

SECURITY AVIATION

6121 South Airpark Place • Anchorage, Alaska 99502 • www.securityaviation.biz
sales@securityaviation.biz • phone 907-248-2677 • fax 907-248-6277

Proposal of Fly 4 You d/b/a Security Aviation
to Provide Essential Air Service at St. Paul Island, Alaska
DOT Docket No. OST-2019-0038

Submitted to:
Venkatesh Paluvai
United States Department of Transportation
Office of Aviation Analysis
1200 New Jersey Ave SE
Washington,
DC 20590
Subject: Proposal to Provide EAS at St. Paul, Alaska

Submitted by:
Jason Ward
Senior Vice President, Business Development & External Affairs
Security Aviation, Anchorage, Alaska

Executive Summary

Security Aviation respectfully submits this proposal to provide reliable, safe, and community-supported Essential Air Service (EAS) at St. Paul Island (SNP). Security Aviation has performed exceptionally well providing both independent private air charters as well as ad-hoc charters commissioned by St Paul government entities to provide “EAS equivalent” service to the Aleut Community of St. Paul Island during the unfortunate interim in which the community has been without the Essential Air Service for which it qualifies. Security Aviation is very successful through the utilization of our unique approach in supporting the community of St. Paul. Our nontraditional approach allows us to consistently fulfill the air service requirements of this community. Our diverse fleet of aircraft in combination with our operational ability to apply these assets as dictated by the immediate needs of the community dictate highlight the flexibility of our schedule and our willingness to provide the type of service required to best achieve the maximum benefit of and for the community.

We propose a two-phase service plan:

Phase 1 (Immediate Emergency Service):

Launch emergency EAS with our existing fleet of two, Learjet 45 aircraft (8 seats, private enclosed lavatory) and six Cessna Conquest twin-turboprops (7–8 seats, equipped with emergency lavatory).

Phase 2 (Transition to Larger aircraft):

Within the contract period, transition to a larger plane with equipment to provide service

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levels fully consistent with the historic EAS standard at St. Paul.

- Security Aviation anticipates that the transition to a larger more appropriate aircraft can be done without the need for additional funds to the EAS proposal submitted herein.

1. Reliability of Operations

Security Aviation has an established reputation for safe and dependable service in Alaska's challenging environment. We have successfully operated charter and 'EAS-type' service for St. Paul during gaps in DOT-funded service, maintaining a mission completion rate well above industry averages.

Currently Security Aviation works under the guidance of our fully implemented Safety Management System (SMS) program which closely mirrors that of US Part 121 carriers. As such, Security Aviation incorporates numerous internal safety, operational, training and maintenance audits. Security Aviation is the preferred carrier for a number of safety sensitive private sector entities. As such, our company is subject to ongoing outside audits and maintains our status as an approved carrier for federal agencies like the DOD, DOI, DOE, as well as the State of Alaska. In addition Security Aviation participates in numerous independent audits by safety-sensitive oil, gas, mining and Native corporations.

All proposed aircraft are certified for overwater operations and are equipped with life rafts and emergency safety equipment.

*Westbound service between Anchorage and St. Paul Island may include time for a technical stop that will be subject to weather conditions and could be omitted.

2. Connectivity and Interline Arrangements

Our proposed service ensures easy access to Ted Stevens Anchorage International Airport, with connections to major national and international carriers. We will deploy a widely used ticketing and reservations platform, providing options for refundable/non-refundable fares, schedule flexibility, and passenger rebooking. We also intend to explore code-share and interline agreements to further integrate St. Paul into the national transportation system.

3. Community Preferences and Support

Security Aviation has worked hand-in-hand with the City of St. Paul, Aleut Community of St. Paul, and TDX, to design this emergency and transitional solution. This proposal reflects community input prioritizing lavatory-equipped aircraft and reliable access to Anchorage. Phase 1 provides emergency relief, while Phase 2 ensures a larger plane to offer service that is more consistent with community expectations and DOT requirements.

4. Marketing and Outreach Plan

We will invest in a tailored marketing plan, including local outreach through city and tribal offices, digital promotion via our website and social media, and partnerships that highlight St. Paul's fishing, cultural, and ecotourism opportunities.

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5. Alaska Operating Experience

Security Aviation has operated in Alaska for over 40 years and is uniquely familiar with the state's weather, logistical, and geographic challenges. We have a diverse fleet capable of meeting both short-term and an investment plan to also accommodate the community's long-term needs, and our Alaska-based crews are experienced in remote island operations. We have successfully provided interim St. Paul service during gaps in DOT-funded contracts, ensuring continuity of community access.

Security Aviation has considerable experience with the types of aircraft type being proposed as evidenced proven by our mission success rate which, again are considerably higher than previous carriers associated with the St. Paul EAS program and we do so in such manner that has made our company name, Security Aviation, synonymous with safety and reliability.

