

**BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, DC**

Essential Air Service at
Paducah, KY

DOT-OST-2009-0299

Under 49 U.S.C §41731 et seq.

**AMERICAN AIRLINES PROPOSAL TO
PROVIDE ESSENTIAL AIR SERVICE AT PADUCAH, KY**

American Airlines, a wholly owned subsidiary of American Airlines Group, Inc., respectfully submits its proposal to provide subsidized Essential Air Service to Paducah, Kentucky. American Airlines seeks to begin service from American's hubs in either Charlotte Douglas Int'l Airport ("CLT"), Dallas/Ft. Worth Int'l Airport ("DFW"), or Chicago O'Hare Int'l Airport ("ORD") to the Barkley Regional Airport ("PAH"). The service would be operated by the American Airlines' regional brand, American Eagle, using 50 or 65 seat jet aircraft.

American is offering three network proposals for consideration:

- An option with 12 weekly round trips to CLT
- An option with 6 weekly round trips to CLT and 6 weekly round trips to DFW
- An option with 6 weekly round trips to DFW and 6 weekly round trips to ORD

American Airlines and American Eagle customers have access to more than 350 cities in more than 60 countries and territories, and more than 6,000 daily departures. Through our **oneworld** alliance, customers have access to more than 1,000 destinations in over 150 countries. Service to CLT would enable members of the community to connect to nearly 110 destinations with a single stop, while service to DFW would enable connections to over 125 destinations with a single stop. Service to ORD would enable connections to over 100 destinations.

American has a long and successful track record of providing reliable service to other Essential Air Service communities with an impact that results in increased passenger volumes and travel to the community. American will include marketing its service to PAH in existing active national and new local campaigns to help drive passenger volume and ensure the market's success.

We look forward to serving the Paducah area for many years to come and appreciate the community's and the Department of Transportation's consideration of American Airlines service.

Sincerely,



Jordan Pack

Director, Domestic Network Planning
American Airlines

EAS Bid Summary

CLT-PAH - 12 weekly roundtrips on ERJ-145
Minimum 2-year term starting Dec 1, 2025

A/C Type(s)	ERJ-145
Seats Per Departure	50
Weekly Round Trips	12
Annual Departures (99% completion factor)	1,236
Stage Length (Average, Miles)	456
Block Hours Per Departure (Average)	1.8
Annual Block Hours (factored)	2,204

Revenue Forecast

Average Fare and Ancillary Revenue per Pax	\$	161
Annual Pax		<u>38,585</u>
Total Revenue	\$	6,196,919

Annual RPMs	17,594,667
Annual ASMs	28,169,856
Estimated Load Factor (Average)	62%

Expense Forecast

Direct Expense	\$	7,651,804
Indirect Expense	\$	2,192,881
<u>Aircraft Ownership and Overhead</u>	\$	<u>927,389</u>
Total Expense	\$	10,772,073

Profit/(Loss)	\$	(4,575,155)
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<u>Profit Element</u>	\$	523,147
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Subsidy Requirement

Annual Subsidy Requirement - Year 1	\$	5,098,302
Annual Subsidy Requirement - Year 2	\$	5,353,217

Subsidy Per Trip (Year 1)	\$	4,126
Subsidy Per Passenger (Year 1)	\$	132

EAS Bid Summary

CLT & DFW- PAH - Each 6 weekly roundtrips on CRJ-700/E170
Minimum 2-year term starting Dec 1, 2025

A/C Type(s)	CRJ-700/E170
Seats Per Departure	65
Weekly Round Trips	12
Annual Departures (99% completion factor)	1,236
Stage Length (Average, Miles)	503
Block Hours Per Departure (Average)	1.8
Annual Block Hours (factored)	2,277

Revenue Forecast

Average Fare and Ancillary Revenue per Pax	\$	161
Annual Pax		<u>39,682</u>
Total Revenue	\$	6,373,149

Annual RPMs	19,959,955
Annual ASMs	40,395,326
Estimated Load Factor (Average)	49%

Expense Forecast

Direct Expense	\$	8,009,622
Indirect Expense	\$	2,575,567
<u>Aircraft Ownership and Overhead</u>	\$	<u>1,089,231</u>
Total Expense	\$	11,674,420
Profit/(Loss)	\$	(5,301,271)
<u>Profit Element</u>	\$	614,443

