



OKLAHOMA
Aeronautics

Oklahoma Air Service Enhancement Program

General Overview

October 21, 2020

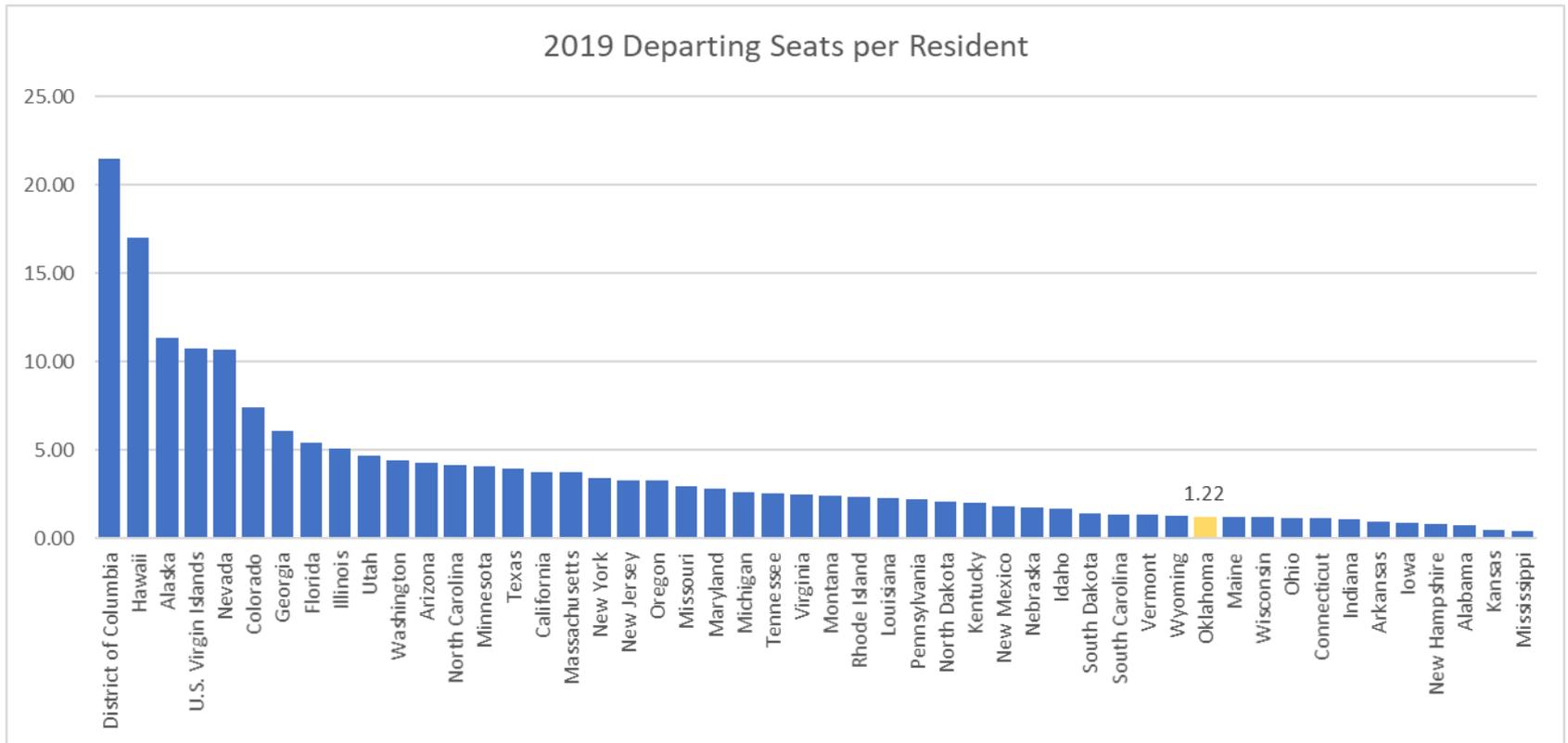




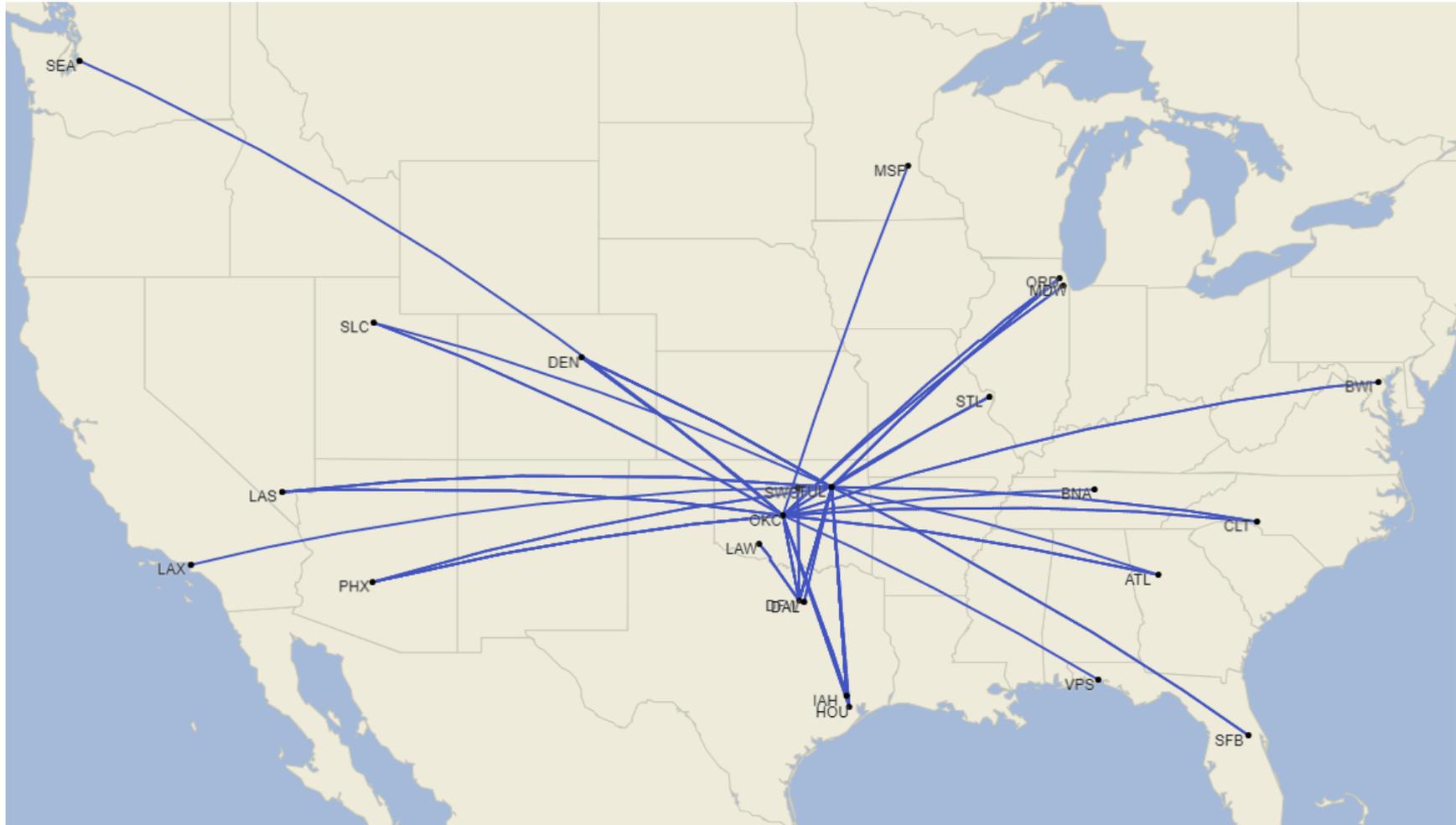