6. Financial Proposal and Subsidy Requirement

Security Aviation requests an annual subsidy of \$7,093,390 , consistent with our financial model:

- Phase 1: 470 annual flights (≈9 per week), using Lear 45 and Cessna Conquest equipment, offering ~7,020 roundtrip passenger seats annually.
- Phase 2: Transition to a larger aircraft (12-16 seats), operating 3-4 round trips per week to Anchorage, in combination with the transitions from our existing platforms for ~7,800 one-way annual seats.

Compliance Certifications

Security Aviation certifies compliance with all DOT requirements, including: Drug-Free Workplace (49 CFR Part 32), Nondiscrimination (49 CFR Parts 21, 27, 382), and Lobbying Disclosure (49 CFR Part 20).

Conclusion

Security Aviation respectfully requests consideration of this two-phase proposal to ensure continuity of air service for St. Paul Island. Phase 1 provides immediate relief with lavatory-equipped small planes, while Phase 2 transitions to large plane service consistent with DOT requirements and community expectations. This approach balances urgency, safety, compliance, and sustainability while honoring the voice of the St. Paul community.

If awarded the EAS contract Security Aviation will continue to work with an evolving schedule (including flight days and departure and arrival time to take advantage of seasonal as well as daily weather challengers) providing for a baseline of 9 trips per week to St. Paul Island (SNP) from the carrier's hub in Anchorage, Alaska (ANC). The schedule times, and days of week are meant to be flexible and subject to change utilizing multiple aircraft on the same day if needed to take advantage of weather opportunities and will be based on our ongoing feedback from and coordination with the community which has proven to be quite

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successful both in the aircraft flights resulting in full mission completion as well as to the satisfaction of the community.

Security Aviation in conjunction with the community of St. Paul is well aware that this proposal as written may cause this submission to be considered “technically unacceptable”. However, Security Aviation and the Community, city, tribal, medical, and Native corporation associated with the Island of St. Paul have worked hand in hand to develop a successful program that will provide substantial support to the services intended through the US DOT Essential Air Service program for which they qualify for and are in desperate need of for the overall health, safety, and well-being of the community.

St. Paul is an incredibly remote location with significant logistical, and weather related challenges which as stated previously will require flexibility of a unique approach to how EAS is provided to the community to mitigate the historical travel difficulties of the residents. Especially for those residents who require medical life, health, and personal wellbeing needs which are directly associated with having prompt access to Anchorage which is the primary location of where the residents receive their medical care.

- This proposal is intended to offer emergency and immediate EAS for the period of 1 year and is not intended to be a long-term solution to the EAS problems faced by the community. However, Security is currently and will continue to work with the community towards a meaningful and sustainable solution for the extended benefit of the community.

Due to the many issues and challenges listed throughout this proposal Security Aviation, with the support of the entities of St. Paul Island are requesting that this proposal be elevated to the US Secretary of Transportation (or designee) within the DOT with the authority to authorize the special dispensations required to offer Security Aviation to operate as the air carrier and for St. Paul Island as the recipients of EAS the immediate and appropriate relief needed to begin service immediately for the period of one (1) calendar year from the date of the initial EAS flight under the terms of this agreement.

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| Airport | SNP |
|--|--|
| City | St. Paul Island |
| Capacity | |
| Segments Per Week | 18 |
| Annual Scheduled Segments | 936 |
| Aircraft Type | Lear 45 and Cessna Conquest II 441 |
| Seats per Departure | 7-8 |
| Annual Scheduled Seats | 7,020 |
| Completion Factor | 90% |
| Completed Segments | 842 |
| Revenue | |
| Annual PAX | 3,800 |
| Average Fare | \$700 |
| Annual Revenue | \$2,660,000 |
| Expenses | |
| Aircraft Engine Overhaul and Hot Sections | \$900,000 |
| Direct Wages | \$1,831,250 |
| Aircraft Operating Costs | \$4,306,250 |
| Departure Related | \$150,000 |
| Marketing, Selling, Dist. | \$224,918 |
| Overhead, Interest, Other | \$1,876,525 |

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|-----------------------------------|--------------------|
| Annual Expense | \$9,288,943 |
| Operating Loss | (\$6,628,943) |
| Profit (5%) | \$464,447 |
| Annual Subsidy Requirement | \$7,093,390 |
| <i>Per Passenger</i> | <i>\$1,867</i> |
| <i>Per Trip</i> | <i>\$15,092</i> |

Respectfully submitted,

Jason Ward
Sr Vice President
Business Development and External Affairs

Security Aviation
6121 South Airpark Place
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6121 South Airpark Place, Anchorage, AK 99502
sales@securityaviation.biz www.securityaviation.biz
Mobile: (907) 230-4318
jward@securityaviation.biz
Alternate email: sales@securityaviation.biz

* Invoice will reflect actual block times, fuel cost, landing fees and taxes at the time of travel. Estimate does not cover any additional flight time or fuel required due to deviations caused by weather or other circumstances beyond the control of Security Aviation. All aircraft hangar fees, call out fees or overnight accommodation for the aircraft or crew will also be reflected in the invoice. Credit card payments on invoices over \$1,000.⁰⁰ will reflect a 3% processing fee.

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