



Alamogordo City Commission

NOTICE OF MEETING

Workshop Agenda

August 6, 2019 - 6:30 PM
City Hall, City Commission Chambers
1376 E. Ninth St.

Richard Boss Mayor
Jason Baldwin Mayor Pro-Tem, District 1
Nadia Sikes District 2
Susan Payne District 3
Josh Rardin District 4
Al Hernandez District 5
Dusty Wright District 6

Brian Cesar Interim City Manager
Petria Bengoechea City Attorney
Rachel Hughs City Clerk

MISSION STATEMENT as Adopted by the City Commission on March 24, 1995.

The City of Alamogordo is a Municipal Corporation that exists solely for the purpose of providing the best possible services to our customers, the citizens of Alamogordo. We are committed to providing these services with honesty, integrity, compassion, fairness, and a commitment to excellence.

We are committed to the long-term financial stability and responsible growth of the City and all decisions will be driven by our commitment to provide the best services possible in a financially sound and responsible manner given the economic realities facing the City.

In accordance with Section 10-15-1.D, NMSA 1978 (2010 Cumulative Supplement), this agenda has been posted on the bulletin board located in the east/west lobby of the City Hall and in the glass case located outside the north entrance of the City Hall, distributed to the appropriate news media, and posted on the City website: <http://ci.alamogordo.nm.us> within the required time frame. As a courtesy, the entire Agenda Packet has also been posted on the City of Alamogordo website: <http://ci.alamogordo.nm.us>

The Mayor and City Commission request that all cell phones be turned off or set to vibrate. Members of the audience are requested to step outside the Commission Chambers to respond to or to conduct a phone conversation. The Alamogordo Commission Chambers is wheelchair accessible. Other special assistance for disabled attendees must be requested 48 hours in advance by contacting the City Clerk's Office at 575-439-4205.

CALL TO ORDER & ROLL CALL

Announce the presence of a Quorum.

INVOCATION & PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

WORK SESSION

1. Workshop on Regional Jet Service. (Baxter Pattillo and Lance Grace)

ADJOURNMENT

AGENDA REPORT

CITY OF ALAMOGORDO

CITY COMMISSION

Meeting Date: 8/6/2019

Report Date: 8/1/2019

Report No: 1.

Submitted By: Brian Cesar

Subject: Workshop on Regional Jet Service. (*Baxter Pattillo and Lance Grace*)

Fiscal Impact:

Amount Budgeted:

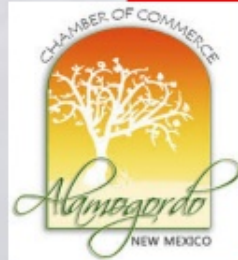
Fund:

Additional Fiscal Impact:

Recommendation: Workshop Only.

Background: Information on Regional Jet Service.