Air Service At A Glance

State of Oklahoma

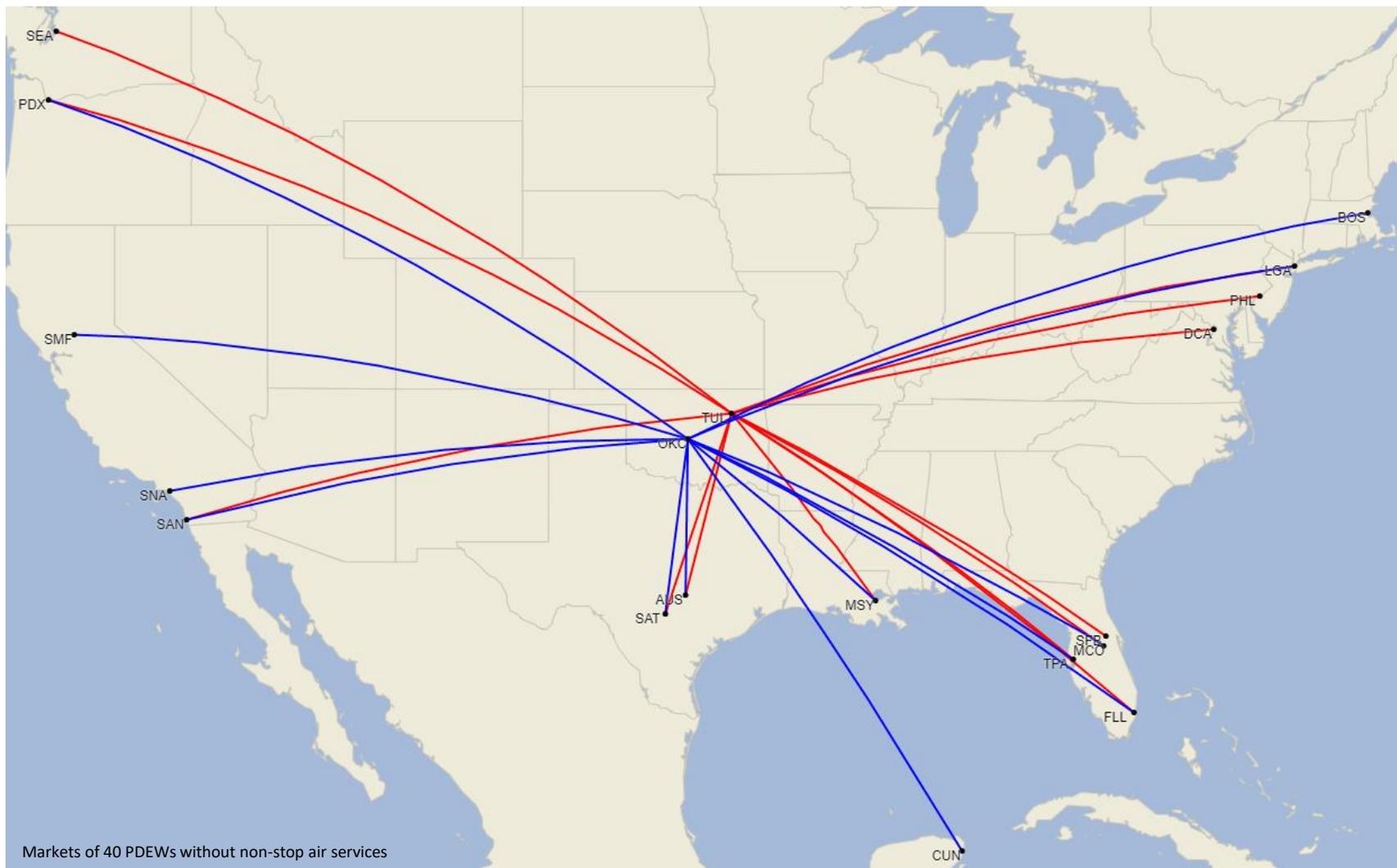
Comparing Departing Seats