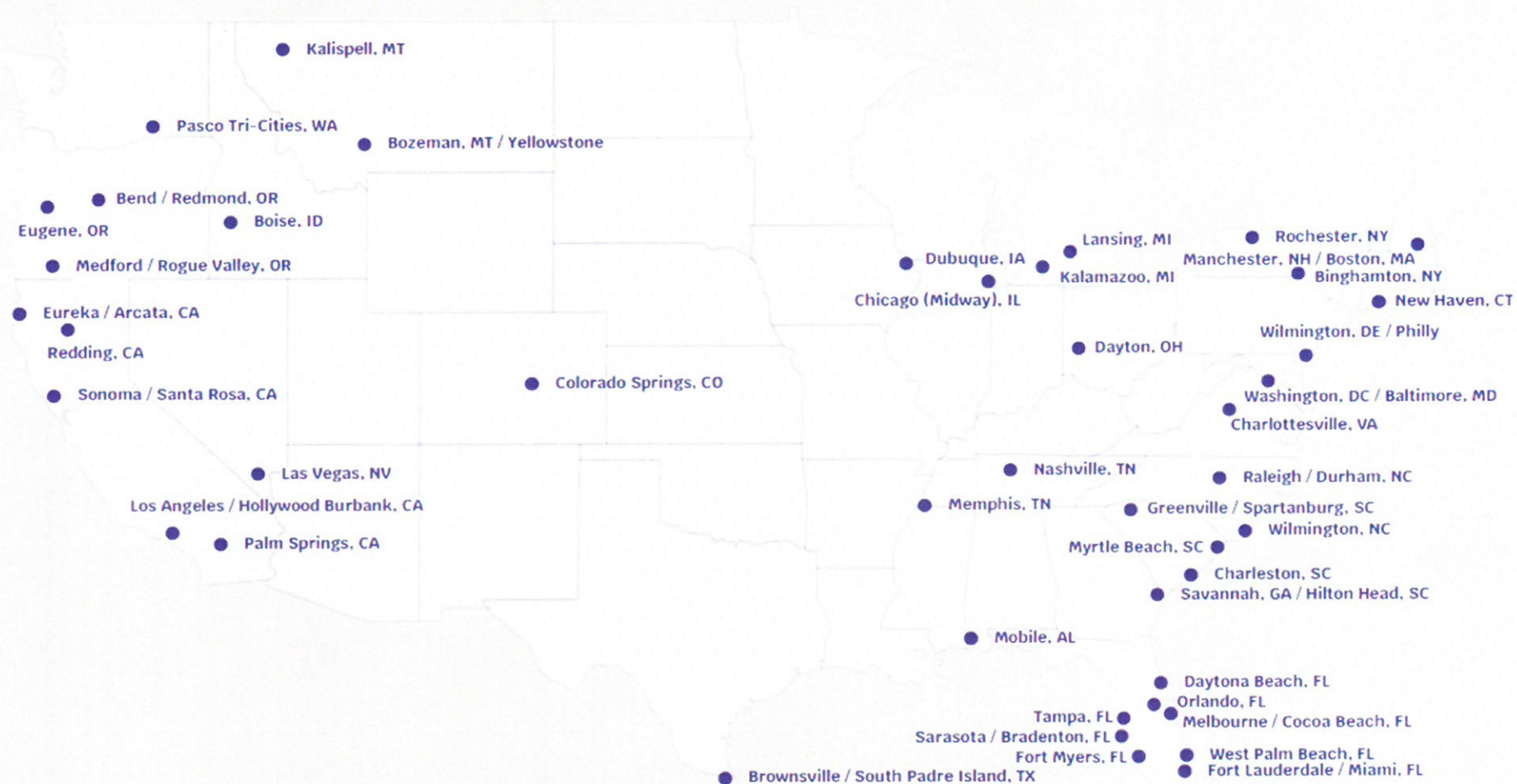
- **Charlotte - Bozeman**
- Charlotte - San Jose Del Cabo
- Dallas Fort Worth - Grand Cayman
- Dallas Fort Worth - Nassau
- Boston - Hilton Head Island
- Phoenix - Ixtapa/Zihuatanejo International
- **Phoenix - Idaho Falls**
- Chicago - Charleston
- **Chicago - Billings**
- Phoenix - Cleveland

OTHER AIRLINES

- Southwest – no new destinations for at least the next 18 months
- Allegiant – Rebuilding after pandemic – leisure routes
- Frontier – Cut 43 routes in 2022
- Jet Blue/Spirit – Cut 17 routes in 2022 / pending merger
- Sun Country – Minneapolis Based to serve MSP (138-183 seat 737 variants)