We're here on behalf of MainGate United and the Alamogordo Chamber of Commerce

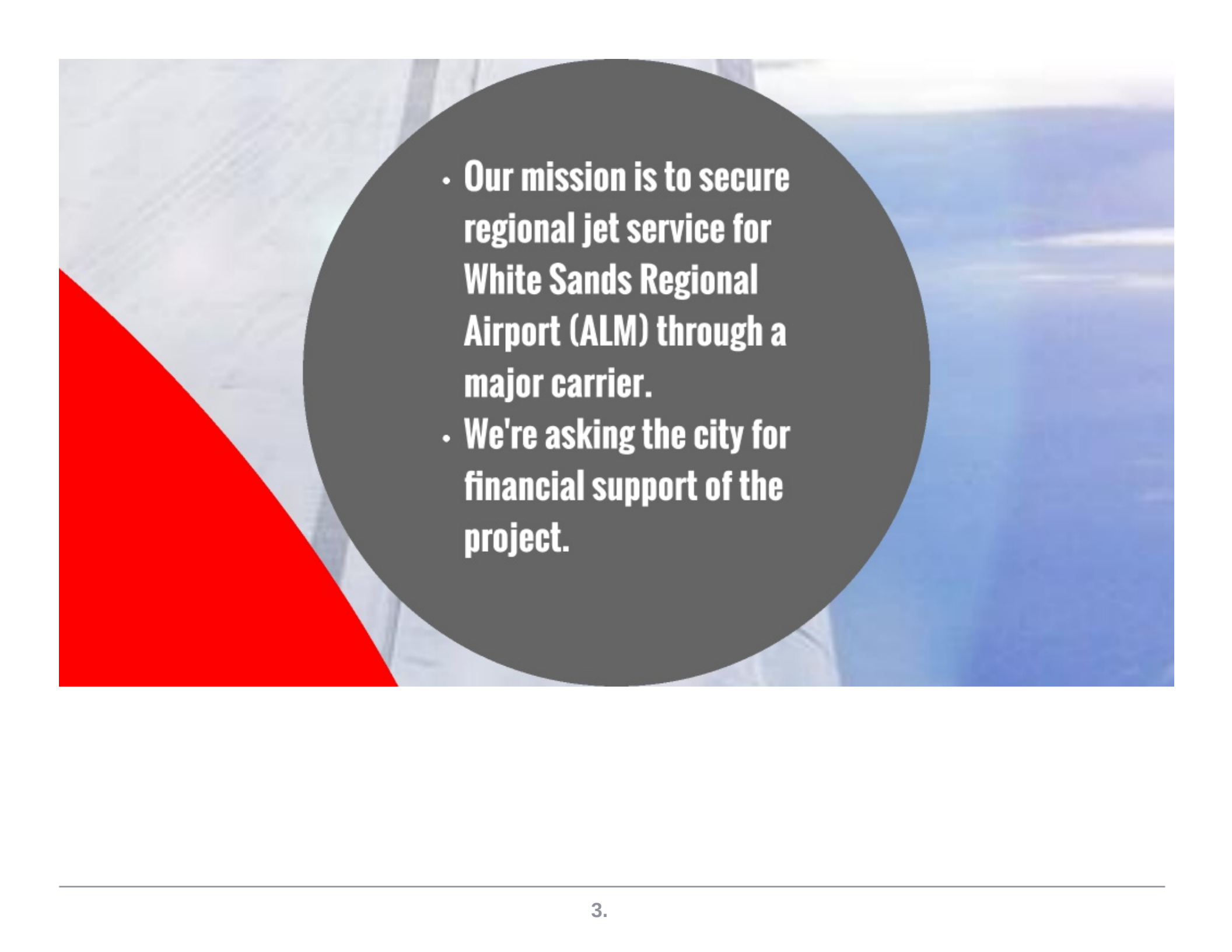


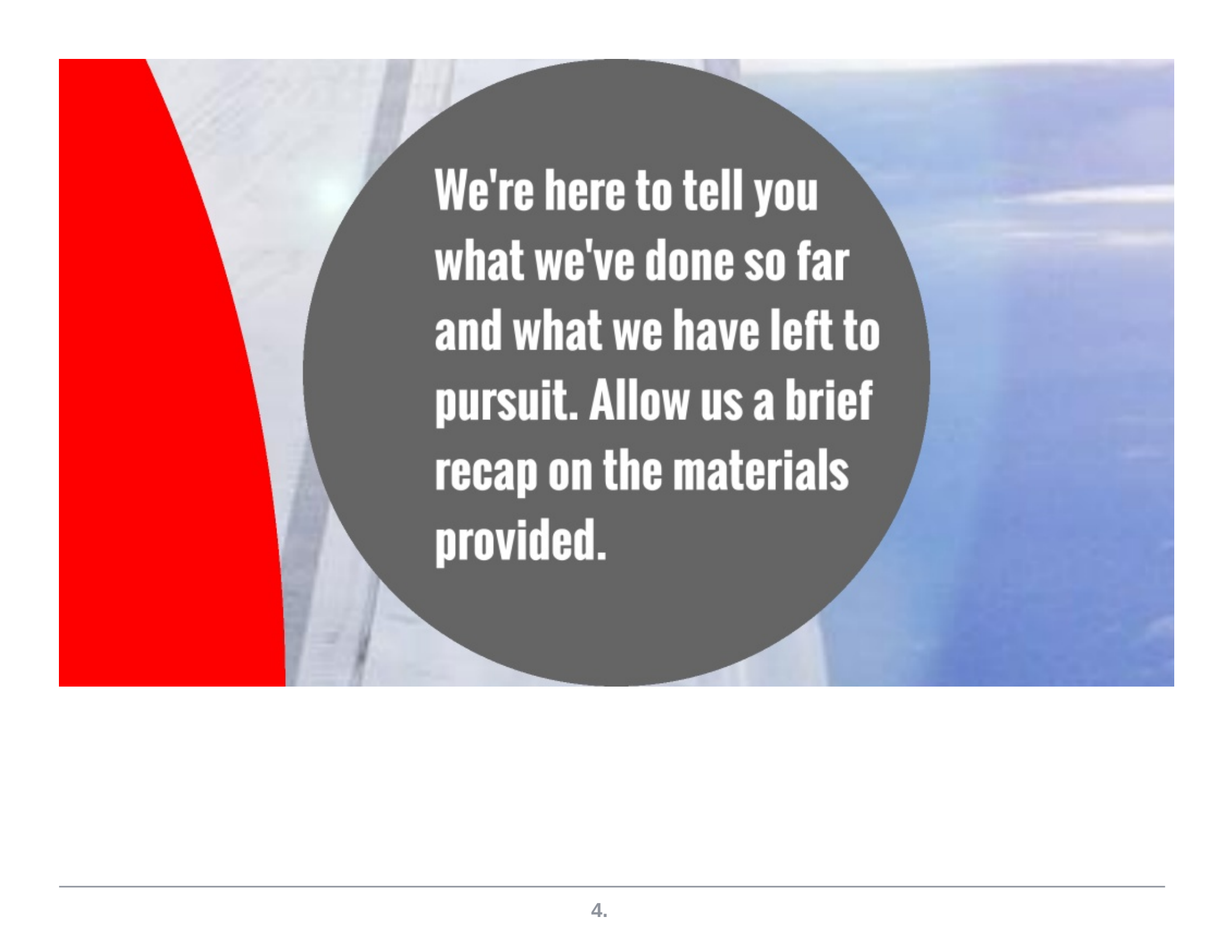
Our Purpose
Today

Materials
Recap

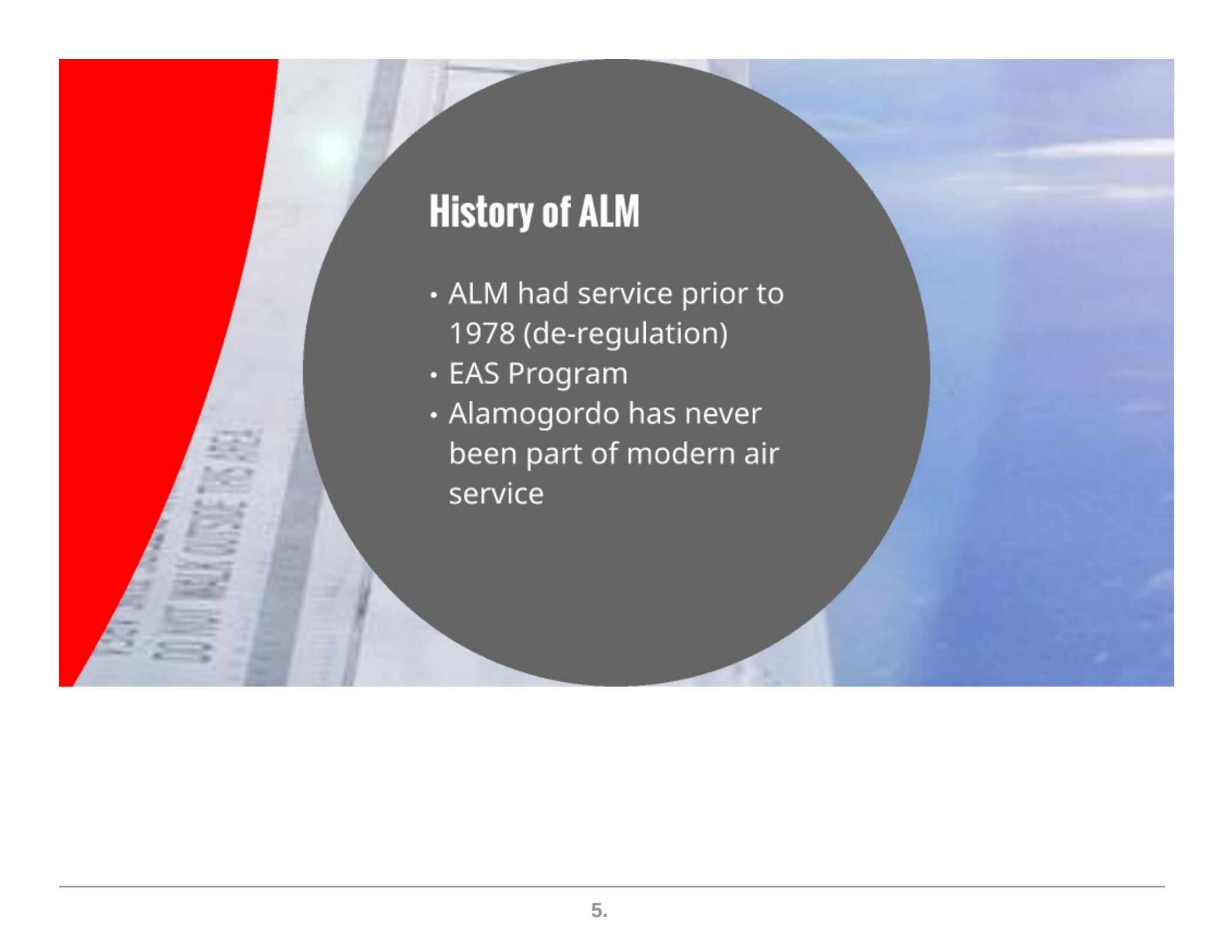
History of
ALM

Past
Obstacles

- 
- **Our mission is to secure regional jet service for White Sands Regional Airport (ALM) through a major carrier.**
 - **We're asking the city for financial support of the project.**



**We're here to tell you
what we've done so far
and what we have left to
pursuit. Allow us a brief
recap on the materials
provided.**



History of ALM

- ALM had service prior to 1978 (de-regulation)
- EAS Program
- Alamogordo has never been part of modern air service

The background of the slide is a photograph of an airport tarmac. On the left, a red triangle is visible. A large dark gray circle is centered on the slide, containing the title and a list of obstacles. The background image shows a white aircraft tail fin with the text "DO NOT WALK OUTSIDE THIS AREA" repeated twice. The sky is blue with some clouds.

Past Obstacles Alamogordo Experienced in 2013

- FAA Requirement change caused a lack of qualified pilots
- Merger issues among airlines (DOT Suit holding up AA)
- Congress sequestration decimated military TDY travel numbers





**What have we
done so far?**

#1

#2

#3

#4

**Obtained Funding for
Consultant Through OCEDC
of approx. \$25k for the
following:**



- Market Forecast Study
- Meeting with American Airlines
- City Commission Meeting
- SCASD Grant Applications



