



air wisconsin

CONNECTING COMMUNITIES TO THE WORLD SINCE 1965

ESSENTIAL AIR SERVICE

Re: DOT-OST-2009-0299
Submission Date: June 23rd, 2025

Robert Binns, President & Chief Executive Officer
Tel: 920-749-4188
Email: Robert.Binns@airwis.com



June 23, 2025

Scott Faulk
United States Department of Transportation
Essential Air Service (EAS) Program & Small Community Air Service Development (SCASD) Program

Air Wisconsin Airlines LLC submits Essential Air Service Proposal for Paducah, KY.

Dear Mr. Faulk,

Air Wisconsin Airlines LLC is pleased to submit the attached proposal to provide Essential Air Service from Barkley Regional Airport (PAH) to Chicago O'Hare International Airport (ORD). We are confident that our experience, commitment to operational excellence, and focus on community needs make us the ideal partner to deliver reliable air service for the community of Paducah.

Our proposed service will enhance aviation safety for the residents of Paducah, support local businesses, and provide a critical link to national and international destinations through our Codeshare agreement with American Airlines.

Air Wisconsin will listen and partner with the Paducah community to support marketing and promotion of flight services through the combination of print, digital, radio and online media platforms.

As directed by the RFP, we will offer the Paducah community 12 subsidized round-trip flights per week on our CRJ200 aircraft, for a two-year or three-year term. We will work with the community to establish the best possible schedule.

Thank you for your consideration.

Robert Binns
President & CEO
Air Wisconsin Airlines LLC
E: robert.binns@airwis.com



Proposal for Subsidized Essential Air Service at Paducah, KY

Air Wisconsin Airlines LLC is pleased to submit this proposal to provide subsidized Essential Air Service (EAS) to Paducah, KY for a two-year or three-year term, at the city's discretion, beginning December 1, 2025.

Service Overview

We propose operating 12 weekly round trips between Barkley Regional Airport (PAH) and Chicago O'Hare International Airport (ORD) using 50-seat Bombardier CRJ200 regional jets. All flights will be scheduled service conducted under FAR Part 121 regulations, ensuring the highest levels of safety and operational reliability.

Seamless Connectivity and Codeshare Benefits

Passengers traveling through Chicago will enjoy connectivity through our codeshare partnership with American Airlines. This relationship enables travelers to book flights via the American Airlines website as well as through major third-party online travel agencies. The partnership offers Paducah residents and visitors convenient access to American Airlines' extensive global network, with seamless connections to hundreds of destinations worldwide under a single booking.

Subsidy Request and Community Impact

Air Wisconsin respectfully requests an annual subsidy of \$4,967,093 in the first year and \$5,314,790 in the second year. If the city desires a third year term, we respectfully request a third year subsidy of \$5,580,529. This funding reflects the operational costs associated with maintaining reliable, high-quality service while ensuring affordable ticket prices for the community.

Commitment to Paducah, KY

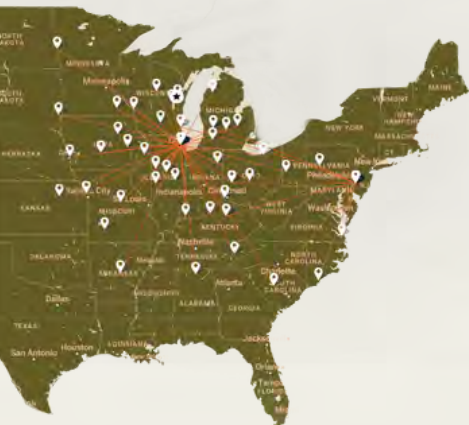
This proposed service is designed to meet Paducah's travel needs, enhance connectivity to major markets, and support local economic growth. Our commitment to safety, reliability, and customer service ensures that Paducah residents and businesses benefit from dependable air travel options.

We welcome the opportunity to discuss this proposal further and collaborate with the Department of Transportation and the Paducah community to finalize a service plan that meets the region's needs.