to Population



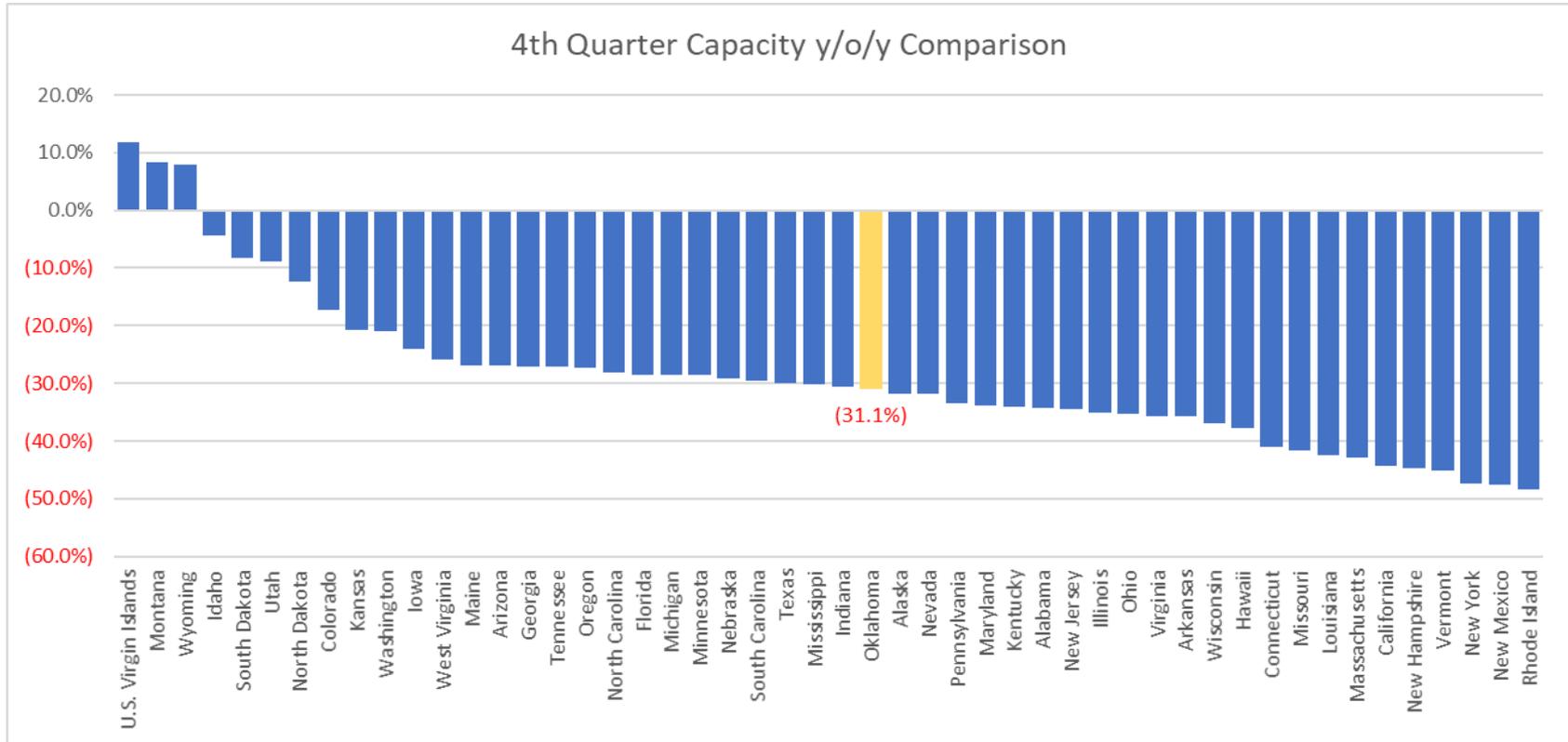
Current Non-Stop Services from Oklahoma