Denver, CO August 19-21, 2018
Hosted by
Denver International Airport

Attended the International Aviation Forecast Summit in August '18

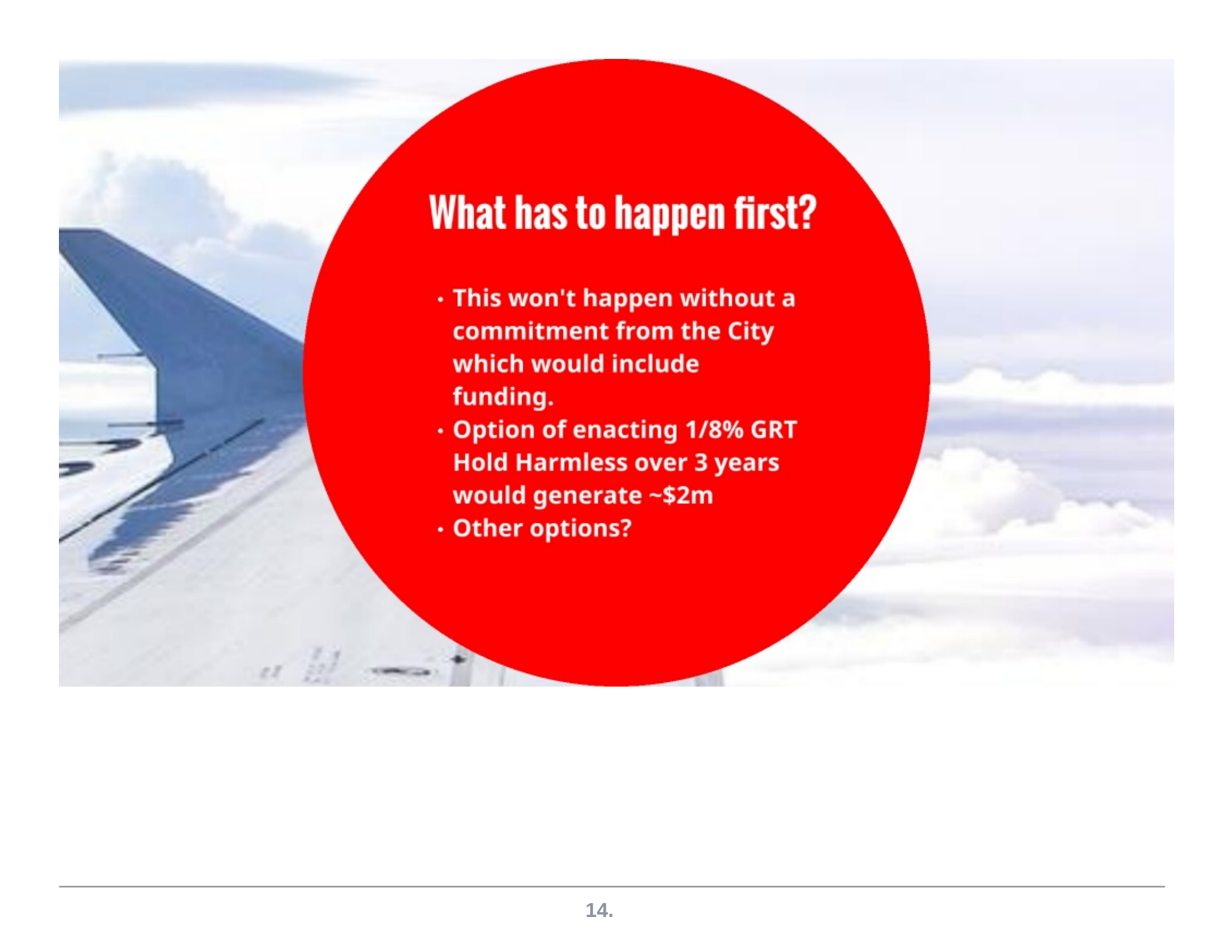
Attended NM State Aviation Conference and FAA Part 139 Legwork



Meeting with American Airlines

- Met with Regional Planning Office and AA Consultants
- Well-received and high degree of interest in east-west traffic





What has to happen first?

- This won't happen without a commitment from the City which would include funding.
- Option of enacting 1/8% GRT Hold Harmless over 3 years would generate ~\$2m
- Other options?





**What does Alamogordo
stand to gain from this?**

DEN

SCASD

FAA \$

Taxes

BRAC

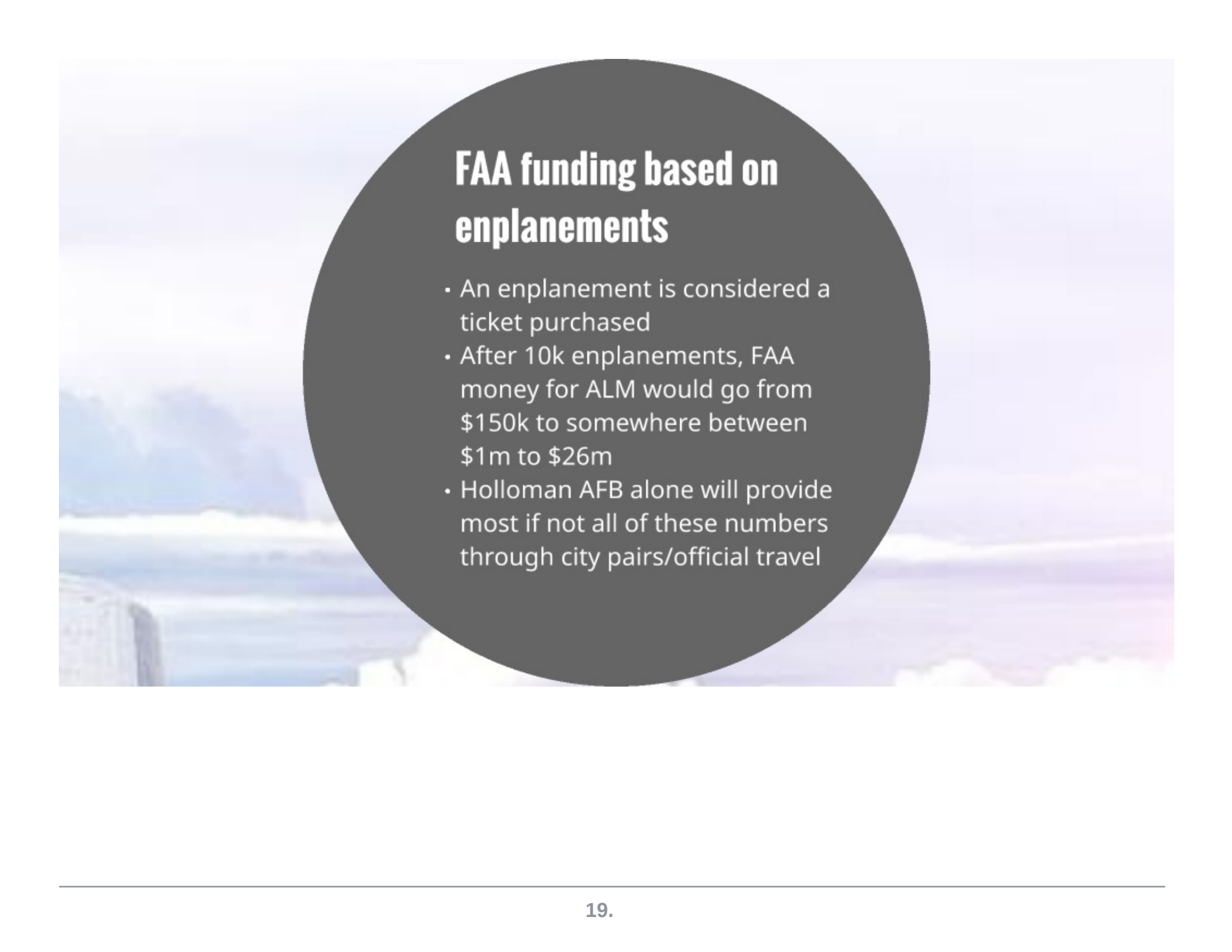


Economic Driver

Our takeaway from the IAFS is that Denver International Airport is the #1 economic engine for the state of Colorado

SCASD Grant

- We'd be looking at applying for the 2020 Docket
- Farmington was awarded \$850k last year
- Better chance with 139 and interest of regional jet service provider
- Historically, you increase chances of winning grant with a higher match



FAA funding based on enplanements

- An enplanement is considered a ticket purchased
- After 10k enplanements, FAA money for ALM would go from \$150k to somewhere between \$1m to \$26m
- Holloman AFB alone will provide most if not all of these numbers through city pairs/official travel



Potential Tax Additions and Revenues

- Lodger's Tax
- Enplanement Tax
- Parking revenues
- Increased GRT spending



**This would be a huge
addition and support to
all the military missions
for HAFB and WSMR**



What happens if this doesn't work?

