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VP GM

## Sovereign Air Inc.

BELCOURT, ND 58316

COMMUNITY AIRLINE  
DEVELOPMENT

January 6, 2012

Dennis J. DeVany, Chief  
EAS & Domestic Analysis Division, X-53  
Office of Aviation Analysis  
Department of Transportation  
1200 New Jersey Ave. SE  
Washington, DC 20590

Re: Proposal to Provide Essential Air Service at:

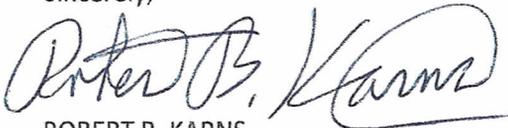
BAR HARBOR, MAINE DOCKET-DOT-OST-2011-0185  
PRESQUE ISLE/HOULTON, MAINE DOCKET- DOT-OST-2000-8012  
PLATTSBURGH, NEW YORK DOCKET-DOT-OST-2003-14783

Dear Mr. DeVany:

The purpose of this proposal is to not only provide the basic air service required by Order, 2011-11-26 but to ensure that each community maintains the continuous airline operations they require without EAS funding should Congressional funding to the EAS program be reduced or eliminated.

Sovereign Air is uniquely staffed and equipped and can be operational in time to provide the airline service you demand.

Sincerely,



ROBERT B. KARNS  
VP GM  
Sovereign Air Inc.

MINNEAPOLIS  
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Suite 153  
MINNEAPOLIS, MN 55428-3302  
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Sovereign Air Inc -1/6/2012 JET

DOT-OST-2000-8012 PRESQUE/HOULTON-MAIN

Proposal # 1 JET PQI TO BOS NON STOP

Round-Trips Per Week each leg non stop	20
Total Departure Per Year 97%	2,018

Aircraft Dornier 328	
Available Seats Per Departure	30
Total Seats Year	60528

**Block Time**

Minutes Per Departure	50
Total Block Time Per Year	1,681

**Revenue**

Passengers	29,511
Average Fare	<u>\$130</u>
Passenger Revenue	\$3,836,430

**RPMS**

Passengers	29,511
Stage Length	<u>205</u>
	6,049,755

**ASMs**

Scheduled Departures	2080
Completed Departures	2018
Stage Length	205
Seats Available	<u>30</u>
	12,821,848

Revenue	\$3,836,430
Other Revenue @ .03 %of pax rev.	<u>\$115,093</u>
Total Revenue	\$3,951,523

Direct Operating Expenses	Blk Hrs	\$3,300	\$5,548,400
Indirect Expenses			\$794,678
Reservation and Marketing	Per Pas	\$6	<u>\$177,066</u>
Total Expenses			\$6,520,144

Operating Loss	\$2,568,621
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5% Profit	\$326,007
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Subsidy Required	\$2,894,628
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Load Factor	0.49
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NOTE: This proposal covers the total expense required to initiate scheduled air service, purchase the aircraft and be debt free as well as not requiring EAS funding after 2 years operation. Aircraft committed to PQI-BOS service only. Should be operational 90 days after funding which comes with selecting Sovereign Air. Sovereign Air will have passenger, (ticketing, baggage and cargo) agreements with most major air carriers and discount carriers as well. With increasing ridership more scheduled flights may be added as needed at a greatly reduced operating cost reducing ticket pricing.

Sovereign Air Inc -1/6/2012 (JET)	DOT-OST-2000-8012 PRESQUE/HOULTON-MAIN		
	DOT-OST-2011-0185 BAR HARBOR -MAIN		
Proposal # 2 JET PQI TO BOS 1 STOP BHB			
PQI 21 RT Per Wk -BHB 21 RT+28 RT FOR 90 DAYS			21 & 28
Total Departure Per Year 97%			2,298
Aircraft Dorier 328 jet			
Available Seats Per Departure			30
Total Seats Year			68940
<b>Block Time</b>			
Minutes Per Departure	PQI-BHB=20MIN BHB-BOS=30 MIN		
Total Block Time Per Year			1,805
<b>Revenue</b>			
Passengers			54,000
Average Fare			<u>\$110</u>
Passenger Revenue			\$5,940,000
<b>RPMS</b>			
Passengers			54,000
Stage Length			<u>205</u>
			11,070,000
<b>ASMs</b>			
Scheduled Departures			1494
Completed Departures			1449
Stage Length			205
Seats Available			<u>30</u>
			9,209,539
Revenue			\$5,940,000
Other Revenue @ .03 %of pax rev.			<u>\$178,200</u>
Total Revenue			\$6,118,200
Direct Operating Expenses	Blk Hrs	\$4,800	\$8,664,000
Indirect Expenses			\$1,358,009
Reservation and Marketing	Per Pas	\$6	<u>\$324,000</u>
Total Expenses			\$10,346,009
Operating Loss			\$4,227,809
5% Profit			\$517,300
Subsidy Required			\$4,745,109
Load Factor			0.78