Subsidy Requirement

Annual Subsidy Requirement - Year 1	\$	5,915,714
Annual Subsidy Requirement - Year 2	\$	6,211,500
Subsidy Per Trip (Year 1)	\$	4,788
Subsidy Per Passenger (Year 1)	\$	149

EAS Bid Summary

DFW & ORD- PAH - Each 6 weekly roundtrips on CRJ-700/E170
Minimum 2-year term starting Dec 1, 2025

A/C Type(s)	CRJ-700/E170
Seats Per Departure	65
Weekly Round Trips	12
Annual Departures (99% completion factor)	1,236
Stage Length (Average, Miles)	446
Block Hours Per Departure (Average)	1.7
Annual Block Hours (factored)	2,145

Revenue Forecast

Average Fare and Ancillary Revenue per Pax	\$	145
Annual Pax		<u>35,499</u>
Total Revenue	\$	5,159,048
Annual RPMs		16,153,442
Annual ASMs		35,817,725
Estimated Load Factor (Average)		45%

Expense Forecast

Direct Expense	\$	7,580,512
Indirect Expense	\$	2,437,583
<u>Aircraft Ownership and Overhead</u>	\$	<u>1,030,876</u>
Total Expense	\$	11,048,972
Profit/(Loss)	\$	(5,889,924)
<u>Profit Element</u>	\$	581,525

Subsidy Requirement

Annual Subsidy Requirement - Year 1	\$	6,471,449
Annual Subsidy Requirement - Year 2	\$	6,795,022
Subsidy Per Trip (Year 1)	\$	5,238
Subsidy Per Passenger (Year 1)	\$	182

Essential Air Service Proposal for Paducah, KY (PAH)