- ALM will be a 139 Airport, allowing more funding opportunities
- ALM will have recieved an estimated \$1.7m+ in FAA funds
- Program would sunset after three years (assuming hold harmless option)
- Monies will be diverted back to the general fund



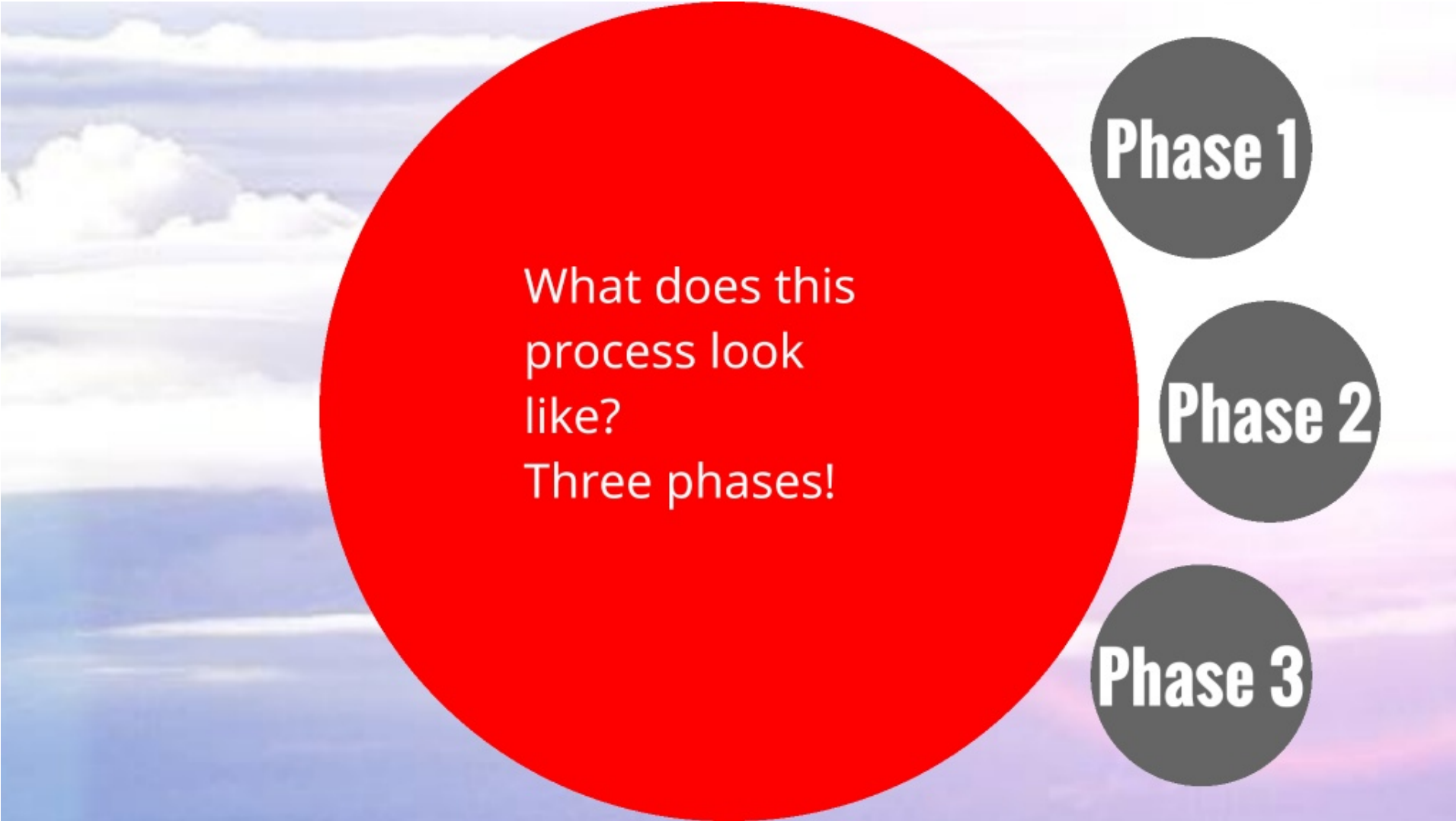
?



What do we stand to lose

- An immeasurable economic opportunity





What does this
process look
like?
Three phases!

Phase 1

Phase 2

Phase 3



First Three Months

- Determine needs for FAA Pt. 139 certification
- Negotiate Guarantee Pool with Airline
- Apply for 2020 SCASD Grant



First Year

- Accomplish tasks for 139 Certification
- Coordinate and make mods for TSA
- Establish marketing campaign



Second and Third Years

- Begin RJ Service
- Make modifications and adjustments
- Marketing campaign follow-through
- Collect FAA enplanment-based monies



Proposed Questions

Tickets

Routes

City Pairs

Case
Studies

EAS

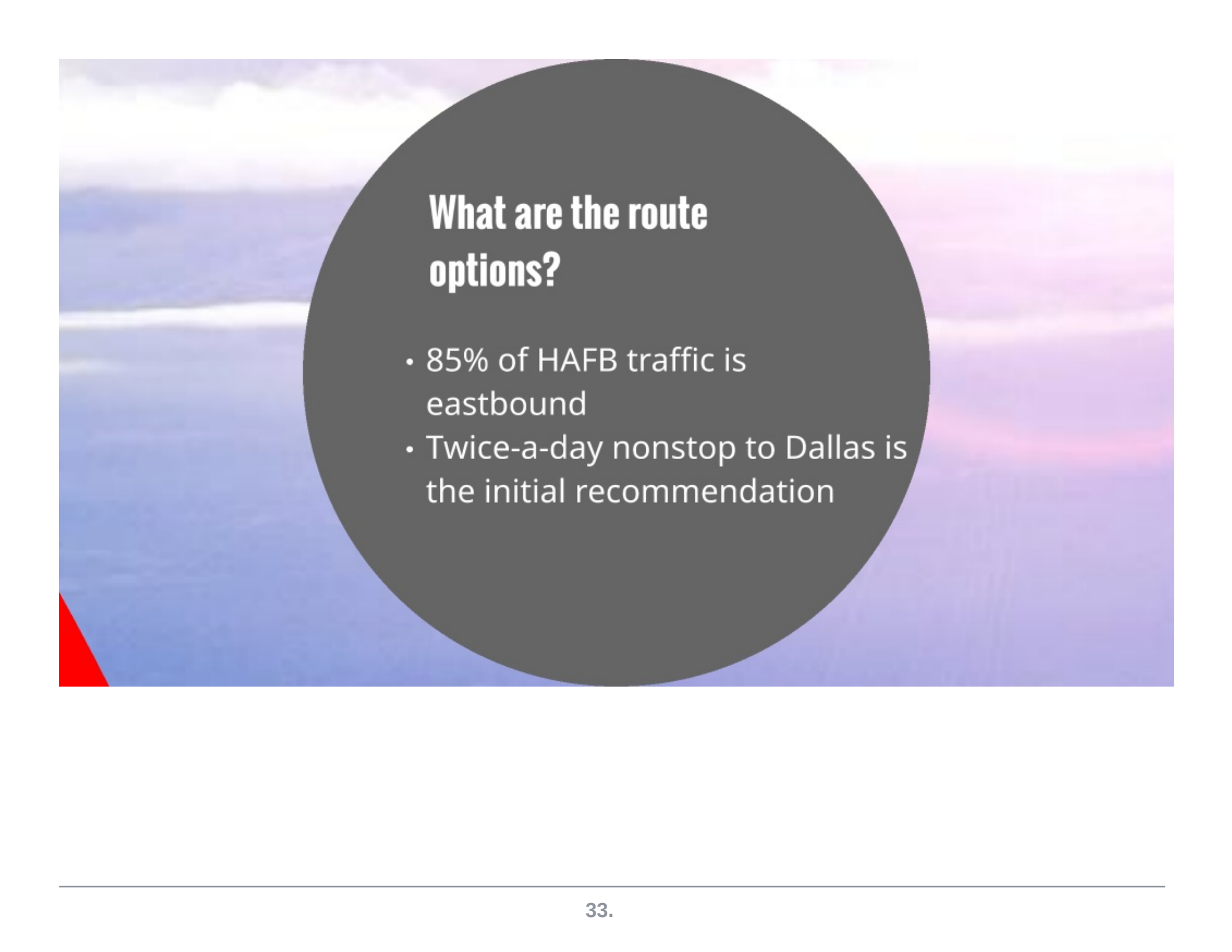
Why not
SW?