NOTE: This proposal covers the total expense required to initiate scheduled air service, purchase the aircraft and be debt free as well as not requiring EAS funding after 2 years operation. Aircraft committed to PQI-BHB-BOS service only. Should be operational 90 days after funding which comes with selecting Sovereign Air. Sovereign Air will have passenger, (ticketing, baggage and cargo) agreements with most major air carriers and discount carriers as well. With increasing ridership more scheduled flights may be added as needed at a greatly reduced operating cost reducing ticket pricing.

Sovereign Air Inc -1/6/12 (TURBO-PROP)

DOT-OST-2000-8012 PRESQUE/HOULTON-MAIN

## Proposal # 3 TURBOPROP PQI TO BOS NON STOP

Round-Trips Per Week each leg non stop	20
Total Departure Per Year 97%	2,018

## Aircraft Jetstream 41

Available Seats Per Departure	30
Total Seats Year	60540

**Block Time**

Minutes Per Departure	60
Total Block Time Per Year	2,018

**Revenue**

Passengers	29,511
Average Fare	<u>\$130</u>
Passenger Revenue	\$3,836,430

**RPMS**

Passengers	29511
Stage Length	<u>205</u>
	6,049,755

**ASMs**

Scheduled Departures	2080
Completed Departures	2018
Stage Length	205
Seats Available	<u>30</u>
	12,821,848

Revenue	\$3,836,430
Other Revenue @ .03 % of pax rev.	<u>\$115,093</u>
Total Revenue	\$3,951,523

Direct Operating Expenses	Blk Hrs	\$2,700	\$5,448,600
Indirect Expenses			\$794,687
Reservation and Marketing	Per Pas	\$6	<u>\$177,066</u>
Total Expenses			\$6,420,353

Operating Loss	\$2,468,830
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5% Profit	\$321,018
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Subsidy Required	\$2,789,848
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Load Factor	0.49
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NOTE: This proposal covers the total expense required to initiate scheduled air service, purchase the aircraft and be debt free as well as not requiring EAS funding after 2 years operation. Aircraft committed to PQI-BOS service only. Should be operational 90 days after funding which comes with selecting Sovereign Air. Sovereign Air will have passenger, (ticketing, baggage and cargo) agreements with most major airlines and discount carriers as well. With increasing ridership more scheduled flights may be added as needed at a greatly reduced operating cost reducing ticket pricing.

Sovereign Air Inc -1/6/12 (TURBO-PROP)	DOT-OST-2000-8012 PRESQUE/HOULTON-MAIN		
	DOT-OST-2011-0185 BAR HARBOR -MAIN		
Proposal # 4 TURBOPROP PQI TO BOS 1 STOP BHB			
PQI 21 RT Per Wk -BHB 21 RT+28 RT FOR 90 DAYS			21 & 28
Total Departure Per Year 97%			2,467
Aircraft Jetstream 41			
Available Seats Per Departure			30
Total Seats Year			74010
<b>Block Time</b>			
Minutes Per Departure	PBQ -BHB=25MIN BHB-BOS=40 MIN		
Total Block Time Per Year			2,208
<b>Revenue</b>			
Passengers			54,000
Average Fare			<u>\$99</u>
Passenger Revenue			\$5,346,000
<b>RPMS</b>			
Passengers	PQI-30,000 BHB-24,000		54000
Stage Length			<u>205</u>
			11,070,000
<b>ASMs</b>			
Scheduled Departures			2544
Completed Departures			2468
Stage Length			205
Seats Available			<u>30</u>
			15,682,106
Revenue			\$5,346,000
Other Revenue @ .03 %of pax rev.			<u>\$160,380</u>
Total Revenue			\$5,506,380
Direct Operating Expenses	Blk Hrs	\$3,655	\$8,070,240
Indirect Expenses			\$1,358,009
Reservation and Marketing	Per Pas	\$6	<u>\$324,000</u>
Total Expenses			\$9,752,249
Operating Loss			\$4,245,869
5% Profit			\$487,612
Subsidy Required			\$4,733,481
Load Factor			0.73