Prepared June 2025
For service starting December 1, 2025
Minimum 2-year term



American offers the nation's leading network



350+ Destinations



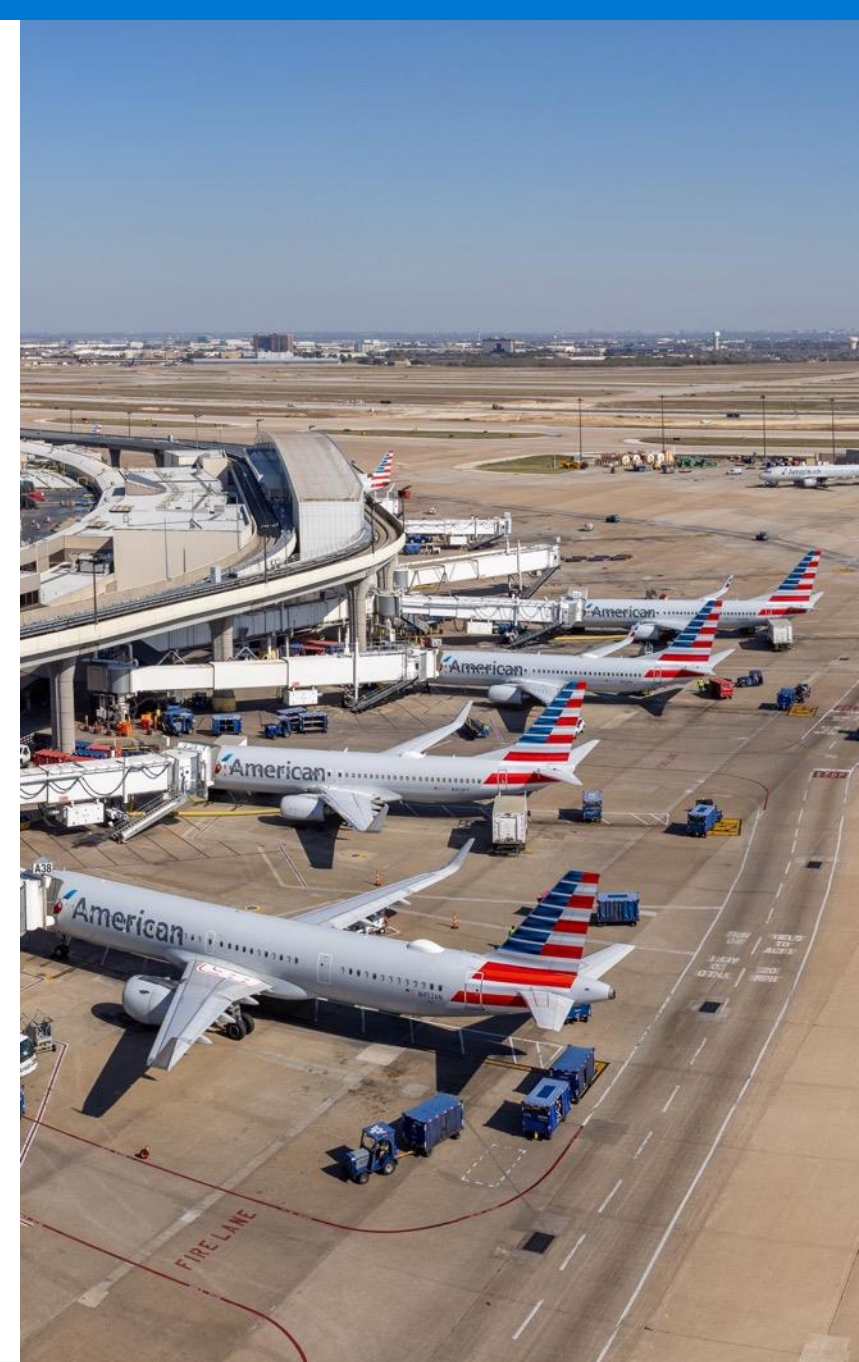
30,000 O&Ds

20% **more** than nearest competitor

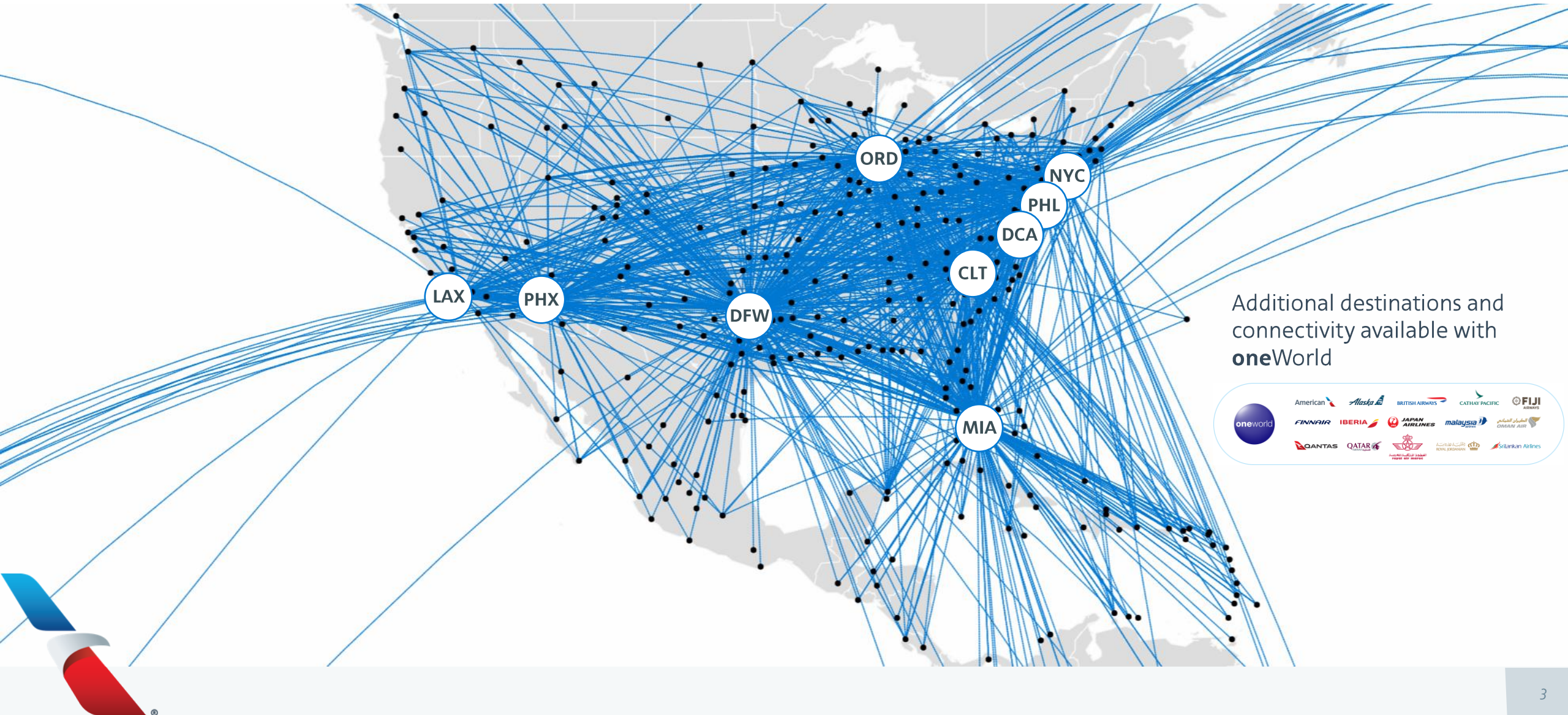


840,000 Daily Seats

9% **more** than nearest competitor



With hubs providing ubiquity for domestic and international connectivity



Extensive network is complemented by a customer-centric mindset with recent investments in a better journey