Forecast
Recap



What do fares look like?

Fares are based on mileage and would be comparable to those out of El Paso.



What are the route options?

- 85% of HAFB traffic is eastbound
- Twice-a-day nonstop to Dallas is the initial recommendation



How does the city pairs agreement work?

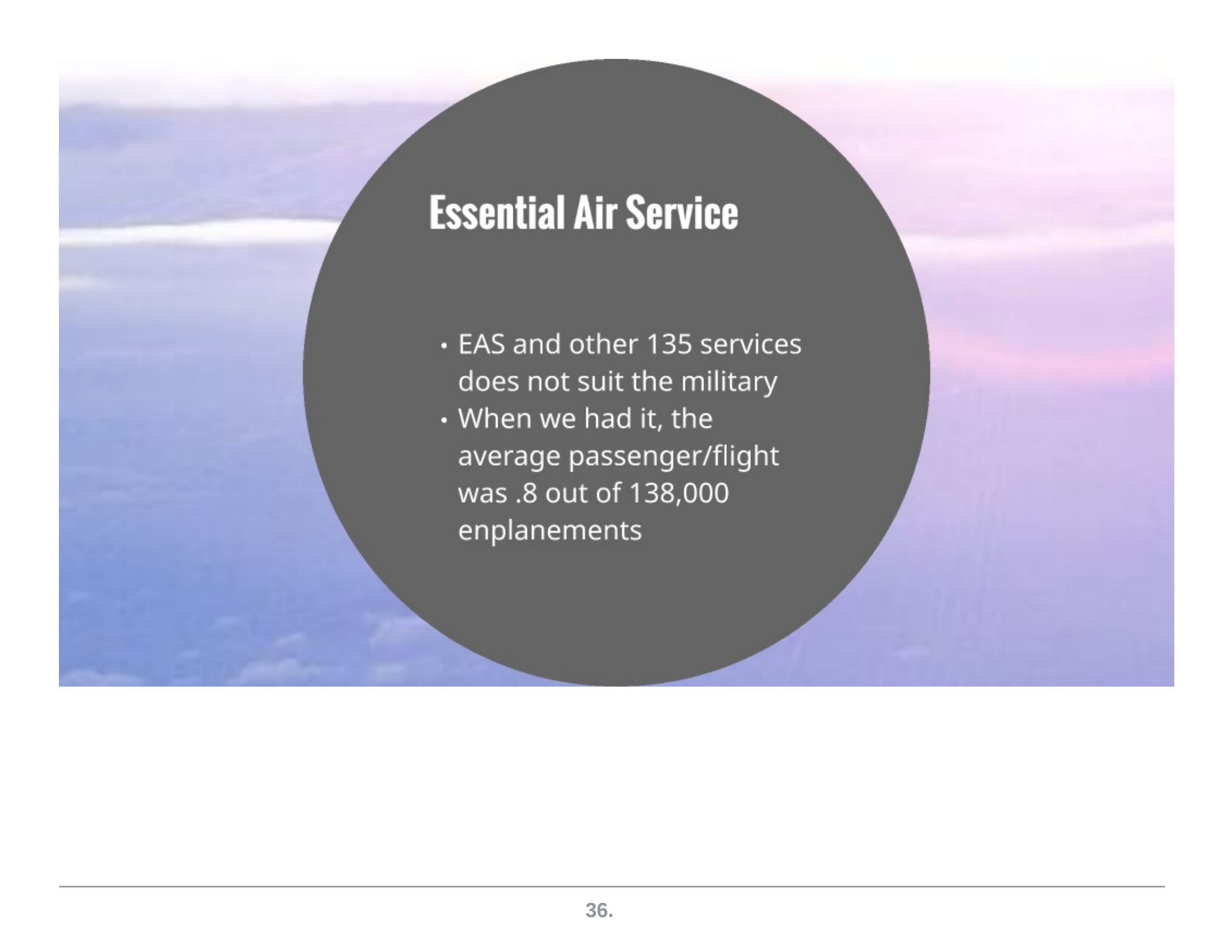
GSA/Federal government is required to use local air service for official military traffic

- Full cost tickets
- Guaranteed purchase



**Who else has this
worked well for?**

Roswell, NM
Columbia, MO
Santa Fe, NM



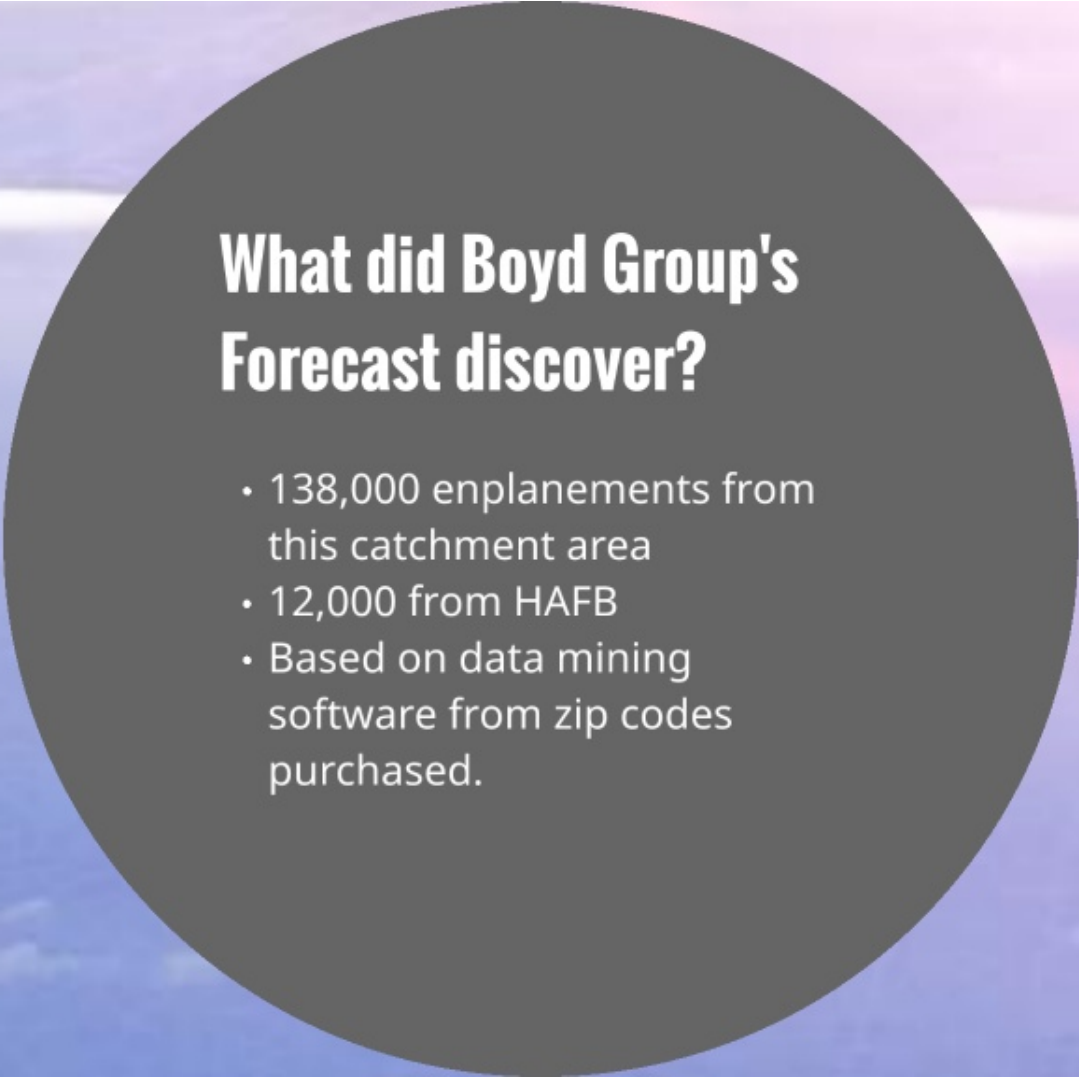
Essential Air Service

- EAS and other 135 services does not suit the military
- When we had it, the average passenger/flight was .8 out of 138,000 enplanements



Why not Southwest?