OUR HISTORY

1965 Our Roots...

Air Wisconsin has played a leading role in the regional airline industry over the past six decades. Founded in 1965 to connect Appleton, Wisconsin, with Chicago, the airline initially operated a modest schedule using commuter aircraft. By the 1980s, Air Wisconsin had emerged as a significant regional carrier, who pioneered the first codeshare and capacity purchase agreement with a major airline, setting the standard for the industry.



IN THE COMMUNITY

Air Wisconsin is committed to giving back to the communities that have been instrumental in its success. Employees are encouraged to use company-provided volunteer hours to support the causes and places that matter most to them.



SPONSORSHIPS

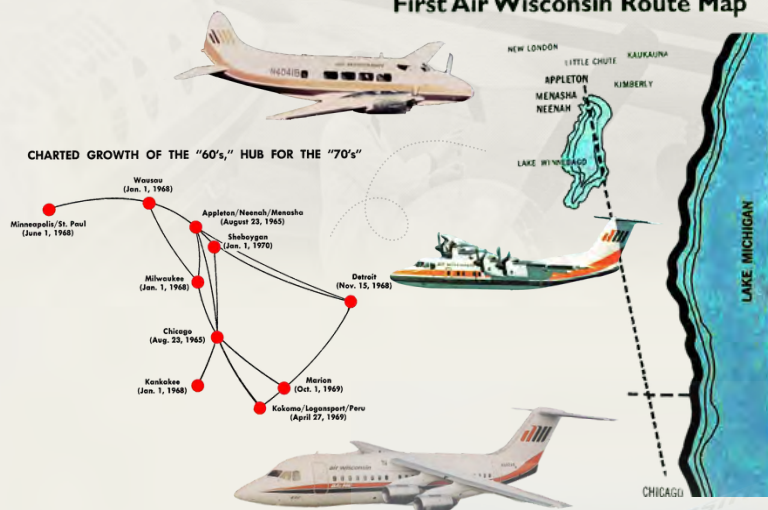
Air Wisconsin's dedicated Community Engagement team actively seeks new opportunities to make a difference. Through partnerships with local schools, homeschool groups, and technical colleges, the company offers facility tours, internships, and apprenticeships, employing students to explore and grow their future in aviation. We are excited about the opportunity to engage with your community on meaningful projects. Whether through educational initiatives, internships, volunteer activity, or collaborative programs, we look forward to building a strong partnership and contributing to the region's growth and success.

In our community, we are proud to sponsor a variety of organizations such as:

Habitat for Humanity	Wings for Autism
Old Glory Honor Flight	Experimental Aircraft Association
The Salvation Army	Appleton Historical Society*

* To showcase our history, we also have an Air Wisconsin exhibit at the Appleton Historical Society, in Appleton, WI.

First Air Wisconsin Route Map



2025 Today...

From modest beginnings, Air Wisconsin has grown to serve multiple destinations across the Midwest, Southeast and East Coast. Our mission is to connect you and your community to the world, ensuring your travel plans begin right at home. With a steadfast commitment to safety, reliability, and the genuine hospitality that defines the Midwest, Air Wisconsin continues to deliver exceptional service with care and kindness.



Our Values

- ✓ Safety
- ✓ Smart Decisions
- ✓ Superior Service



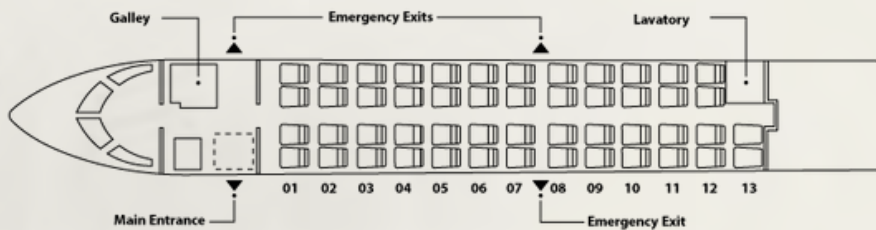
Our Goal

Give back to our community and make a positive impact on the world around us.

OUR FLEET *Bombardier CRJ-200*



The Bombardier CRJ200 was designed to provide superior performance and operating efficiencies in the fast-growing regional airline industry. It has become the most successful regional airliner program in aviation history.