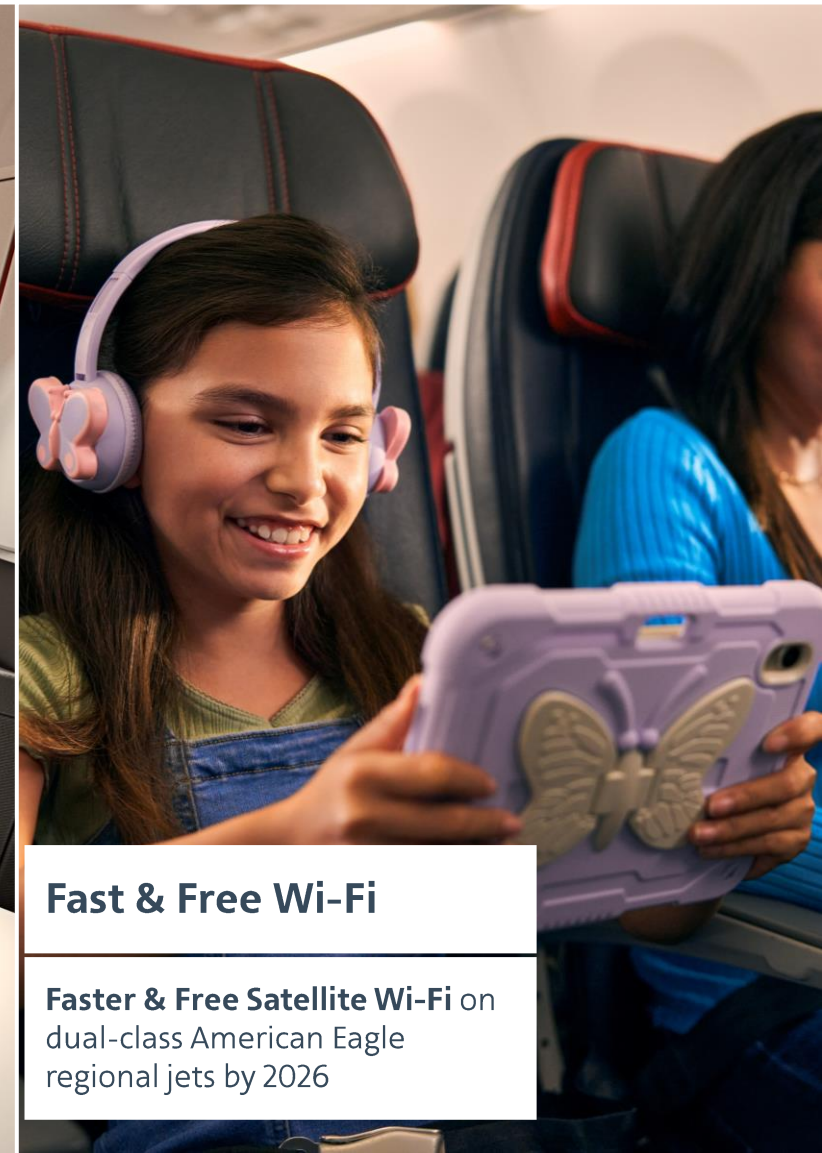
New & Refreshed Clubs

Continued Investment in a better airport experience



New Long-haul Premium Interiors

Flagship Suite debuting on B787-9, B777-300, and A321XLR in 2025



Fast & Free Wi-Fi

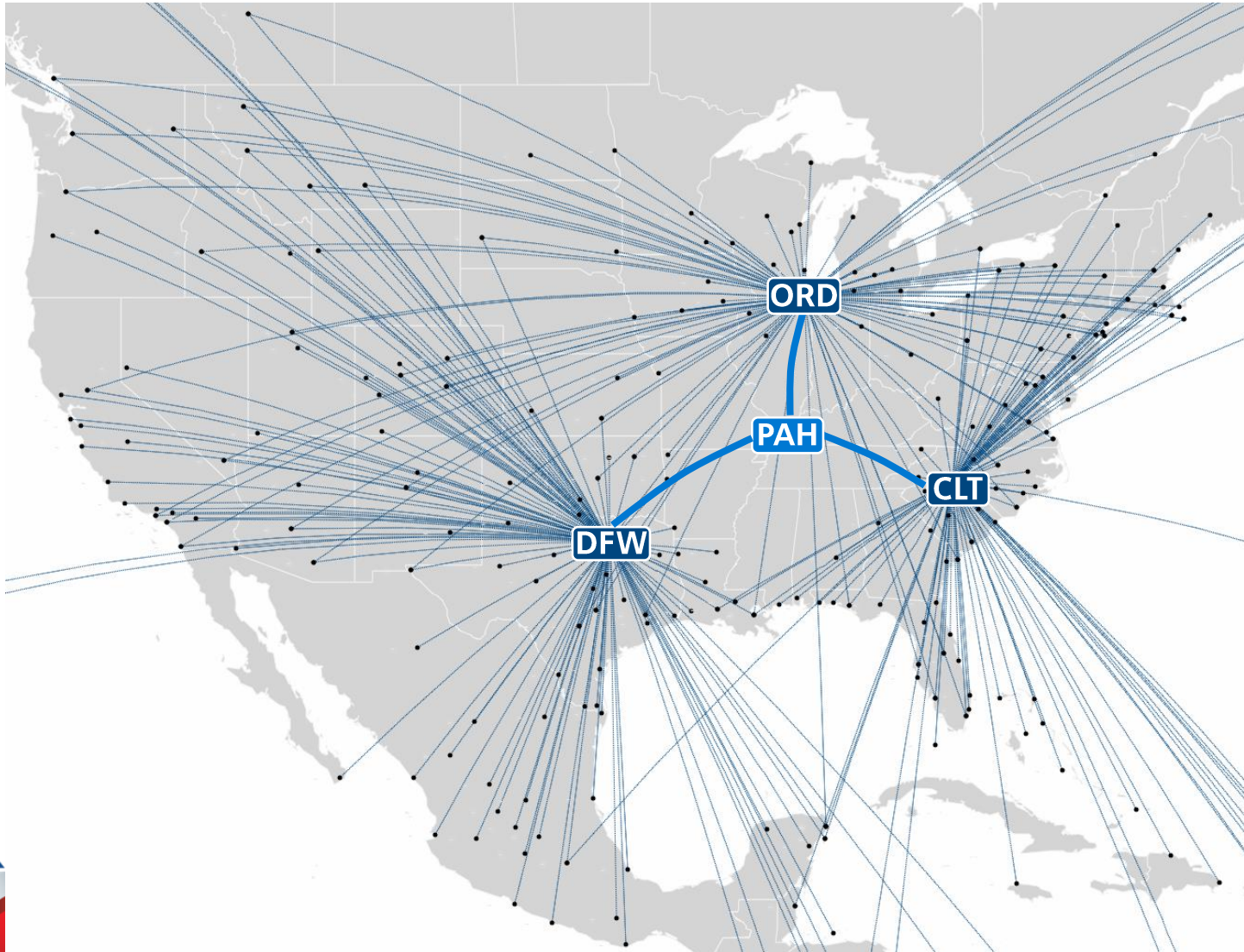
Faster & Free Satellite Wi-Fi on dual-class American Eagle regional jets by 2026