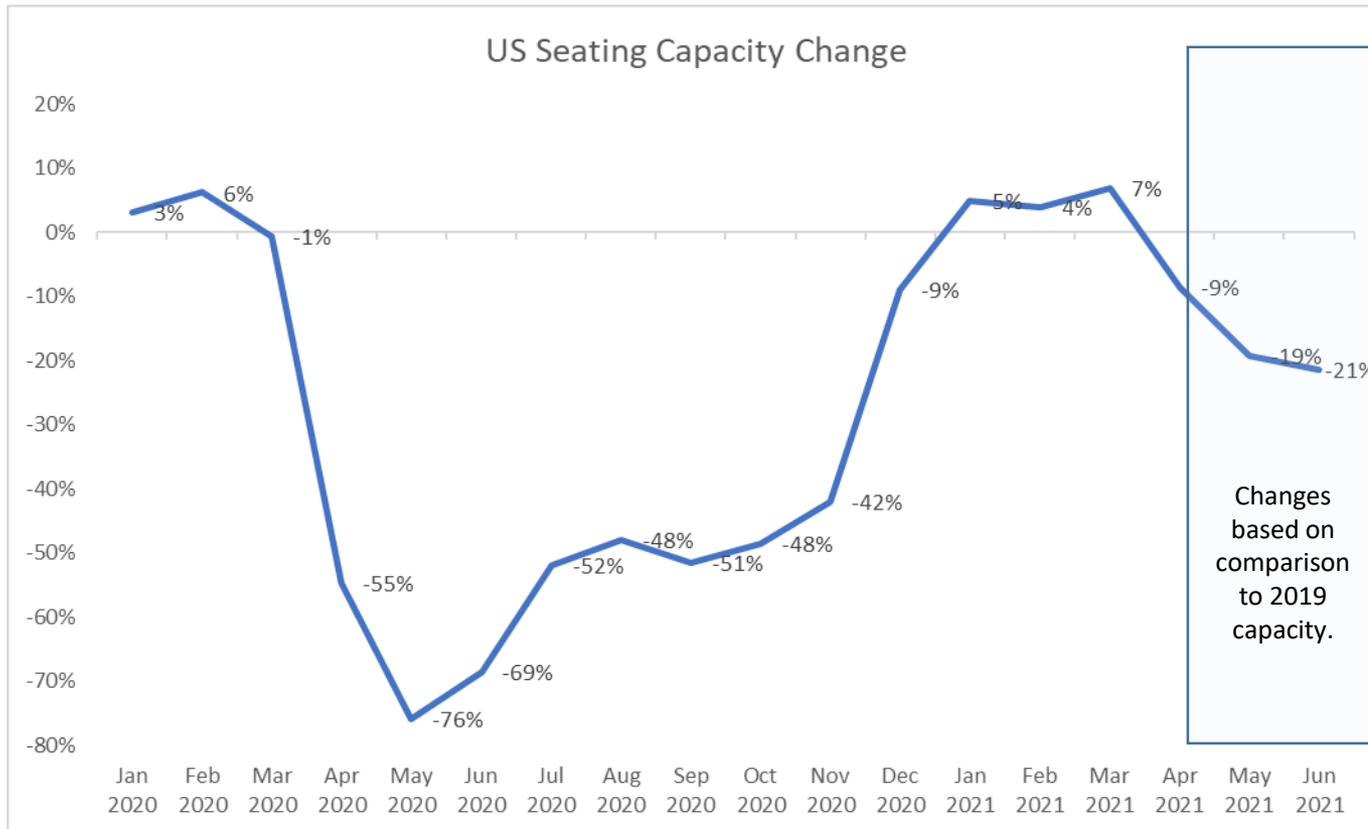
Non-Stop Markets Missing from Oklahoma's Air Service