- Not international
- Planes are too big
- Does not adhere to hub and spoke



What did Boyd Group's Forecast discover?

- 138,000 enplanements from this catchment area
- 12,000 from HAFB
- Based on data mining software from zip codes purchased.



Question Time!



Market Study & Traffic Potential

Alamogordo-White Sands Airport

Prepared by



Note:

The data and information herein are considered to be from sources deemed accurate, but are not guaranteed. The conclusions and findings in this document are based on best efforts on the part of Boyd Group International, Inc.

The conclusions herein are based on the independent analyses accomplished by Boyd Group International

Prepared by



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October 2018

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The Alamogordo-White Sands Market

*Alamogordo
represents a
strong new
revenue
opportunity for
American Airlines*

The Otero County Economic Development Council has commissioned Boyd Group International to review the potential for scheduled air service at Alamogordo-White Sands Airport (ALM).

In this project, it has been determined that the region can be a strong contributor to the American Airlines system.

The Council and the community would be very grateful for the opportunity to discuss this opportunity with American Airlines.

This document provides the data and projections on which the community feels is a strong framework for discussion.

Format of This Proposal – Concise & Traffic-Focused

The diverse economy of the Alamogordo-White Sands region, which includes Holloman Air Force Base, the White Sands Missile Range, and a host of recreational venues, generates very strong potential revenue for American.

*The catchment
area today
generates @
138,000 O&D.*

Each of these is unique, and the community would be excited to further outline them to AA.

*A pattern of two
daily 50-seat
nonstops to DFW
is forecast to
capture over
51,000 O&D.*

However, we have made this document concise and focused on the aspects that are at the starting point of any route evaluation – the potential contribution to the AA system.

We understand that it is the traffic generation that is most important to American, and it is in this context that we want to build a framework for further discussions.

The Project Summary

Based on the research of traffic generation in the ALM catchment area, it is believed that the market can initially support a pattern of two daily round-trip flights with 50-seat aircraft, accessing the AA/DFW global hub. As the market builds, an additional frequency can be considered.

The basic analyses herein deliver the following conclusions:

- **Traffic Generation.** Today, the ALM catchment area is estimated to be generating 138,000 O&D passengers, including approximately 12,000 directly attributable to Holloman Air Force Base, a major installation that is engaged in global training and defense activities.
- **Total Traffic Capture.** The proposed service pattern – which is focused on traffic generation to the Midwest and the East – will capture approximately 37% of the total air traffic demand now generated in the ALM catchment area.
- **AA-DFW Traffic Capture.** The proposed service pattern between ALM and DFW International is projected to capture over 52,000 annual O&D for American, with 77.2% of these passengers comprised of connecting traffic over the DFW hub.
- **Minimum Revenue Guarantee Program.** The Otero County Economic Development Council has mobilized the region to support the proposed American service. In this, the community intends to apply for a \$1 million grant from the 2018 U.S. Department of Transportation Small Community Air Service Development Program (SCASD). This will be supported by a substantial local match. The funding will be primarily to provide risk-abatement for the AA service.

The community feels confident that it can successfully apply for a SCASD grant to offset AA's initial market entry.

A Prime New Mexico Growth Point For American.

Analyses accomplished by Boyd Group International indicate that Alamogordo represents a strong revenue opportunity for American Airlines.

The ALM market is very similar to that of Roswell, but with a higher population draw.

In particular, the current and latent traffic patterns generated at ALM (and now using a range of other carriers at El Paso) to destinations in the Deep South and East Coast are highly connective to the AA/DFW global hub.

The data developed in this project indicate that Alamogordo-White Sands Airport has similar revenue-feed potential to that of Roswell.

While the catchment areas of the two airports are entirely separate, the basic air service factors – population, economics and demographics – are very similar. Plus, ALM benefits from the strong domestic business traffic that is generated by the government and military installations in the region.

A Clean-Sheet Market With Strong Potential

Today, ALM has no scheduled passenger air service. This is a natural concern regarding the risk of implementing flights.

However, markets and consumer patterns are changing across the nation. As an example, we would point to the experience of Columbia, Missouri, an airport that “went dark” with no scheduled air service for several years. Today, this airport is generating almost 130,000 annual passengers for AA, with over 55,000 feeding through DFW.¹

While the ALM and COU have different market characteristics, it is suggested that this is an example of where an airport with no current scheduled service can be quickly developed into one that is highly contributive to the AA system.

We believe that Alamogordo-White Sands fits this template.

This document is prepared to initiate a framework for further discussions with American regarding how Alamogordo can deliver net-new revenues to the AA systems.

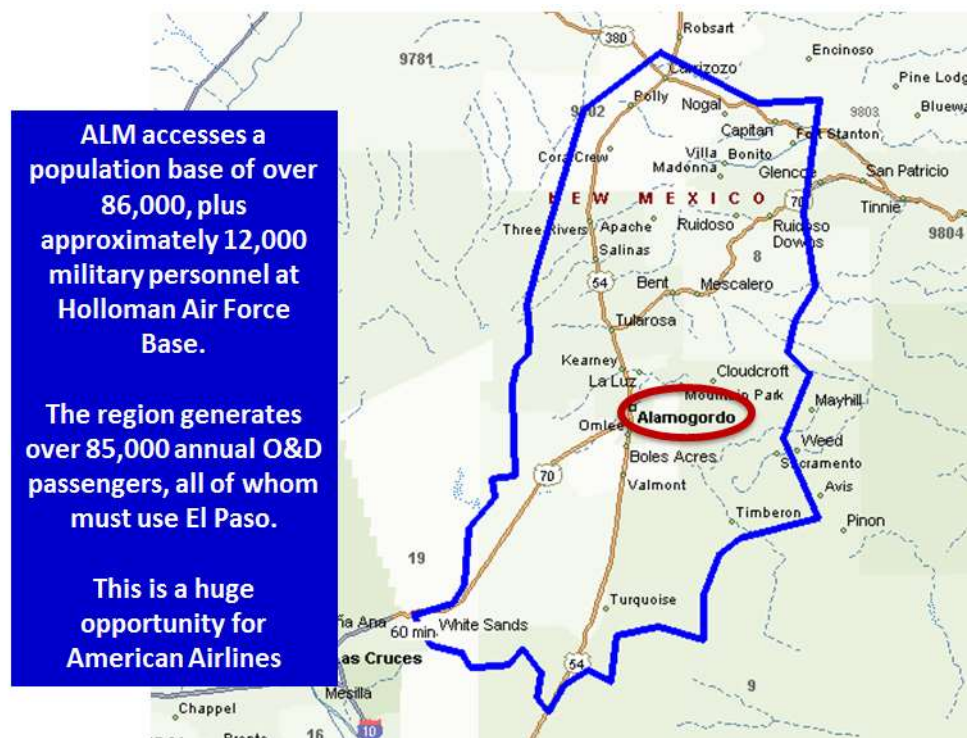
¹ While the economics and demographics of the two markets – COU and ALM – are different, this is an example of the latent traffic that markets such as these represent. Coincidentally, the traffic generation that has manifested today at COU is very close to that projected at ALM.

The Alamogordo-White Sands Market

As with other rural airports in New Mexico, ALM has been buffeted by changes over the past 30 years in the structure of the US airline industry. Possessing a vibrant local economy, plus the strong impact of military-related installations such as Holloman Air Force Base and the White Sands Missile Range, the region has enormous potential to support scheduled air service.

This is a region of New Mexico that is ready to generate strong net-new revenues to the AA system.

Today, we estimate that the ALM catchment area actually generates over 130,000 annual O&D passengers, all of which are now utilizing El Paso International Airport.



The catchment area for Alamogordo-White Sands Airport encompasses a population base of approximately 86,100. The majority of the population is located north of ALM, and therefore more distant from El Paso, the current air gateway for the region.

In addition to this civilian air service generation, it is estimated that the military presence in the region generates approximately 12,000 annual O&D passengers.

There are no other airports competing in the region for this traffic.

El Paso's air service is primarily via feeding the incumbents' connecting hubs.

Qualitatively, this puts the proposed AA service to DFW on an equal playing field.