Proposed service connects PAH to CLT, DFW, or ORD hubs

Proposal Option	Hub and Schedule	First Year Subsidy, \$M
Option 1	12 weekly round trips to CLT	5.1
Option 2	6 weekly round trips to each CLT and DFW	5.9
Option 3	6 weekly round trips to each DFW and ORD	6.5



American's proposed service to CLT, DFW, or ORD enables one-stop seamless connections to nearly 180 destinations



American will fly 12 weekly frequencies from PAH with three options:

- 12 weekly to CLT
- 6 weekly to both CLT & DFW each
- 6 weekly to both DFW & ORD each

PAH would have one-stop connections to nearly 110 cities through CLT, over 125 cities through DFW, and over 100 cities through ORD. Service to CLT and DFW would enable over 225 unique destinations while service to DFW and ORD would enable 195 unique destinations.

In option 1, American will deploy 50-seat regional jet aircraft to PAH



- American has over 70 E145 regional jets, each with 50 seats
- Service will be marketed as American Eagle and operated by Piedmont Airlines, a wholly owned subsidiary of American and Part 121 operator

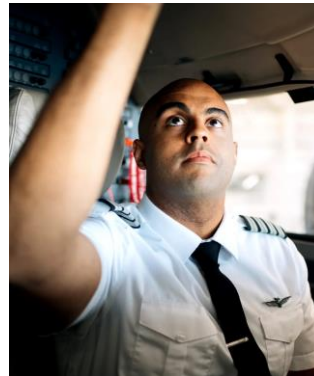
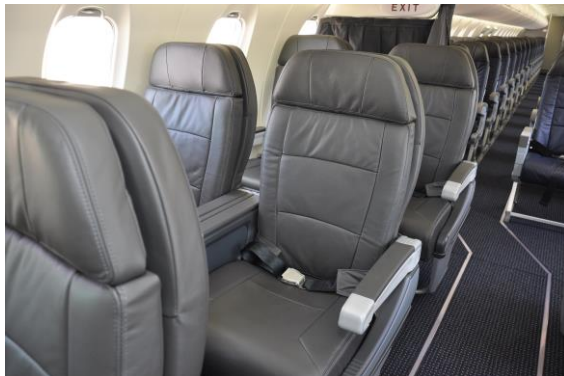
American Eagle 

In options 2 and 3, American will deploy regional jets with a first-class cabin



In Option 2 & 3, 65-seat aircraft with a first-class cabin will be used to serve PAH.

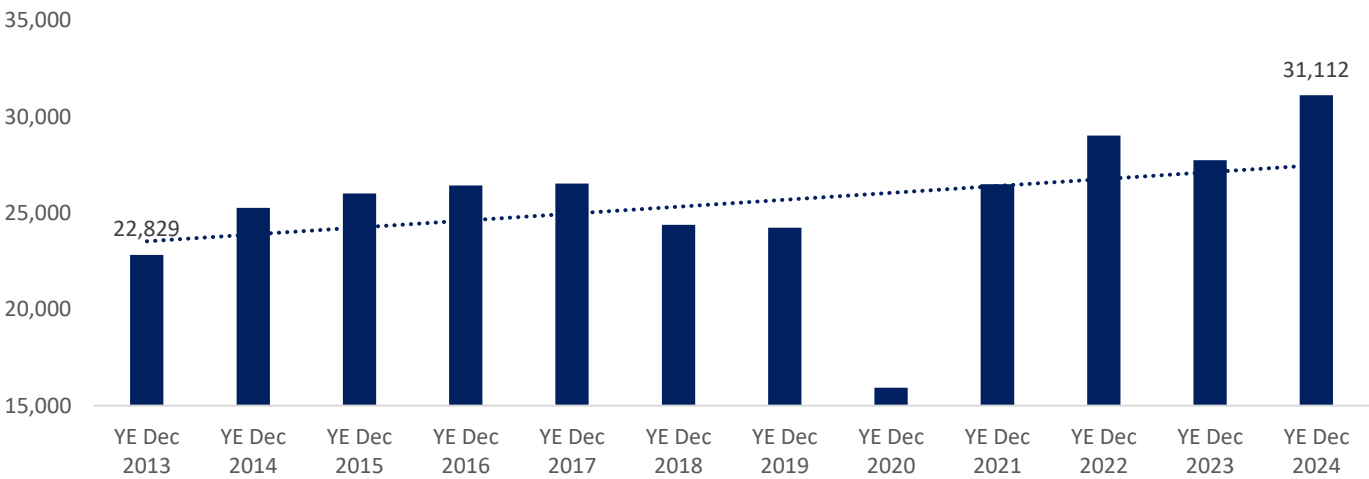
Based on aircraft availability, either the CRJ-700 or E-170 aircraft will be utilized - flown by a Part 121 American Eagle operator