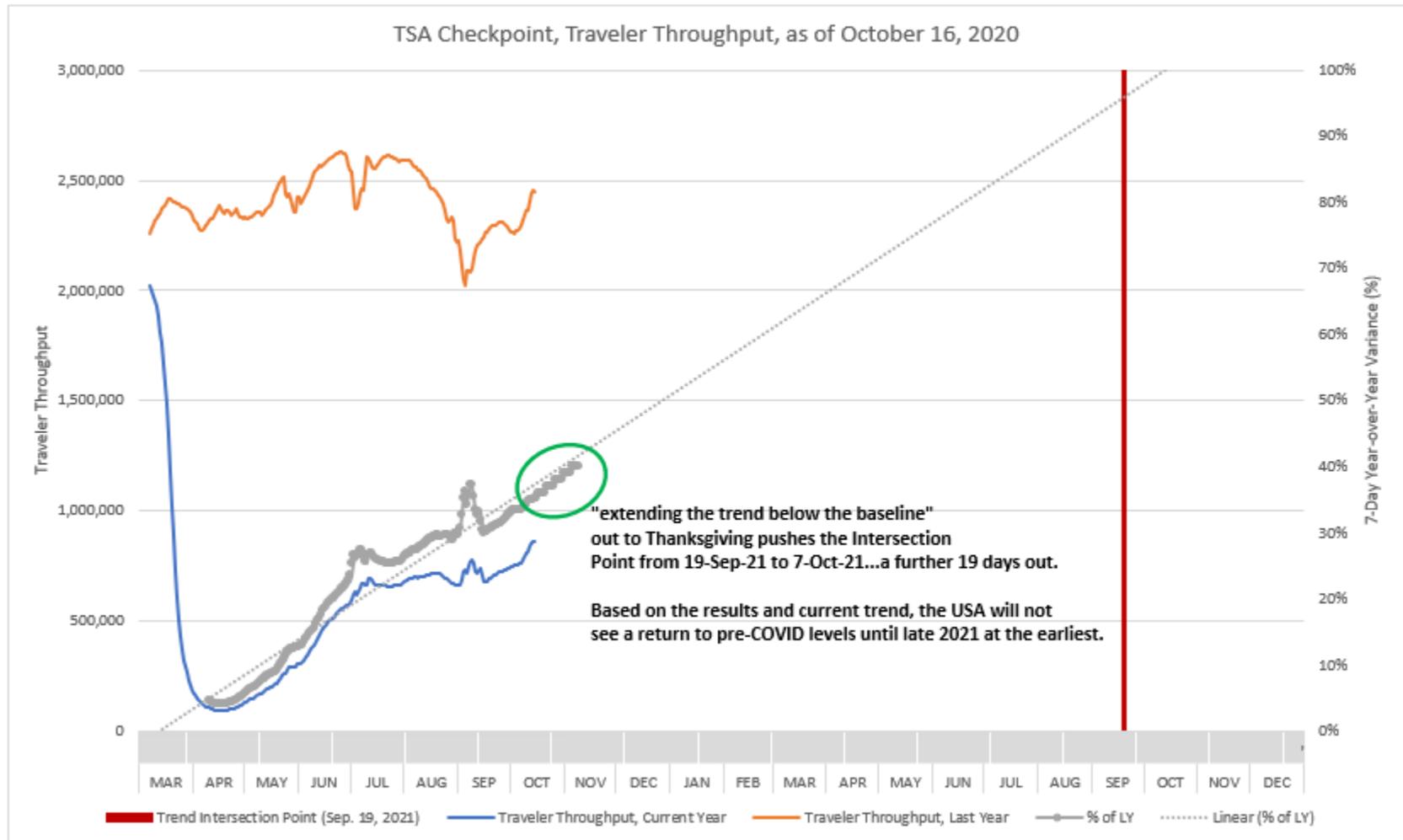
Capacity Not Likely to Return to Normal Anytime Soon



Changes to US Capacity in a Covid-19 World



And Just Because There's Capacity, Doesn't Mean There's Demand...





What Do You Want to Create?

Designing the Right Program for Oklahoma

Wyoming's Air Service Enhancement Program



Secure levels of air-service for Wyoming communities that encourage business development and tourism while providing reasonable capacity and airfares to the residents of Wyoming.



Right-Sized Capacity

Wyoming desires that each of its 9 commercial service airports have 3 daily RTs to DEN.



Rational Fare Levels

Wyoming desires fare levels to more competitive with the rest of the national transportation system.



Air Service Performance

Wyoming desires that, as a State, we meet or exceed both industry Reliability and On-Time Performance metrics.



Future Travel Needs

As markets mature at different rates, Wyoming desires to match capacity with demand, understanding the economics of doing so.

Wyoming's Air Service Impact



Inbound Traffic

Tourism

Impacts Wyoming's Relative competitiveness as a tourist destination vs. other states.

Out of State Businesses

More difficult to conduct business in the state. This can stall or prevent economic development efforts.

Airfare cost

Inbound traffic to Wyoming is currently paying **\$46m** in excess airfare above the national average.

Outbound Traffic

Residents

Residents in the state of Wyoming are forced to pay excessively high airfares vs. other states.

Wyoming Businesses

Wyoming based businesses at inherent disadvantage given cost and difficulties of air travel from the state.

Airfare cost

Outbound traffic from Wyoming is currently paying **\$60m** in excess airfare above the national average.

Why the Focus on Macro Air Service Plan



The Opportunity:

Timing is right for Wyoming to take a step back and design something that meets state-wide goals of improving air service from a macro standpoint.

Fragmented Market

Rationalize Under One Brand

Current process guarantees 'fragmented' capacity to numerous markets and carriers, revised approach allows us to focus on core market needs and establish them first.