Drive Time To ELP Is Onerous. From downtown Alamogordo, the trip is approximately 1.6 hours. However, from the main population centers of the ALM catchment area, the drive can be up to 2.0 – 2.2 hours.

What this means, when accommodating current traffic, the passengers to be at ELP at least one hour before flight time. Add in the return drive to ALM, and any round trip journey represents between five and seven hours of ground time.

Access To Most Destinations At ELP Is Via Connection. Today, ELP has approximately 55 daily flight departures. To most of the destinations generated by ALM, the service at El Paso is via connecting over an intermediate hubsite airport. As noted below, this, combined with the logistics of ground access to and from Alamogordo, helps level the consumer playing field between the two airports.

The Alamogordo Alternative – Consumer Acceptable

From ELP, the flight patterns are essentially to six airline connecting-hub airports.

With the exception of Southwest nonstops to Los Angeles, San Antonio and Austin, all current service at ELP is based on generating flows through the respective carriers' connecting hubs. All other secondary points in the US are accessed from ELP by connecting flights.

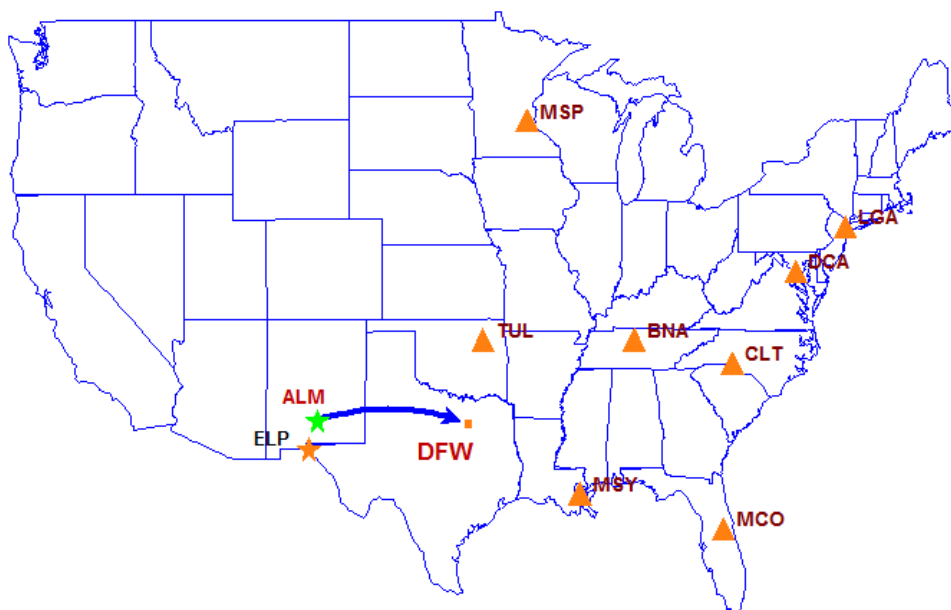
This will be the same case with AA service to Alamogordo.

What this means is that one of the main reasons for leakage from small communities to larger airports – the availability of large numbers of destinations served nonstop, compared to connecting service from the local airport – does not exist in the case of El Paso.

El Paso is a feed market for incumbent carriers, just as would be for American at Alamogordo.

El Paso has approximately 55 departures per day.

However, much of this advantage is offset by the logistical difficulties in accessing ELP to and from Alamogordo.



Whether accessed via ELP or ALM, consumers will be making a flight connection to/from points such as these from either airport. The long drive time to depart from ELP, and the ground logistics of getting from ELP to Alamogordo for the estimated 47% of passengers who will be inbound-generated, are counter-balances to the frequency advantage at ELP.

Above are shown several key O&D destinations forecast for ALM. Even with just two flights daily to the AA/DFW connecting hub, there are demonstrative advantages over the possible two-hour drive to El Paso, simply to access a similar connect pattern to or from these and dozens of other destinations.

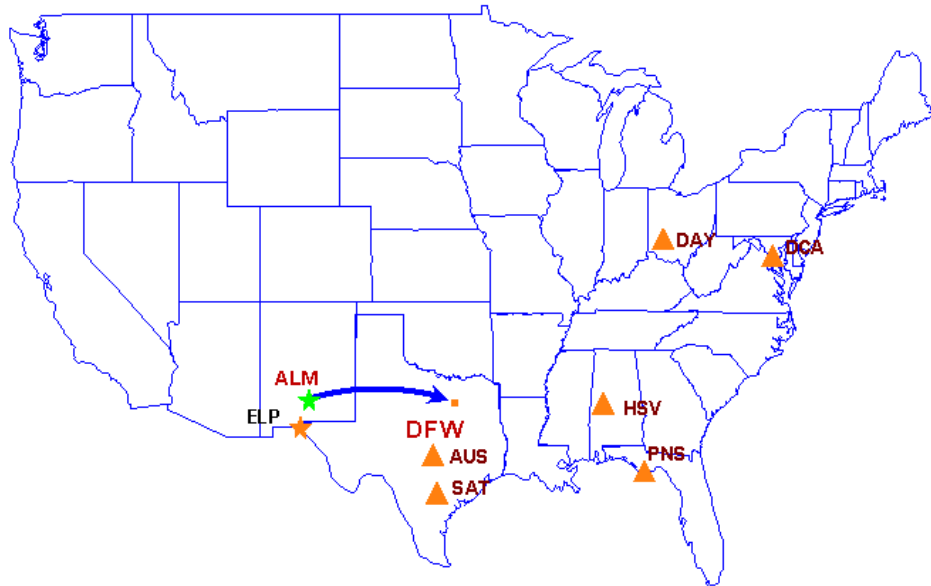
The fact that there is far more frequency at ELP is certainly understood. However, the combination of the drive time to ELP, the ground logistics of getting from El Paso International Airport to the ALM region, and the fact that most secondary destinations are via hub-connect from either airport, is a strong counter to the higher frequency offered at ELP.²

² It is estimated that the inbound origination percentage will track with Roswell, which is approximately 47%.

Key AA Markets Generated by Alamogordo

The military and government presence in the ALM catchment area, primarily Holloman Air Force Base, and White Sands Missile Range, have very strong business travel relationships with points served by AA from DFW.

Holloman and the White Sands Missile Range generate strong new flows to several AA destinations from DFW.



Holloman Air Force Base

A lynchpin in the national defense system, Holloman AFB is a major training center that supports USAF missions across the globe.

The base supports more than 21,000 Active Duty, Guard, Reserve, retirees, DoD civilians and their family members. The projections herein of 12,000 O&D generated by the base only encompass official traffic – active duty, guard and reserve.

Key traffic destination generation has been identified to San Antonio, Dayton, points on the Florida Panhandle (such as Fort Walton Beach and Pensacola), and Washington D.C.

White Sands Missile Range

White Sands Missile Range is geographically the largest military facility in the U.S. The base today is engaged in high-tech, futurist generation projects including new missile development and air defense systems development.

The facility generates traffic across the USA, but there are specific communities of interest with Washington, D.C., Austin, and Huntsville – all markets served from the AA global hub at DFW.

Key Statistics – The AA Opportunity

Traffic Forecast – ALM-DFW

The AA performance at Roswell is felt to be a solid foundation for determining the traffic that AA can generate across its system by adding ALM to its route map.

It is logical to begin with the assumption that the core traffic demand by destination will be generally similar to that of Roswell's DFW AA flights.

The econometric factors at the two locations do not appear to have significant differences. However, the presence of the military and government traffic at Holloman Air Force Base is a strong advantage for ALM.

From this, we compared the YE 1Q 2018 traffic at Roswell as a ratio to the population in the ROW catchment area.

AA ROW-DFW Metrics

ROW Catchment Population	69,646
ROW-DFW Pax - YE Q1 2018	102,317
Pax-to-Population Ratio	1.47

We then applied the passenger to population ratio to the population in the Alamogordo-White Sands Airport catchment area. This resulted in an estimated traffic generation that would be available to scheduled service at Alamogordo.