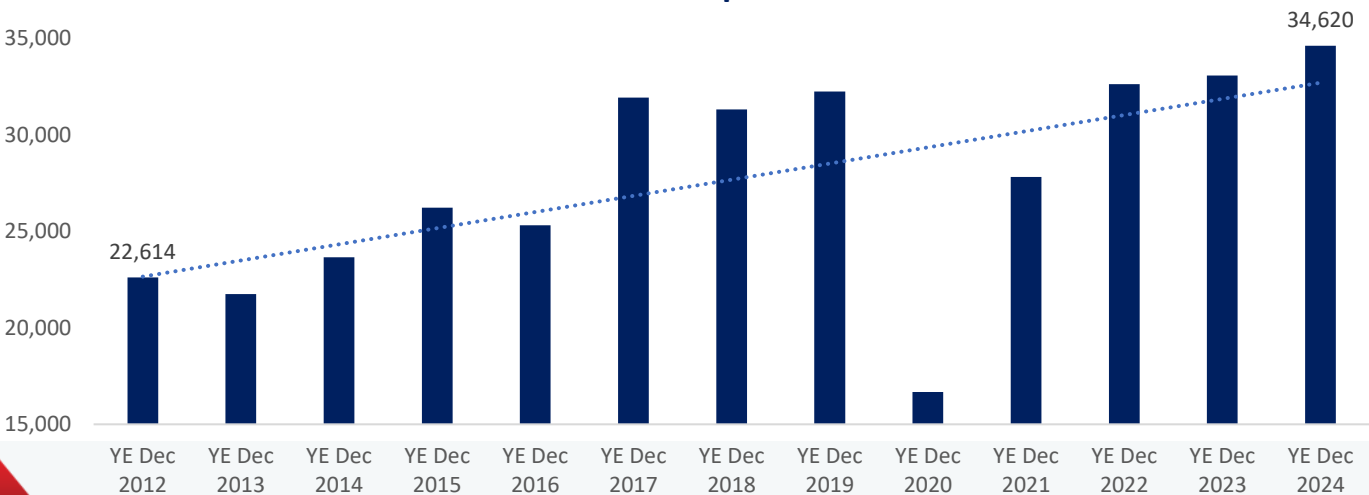
American Eagle 

AA has a proven track record of growing enplanements and is committed to EAS communities

Garden City Enplanements



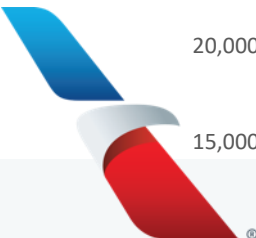
Grand Island Enplanements



American remains committed to markets beyond the 2-year contract period

2-year bids allow AA to re-assess the market more frequently; potentially allowing for reduced subsidy requirements or service pattern changes

Since entering GCK & GRI, AA has grown enplanements significantly while serving the markets long term



American Airlines in Paducah



**The nation's
leading network**



**Service to CLT,
DFW, or ORD with
global one-stop
connections**

American's team is ready to support the PAH community:



Dylan Stern	Sr. Manager, Network Planning	dylan.stern@aa.com
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