NOTE: This proposal covers the total expense required to initiate scheduled air service, purchase the aircraft and be debt free as well as not requiring EAS funding after 2 years operation. Aircraft committed to PQI-BHB-BOS service only. Should be operational 90 days after funding which comes with selecting Sovereign Air. Sovereign Air will have passenger, (ticketing, baggage and cargo) agreements with most major airlines and discount carriers as well. With increasing ridership more scheduled flights may be added as needed at a greatly reduced operating cost reducing ticket pricing.

Sovereign Air Inc -1/6/2012 (JET)  
 Proposal # 1 JET BHB TO BOS NON STOP  
 Round-Trips Per Week each leg non stop  
 Total Departure Per Year 97%

DOT-OST-2011-0185 BAR HARBOR MAIN

14  
 1,412

Aircraft Dorier 328 jet  
 Available Seats Per Departure  
 Totle Seats Year

30  
 42370

**Block Time**

Minutes Per Departure  
 Total Block Time Per Year

30  
 706

**Revenue**

Passengers  
 Average Fare  
 Passenger Revenue

24,000  
\$89  
 \$2,136,000

**RPMS**

Passengers  
 Stage Length

24000  
174  
 4,176,000

**ASMs**

Scheduled Departures  
 Completed Departures  
 Stage Length  
 Seats Available

1456  
 1412  
 174  
30  
 7,618,054

Revenue  
 Outher Revenue @ .03 %of pax rev.  
 Total Revenue

\$2,136,000  
\$64,080  
 \$2,200,080

Direct Operating Expenses  
 Indirect Expenses  
 Reservation and Marketing  
 Total Expenses

Blk Hrs \$4,289  
 Per Pas \$6

\$3,028,720  
 \$1,005,300  
\$144,000  
 \$4,178,020

Operating Loss

\$1,977,940

5% Profit

\$208,901

Subsidy Required

\$2,186,841

Load Factor

0.57

NOTE: This proposal covers the total expense required to initiate scheduled air service, purchase the aircraft and be debt free as well as not requiring EAS funding after 2 years operation. Aircraft committed to BHB-BOS service only. Should be operational 90 days after funding which comes with selecting Soveretgn Air. Sovereign Air will have passenger, (ticketing, baggage and cargo) agreements with most magor aircarries and discount carries as well. With increasing ridership more scheduled flights may be added as needed at a greatly reduced operating cost reducing ticket pricing.

Sovereign Air Inc-1/6/2012 (JETSTREAM) DOT-OST-2011-0185 BAR HARBOR MAINE  
 Proposal # 2 TURBOPROP BHB TO BOS NON STOP

Round-Trips Per Week each leg non stop 14  
 Total Departure Per Year 97% 1,412

Aircraft Jetstream 41  
 Available Seats Per Departure 30  
 Total Seats Year 42370

**Block Time**

Minutes Per Departure 35  
 Total Block Time Per Year 824

**Revenue**

Passengers 24,000  
 Average Fare \$89  
 Passenger Revenue \$2,136,000

**RPMS**

Passengers 24,000  
 Stage Length 170  
 4,080,000

**ASMs**

Scheduled Departures 1456  
 Completed Departures 1412  
 Stage Length 170  
 Seats Available 30  
 7,442,926

Revenue \$2,136,000  
 Other Revenue @ .03 %of pax rev. \$64,080  
 Total Revenue \$2,200,080

Direct Operating Expenses Blk Hrs \$3,451 \$2,843,118  
 Indirect Expenses \$1,000,300  
 Reservation and Marketing Per Pas \$6 \$144,000  
 Total Expenses \$3,987,418

Operating Loss \$1,787,338

5% Profit \$199,371

Subsidy Required \$1,986,709

Load Factor 0.57

NOTE: This proposal covers the total expense required to initiate scheduled air service, purchase the aircraft and be debt free as well as not requiring EAS funding after 2 years operation. Aircraft committed to BHB-BOS service only. Should be operational 90 days after funding which comes with selecting Sovereign Air. Sovereign Air will have passenger, (ticketing, baggage and cargo) agreements with most major air carriers and discount carriers as well. With increasing ridership more scheduled flights may be added as needed at a greatly reduced operating cost reducing ticket pricing.