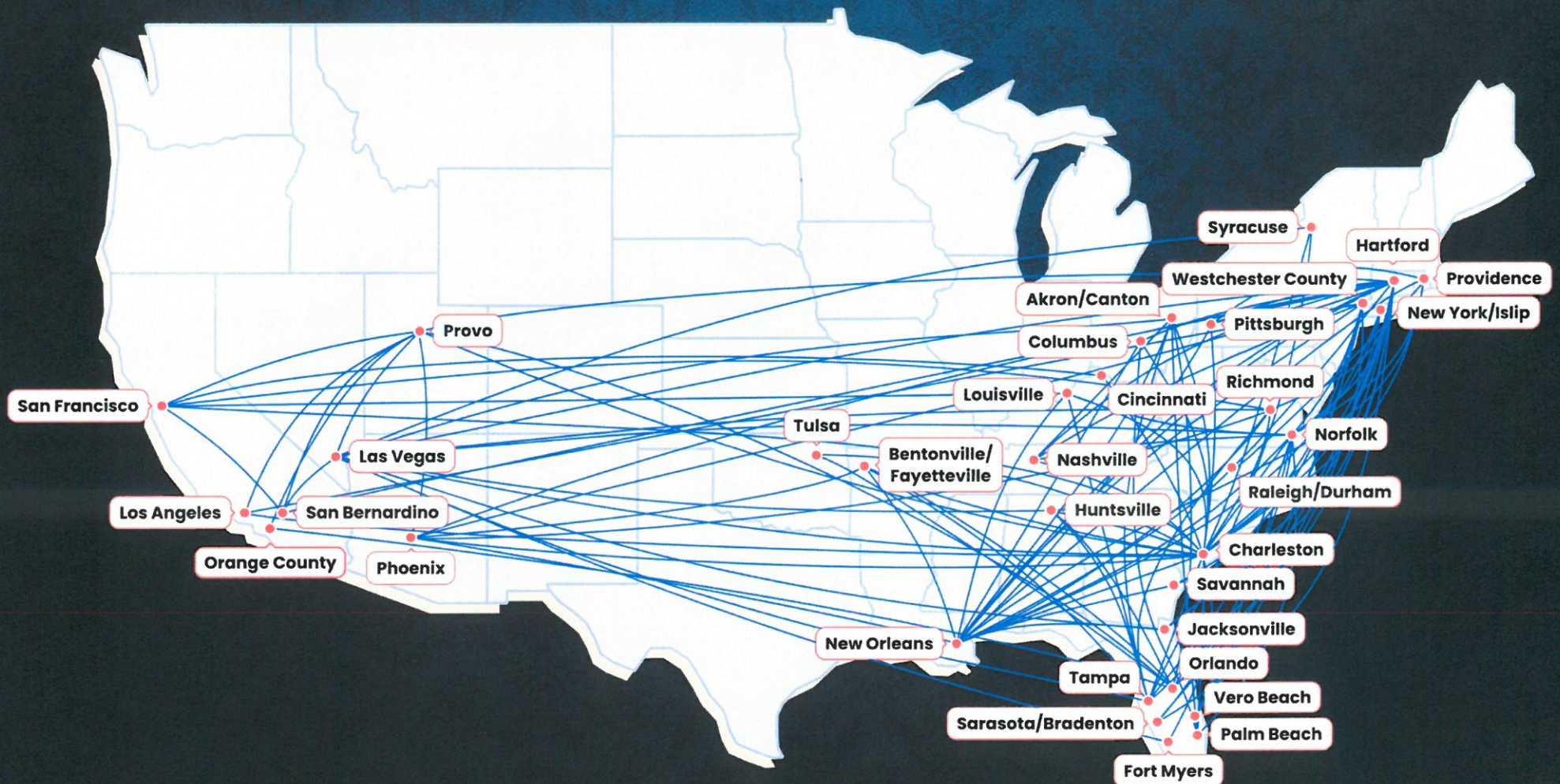
AVELO AIRLINES

Connecting Large Population Regions to Leisure Destinations – 147-189 Seat 737-800/900 Aircraft



BREEZE AIRWAYS

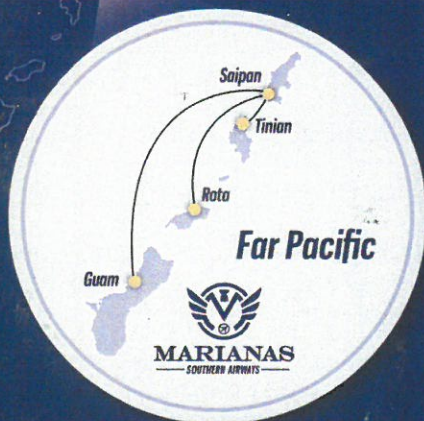
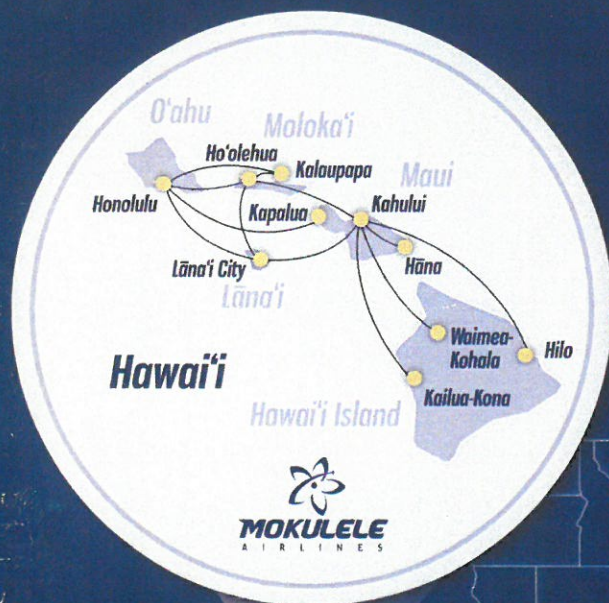
New Entrant Connecting Large Populations Regions to Leisure Destinations – 108-137 seat aircraft



SOUTHERN AIRWAYS – WELCOME AUSTIN MAYER

Huge Opportunity for Passengers and Logistics to
CONNECT MONTANA





Route Map

Now serving 49 cities with over 250 daily departures!

HOW CAN YOU HELP

- **REMEMBER IT IS A COMPETITION AMONG ALL COMMUNITIES!**
- Fly out of Helena if possible (investment in service)
- Donate money to the community fundraising effort
 - **CONTACT THE HELENA AREA CHAMBER OF COMMERCE AT (406)-442-4120 or info@helenachamber.com**
- Chamber 501c3 Foundation Managing the local funds raised
- Stay informed, help spread the FACTS about air service and the retention and recruitment process
www.helenaairport.com/announcements