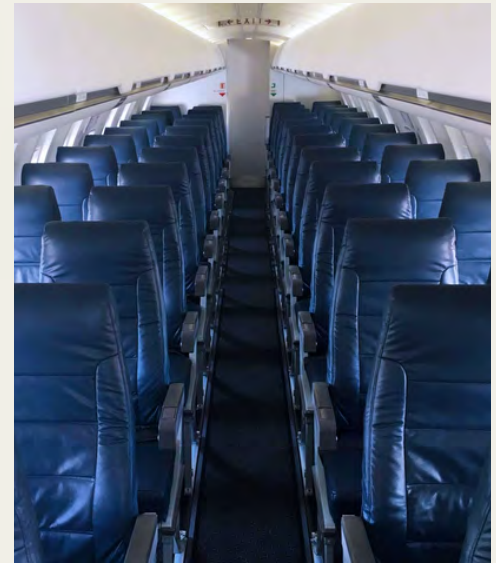



1300 miles
Maximum Flying
Range


50
Passengers


41,000ft
Maximum
Operating Altitude


534 mph
Maximum
Cruise Speed



RELIABILITY & SAFETY

99.9%

In the last year, we have had a controllable completion rate of 99.9%.

30 million

Passengers safely carried the past decade.

99.4%

Since 2020, our flights have had a controllable completion rate of 99.4%.



Air Wisconsin has a dedicated Safety Management System required by regulation.



COMMITMENT TO SAFETY

All Air Wisconsin Airlines employees, from the frontline to our Senior Leadership share the responsibility to:



Establish and maintain the highest levels of safety and security throughout our operation and organization.



Comply with all Company policies, regulatory requirements, laws and industry standards.



Proactively identify and immediately report hazards, safety concerns and incidents as well as any behavior that violates our policies, regulatory requirements, laws and industry standards.

HIGHEST LEVEL OF SAFETY: PART 121



	Part 121	Part 135
Flights Sold to Public	Scheduled Service	Scheduled Public Charter
Captain Hour Requirement	2500	1200
First Officer (Co-Pilot) Hour Requirement	1500	250
Airport Requirements	Requires Certified Airports and Emergency Services	Can operate into any airport regardless of emergency services
Dispatcher	Required for every flight	No dispatcher required
Pilots Required	Two Pilots	One pilot*
Minimum Pilot Training Time Requirement	80 Hours	None specified
Aircraft Seating	Unrestricted	30
Payload Restriction	Unrestricted	7,500 lbs
Director of Safety	Required to have with certain qualifications	Not required
Safety Management System	Required by Regulation	Not currently required



LOCAL MARKETING PLAN



- Air Wisconsin commits to a local marketing spend of at least **\$40k annually** using a mix of digital and print advertising
- The codeshare with **American Airlines** enables seamless connections to destinations around the world
- Our partnership with American Airlines allows Paducah to leverage American's strong **global marketing and brand awareness**
- Air Wisconsin offers a **complimentary** first checked bag and carry on luggage
- Our larger aircraft allow us to carry **more passengers** and provide more opportunity than other EAS airlines
- **No** change fees

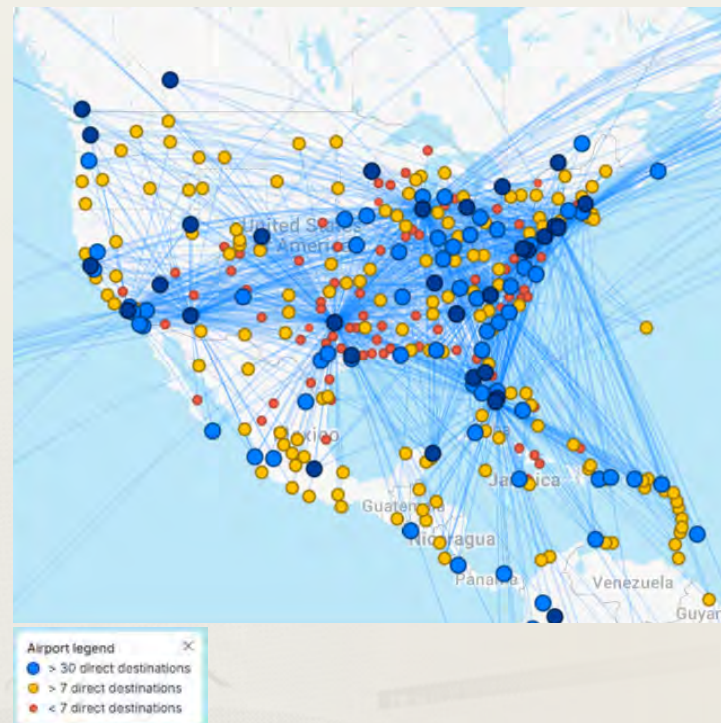


Follow Air Wisconsin's social media channels!