Sovereign Air Inc -1/6/2021 (JET)		DOT-OST-2003-14783 PLATTSBURGH, NY		
Proposal # 1 JET PBG TO BOS NON STOP				
Round-Trips Per Week each leg non stop				14
Total Departure Per Year 97%				1,412
Aircraft Dorier 328 jet				
Available Seats Per Departure				30
Total Seats Year				42370
<b>Block Time</b>				
Minutes Per Departure				30
Total Block Time Per Year				706
<b>Revenue</b>				
Passengers				27,000
Average Fare				<u>\$89</u>
Passenger Revenue				\$2,403,000
<b>RPMS</b>				
Passengers				27000
Stage Length				<u>174</u>
				4,698,000
<b>ASMs</b>				
Scheduled Departures				1456
Completed Departures				1412
Stage Length				174
Seats Available				<u>30</u>
				7,618,054
Revenue				\$2,403,000
Other Revenue @ .03 %of pax rev.				<u>\$72,090</u>
Total Revenue				\$2,475,090
Direct Operating Expenses	Blk Hrs	\$4,549		\$3,212,322
Indirect Expenses				\$1,000,300
Reservation and Marketing	Per Pas	\$6		<u>\$162,000</u>
Total Expenses				\$4,374,622
Operating Loss				\$1,899,532
5% Profit				\$218,731
Subsidy Required				\$2,118,263
Load Factor				0.64

NOTE: This proposal covers the total expense required to initiate scheduled air service, purchase the aircraft and be debt free as well as not requiring EAS funding after 2 years operation. Aircraft committed to PBG-BOS service only. Should be operational 90 days after funding which comes with selecting Sovereign Air. Sovereign Air will have passenger, (ticketing, baggage and cargo) agreements with most major air carriers and discount carriers as well. With increasing ridership more scheduled flights may be added as needed at a greatly reduced operating cost reducing ticket pricing.

Sovereign Air Inc-1/6/2012 (JETTREAM)      DOT-OST-2003-14783 PLATTSBURGH, NY		
Proposal # 2 TURBOPROP PBG TO BOS NON STOP		
Round-Trips Per Week each leg non stop		14
Total Departure Per Year 97%		1,412
Aircraft Jetstream 41		
Available Seats Per Departure		30
Total Seats Year		42370
<b>Block Time</b>		
Minutes Per Departure		35
Total Block Time Per Year		824
<b>Revenue</b>		
Passengers		27,000
Average Fare		<u>\$89</u>
Passenger Revenue		\$2,403,000
<b>RPMS</b>		
Passengers		27,000
Stage Length		<u>174</u>
		4,698,000
<b>ASMs</b>		
Scheduled Departures		1456
Completed Departures		1412
Stage Length		174
Seats Available		<u>30</u>
		7,618,054
Revenue		\$2,403,000
Other Revenue @ .03 %of pax rev.		<u>\$72,090</u>
Total Revenue		\$2,475,090
Direct Operating Expenses	Blk Hrs	\$3,600
Indirect Expenses		\$2,965,872
Reservation and Marketing	Per Pas	\$6
Total Expenses		\$1,058,300
		<u>\$162,000</u>
		\$4,186,172
Operating Loss		\$1,711,082
5% Profit		\$209,309
Subsidy Required		\$1,920,391
Load Factor		0.64

NOTE: This proposal covers the total expense required to initiate scheduled air service, purchase the aircraft and be debt free as well as not requiring EAS funding after 2 years operation. Aircraft committed to PBG-BOS service only. Should be operational 90 days after funding which comes with selecting Sovereign Air. Sovereign Air will have passenger, (ticketing, baggage and cargo) agreements with most major air carriers and discount carriers as well. With increasing ridership more scheduled flights may be added as needed at a greatly reduced operating cost reducing ticket pricing.