Better Return on Investment

Ability to Influence Our Air Service Destiny

There is little we've historically been able to influence in terms of air fares, passenger retention, flight schedules, etc. Revised process gives communities an opportunity to influence commercial side of process.

Leverage Growth Opportunities

Leverage ACMI relationship

Reestablishing a relationship where individual Wyoming communities can expand and contract schedules on a seasonal basis mitigates the need for otherwise wasteful MRG arrangements.

Quicker Response to Market

React to market opportunities

Short-term market demand can be rationalized with more immediate, community-lead response to individual changing dynamics.

Wyoming's Markets Were Fragmented

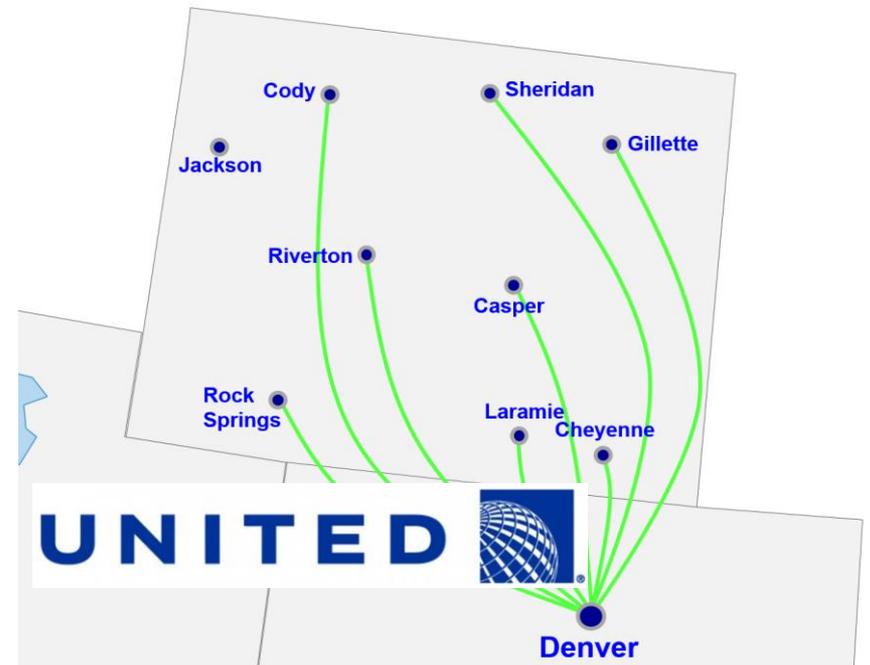


The current marketplace to Denver is divided up between 4 carriers.

Current Market is Divided Up Between 3 Carriers, Inconsistent Service



Ultimately Transition to 3x Daily Non-Stop Service to DEN Under One Brand



What Wyoming Targeted



Three identified categories of solutions for Air Service

Create Own Airline

Concept:

Build entirely new airline with business model specifically focused around providing more affordable and efficient air-service for residents and visitors to Wyoming.

Establish “Virtual” Airline

Concept:

Hire capacity purchase regional provider (CPA) to manage operational aspects of airline while new entity would control scheduling, pricing, distribution, and marketing of venture.

Acquire an Airline

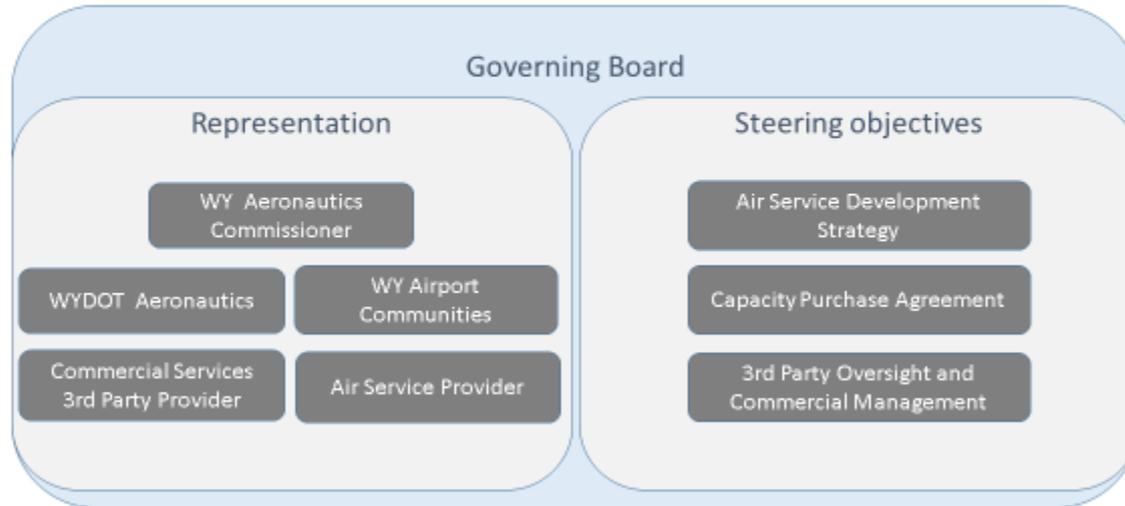
Concept:

Acquire an existing regional or scheduled-charter carrier that could be leveraged to provide more competitive air-service into the State of Wyoming.

Project Oversight



Governance Framework - Wyoming Statewide Air Service Solution



Forum Name	Meeting Frequency	Organizer
Governing Board	Quarterly in-person review	Project Manager Air Service Development / WYDOT
Purpose	Functions & Responsibilities	Suggested Members
Steering of Air Service Development Strategy & Performance	<ul style="list-style-type: none"> - Oversight of Air Service Development - Definition of revisions to the Air Service Development Strategy - Decision on escalation matters - Dissemination of information across all stakeholders - Definition of efficiency and quality targets for PBA operational process performance 	Wyoming Commissioners Community Airport Managers WYDOT representative Airline representative third-party representative

Suggestions for Oklahoma



- Establish a set of rules and manage to the rules.
- Articulate economic impact of air service to State and its importance.
- Give ability for smaller communities to achieve success as well.
- Measure what's happening – know and understand things like competitive air fares, load factors, future capacity.
- Establish strong (ongoing) relationships with airline partners.



Introduction to Forecast Commercial Planning Solutions

Forecast's Primary Lines of Business



Commercial Planning Consultation

Expertise in Commercial Planning Functions

- Engage airlines to identify 'best practices', in particular for pricing, revenue management, and network planning
- Experts and considerable experience tailored around LCC, ULCC, and regional airline business models

Commercial Planning Solution

Act as a Commercial Planning Department(s) of Airline

- Provide additional resource or expertise in the areas of network, schedule, pricing, revenue management, distribution, and alliances
- Short term for larger carriers, long-term for regionals

Air Service Development

Support Airports Improve Enplanements

- Lend support to pursue additional capacity, RM techniques, marketing & advertising plans
- Focus on regional to mid-size airports

Sample Portfolio of Forecast's Clients



Airline Clients

Airport & Government Agencies

Big Sky Airlines

SURFAIR

Western
AIRLINES

FIRST AIR
The Airline of the North



SOUTHERN AIRWAYS
EXPRESS

DenverAir
CONNECTION
A Key Lime Air Company

ALASKA SEAPLANES
Flying at a Higher Standard

SEA+PORT
AIRLINES

Copa Airlines

flair
airlines

TRANS ISLAND
AIRWAYS

Son Air



MIDWEST
AIRLINES



sun country
airlines

Silver
AIRWAYS

TRADEWIND AVIATION

SEABORNE



ST. CLOUD
REGIONAL
AIRPORT

Nevis
...Naturally



LNK
LINCOLN AIRPORT



PORT
OF PORT ANGELES
WASHINGTON

RIVERTON REGIONAL
AIRPORT

PORT OF BELLINGHAM
Washington State

JH
air AIR IMPROVEMENT RESOURCES



ANTIGUA
AND BARBUDA
The beach is just the beginning...

Pocatello
Regional Airport
Fast. Friendly. Convenient.
iFlyPocatello.com

iflygillette.com
Gillette
CAMPBELL COUNTY
AIRPORT

GENERAL WAYNE A. DOWNING
PEORIA INTERNATIONAL AIRPORT



Contact:

Nickolas Wangler

nwangler@forecast-inc.com

702-218-9590