Air Wisconsin will listen and partner with the community to build a successful marketing campaign

Let us connect you to **The American Airlines Network**

- American Airlines connects to **350 destinations** across **6 continents**
- Connecting to the American Airlines network creates immense connectivity **Domestically and Globally**
- Adding Air Wisconsin's AA codeshare service allows local passengers and visitors **single bookings and mileage accrual/redemption** vs Paducah's limited interline connectivity



AMERICAN AIRLINES CODESHARE

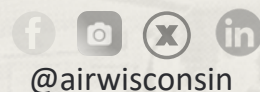


	BENEFITS OF CODESHARE	LIMITATIONS OF INTERLINE
Booking Simplicity	Single booking under American Airlines flight numbers for a passenger's entire journey	Separate tickets on two carriers
Baggage Handling	Baggage is automatically checked through to final destination with fewer complications	Baggage is also checked through, but policies and assistance may vary across airlines
Customer Service	Changes/questions can be addressed in a single call	Passenger delay issues may need to be resolved between various airlines causing confusion and stress while traveling
Loyalty Programs	Earn frequent flyer miles and benefits with American Airlines <u>AAdvantage® program</u> for the passenger's entire journey	Loyalty benefits are limited to flight segments operated by major carrier
Flight Connections	More streamlined flight connections, with coordinated schedules to reduce layover times for passengers	Flight connections may be less coordinated, leading to longer layovers or missed flights
Rebooking Options	Rebooking during delays or disruptions is easier because codeshare partner airlines share responsibilities under one ticket	Rebooking can require passengers to coordinate with customer service representatives at multiple airlines

Air Wisconsin's codeshare agreement with American Airlines offers **unparalleled advantages.**

Unlike carriers with only interline agreements, our codeshare partnership integrates Paducah into American Airlines' extensive global network. This means passengers can book a single ticket with seamless connections, enjoy consistent service standards, and earn or redeem AAdvantage miles across their journey.

Additionally, codeshare flights are marketed directly through American Airlines' channels, enhancing visibility and driving increased passenger demand and local economic activity. This integration ensures that Paducah passengers benefit from a smoother, more connected travel experience, to over 350 destinations across 6 continents



BID PROPOSAL

Air Wisconsin EAS Bid for PAH

Air Wisconsin EAS Bid for KPAH-KORD Market

Air Wisconsin Aircraft Data		CRJ-200LR
Aircraft Range		1,300 Miles
Aircraft Seats		50
Max Altitude		41,000ft
Max Cruise Speed		534mph

Air Wisconsin Proposed Route Plan	
Proposed Hub connection from Paducah, KY	ORD
Weekly Roundtrips	12
Annual Block Hours	2,059
Available Seats	62,400
Load Factor Assumption	65%

Passenger Revenue	
Passengers	40,560
<u>Average Fare</u>	<u>\$100</u>
Revenue	\$4,056,000

Expenses	
Variable Costs	\$5,320,204
Fixed Costs	\$2,921,363
Marketing	\$40,000
<u>Various trip-related Tax</u>	<u>\$311,854</u>
Total	\$8,593,422

Subsidy	
Operating Income/(Loss)	(\$4,537,422)
5% Profit Margin	\$429,671
Year 1 Subsidy	\$4,967,093
Year 2 Subsidy	\$5,314,790
Year 3 Subsidy	\$5,580,529

Effective Subsidy Rate	
Estimated Completion Factor (CF)	99%
Estimated Total Trips with CF	1,236
Subsidy Per Trip (99% Completion)	\$4,020
Subsidy Per Passenger	\$122



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