Applied to Potential AA ALM-DFW	
ALM Catchment Population	86,100
Traffic Generation @ ROW Ratio	126,490
<i>Plus</i> Holloman AF Base Personnel	12,000
Total ALM Generation	138,490

However, this estimate is omni-directional traffic, which at ROW is accessed by access to both of American's Dallas/Ft. Worth and

Phoenix connecting hubs. The ALM proposal is only for service to DFW.

This resulted in a review of the percentage of the total ROW traffic that is flowing *to and through* the AA DFW hub.

This delivered an estimate of over 86,000 annual passengers between the connecting points served by AA to/from the east, and Alamogordo.

Potential Share For DFW-ALM Service	
ROW DFW Traffic Share	62.6%
ALM DFW Potential	86,694
Estimated Capture w/2 ERJ RT	60.0%
Total Estimated ALM-DFW Potential	52,017

However, a proposed two-flight per day schedule cannot capture all of the traffic that the region generates, both due to the low frequency as well as the fact that there are other airline options at El Paso, 1.6 to 2 hours distant.

It is believed, however, that the raw market and consumer advantages of the ALM-DFW service – based on two daily round-trips - could capture a significant percentage of the demand. The extreme drive to ELP, plus the enormous connectivity that an ALM-DFW flight would represent, could capture at least 60% of the traffic.

This would indicate that the proposed flights would capture 37.6% of the *total* traffic that is estimated to be generated at ALM.

Forecast Destinalional Distribution

Again using the AA experience at Roswell, an analysis was made regarding the estimated distribution of traffic across the AA/DFW system.

DFW Local	22.8%	11,860
Flow		
DCA	12.7%	6,629
SAT	10.4%	5,420
IAH	4.0%	2,087
ORD	3.3%	1,729
MCO	3.1%	1,621
AUS	2.8%	1,469
ATL	2.6%	1,353
CLT	2.5%	1,290
BNA	2.4%	1,263
TUL	2.2%	1,138
MSP	2.1%	1,093
TPA	2.0%	1,048
LGA	1.9%	985
MSY	1.8%	941
DEN	1.2%	636
Top 15	55.2%	28,701
Remainder	22.0%	11,456
Total		52,017

The only adjustments made were to the expected connectivity to Washington and San Antonio, both of which have very strong communities of interest due to the military and government presence in the ALM catchment area.

Summary of Proposal

The Alamogordo-White Sands Community strongly feels that ALM is a strong potential revenue opportunity for American Airlines.

We believe that ALM is an opportunity for AA to gain another strong destination in New Mexico.

The community would very much appreciate the opportunity to discuss this further with AA.

Incentives & Risk Abatement

The community understands that any new market is a risk for AA.

As result, the community intends to seek a \$1 million grant under the U.S. DOT Small Community Air Service Grant Program (SCASD), along with a substantial local match, to provide a minimum revenue guarantee, based on two daily round trips flights to DFW, utilizing 50-seat jet airliners.

Next Steps

The community would appreciate a simple letter of recognition of their SCASD application – with no implied commitments – to support the ALM proposal.

In addition, the community stands by and would be very appreciative of allowing it to present its case to AA on-site at AA headquarters. We believe that a 30-40 minute face-to-face discussion would be of value to both the community and AA.

Status of RJ Service for Alamogordo

For Members of MainGate United

20 November 2018

Q: Why would we want RJ service in Alamogordo

A: RJ service to and from our local airport will be one of the greatest economic development projects ever accomplished in Alamogordo. Throughout history, all cities were built on transportation nodes, such as sea, river and lake ports. Alamogordo grew around a railroad “port”. Today, an airport is the most important transportation center for a thriving community.

Q: Las Cruces is much larger than Alamogordo. Why doesn't it have RJ service?

A: Because it is too close to El Paso, which isn't a hub but serves as their origination airport for airline travel. The same can be said for Rio Rancho, which uses Albuquerque. In fact, Alamogordo is the only city in New Mexico without airline service that can build a case for economically-viable, self-sustaining RJ flight operations. This is due to two factors: it is far enough from a city with airline service and has the appropriate amount of already-existing airline passengers.

Q: What is a Regional Jet?

A: Regional Jets (RJs) have two jet engines, two pilots and come in various sizes between 50 and 100 passengers. They are not “puddle jumpers” but typically fly routes of 500 nm or more at speeds around 500 knots and altitudes above 30,000 feet - comparable to other jet engine commercial aircraft.

Q: What airlines fly RJs?

A: The three major US airlines (American, United and Delta) own some RJs but most are owned and operated by other smaller partner companies, painted in the color scheme of the major airline they are aligned with.

Q: How does international commercial air service work?

A: The majority of commercial airlines now use a “hub-and-spoke” system to link any two points on the planet through three flight segments. The first flight, often on an RJ, is to an international hub. The second flight is between two international hubs on large, long range aircraft such as B-747s. The third flight is from the second international hub to the final destination on a smaller aircraft such as an RJ.

Q: Isn't Southwest Airlines the largest US airline?

A: Yes, however, it flies almost exclusively in the US so isn't considered an international carrier. They use a modified hub-and-spoke system using only one model of aircraft, the Boeing 737. The 737, carries too many passengers (175) for our needs.

Q: What if I want to continue using Southwest for my air travel?

A: You will not be alone, for many reasons, and will have to continue driving to EL Paso for your domestic air travel.

Q: What infrastructure improvements are required at our local airport?

A: The Alamogordo-White Sands Regional Airport (ALM) needs a few minor upgrades in order to reach 135 Certification, an FFA requirement for RJ service. These are mostly striping, signage and documentation. They should be able to be accomplished on-time with available funds.

Q: How about the TSA?

A: The TSA will assign people and equipment to the ALM terminal to provide the security screening at no local cost. Some minor modifications (i.e. walls) will be required in the terminal.

Q: Who is heading this effort?

A: The MGU Quality of Life Team leads the effort with Baxter Pattillo, Lance Grace and Jeff Rabon as the POCs.. Mike Boyd of Boyd International has been hired by OCDEC as our airline consultant.

Q: How does Mike Boyd determine commercial airline volume in a particular area?

A: He used special data mining software to determine the extent of commercial air travel conducted by residents of the ALM “catchment area”, basically Otero and Lincoln counties. This hard data consists of all airline passengers’ originations, destinations and flight segments along with the residential zip codes of who purchased the tickets.

Q: So what has Mike Boyd determined from his research?

A: The local market consists of 138,000 enplanements per year. (An enplanement is basically a round-trip. Either all of the departing or all of the arriving passengers can be counted to come up with the total enplanements.) In order to have a commercially viable, non-subsidized RJ service operating out of ALM, we need to capture 55,000 of those enplanements or 37% of the market.

Q: Why would a major airline want to service Alamogordo?

A: For only one reason: To Make Money! The airlines are very interested in military travelling on official orders since they are higher priced refundable fares. Besides the high number of military traveling from Holloman, there are many additional military and DoD contractors flying into Holloman and WSMR for TDY. Much of the domestic airline travelers using Southwest into El Paso would switch over to the airline serving Alamogordo.

Q: Will the USAF use the service?

A: As long as the RJ service provides a single ticket for the entire trip (limiting the options to the big three – American, United or Delta), all official military travel from Holloman will be required to fly out of ALM. This will fill a significant portion of the enplanements required for a successful operation.

Q: Haven't we had airlines servicing ALM like this in the past?

A: No. Prior to 1978 when the airlines were deregulated, they flew point-to-point and several airlines serviced ALM. After 1978, ALM had a series of heavily-subsidized airlines using small turbo-prop aircraft. This Essential Air Service (EAS) was rarely used since it went to ELP or ABQ, neither being a hub. In addition, the EAS companies weren't aligned with the major airlines requiring passengers to retrieve and transfer their bags to the next airline. None of the EAS companies ever ran a commercially-viable operation and since the flights normally flew empty, the EAS funding was withdrawn a number of years ago.

Q: Will the community have to subsidize the RJ operation?

A: In the short term, possibly. In the long term, no. One thing that the local community has to do is fund a guarantee pool to make sure that the airline makes money on the service. If the service works right, that pool will never be touched. If the service doesn't work as expected, it should be cancelled well before a significant amount of funds have been used. We are expecting the service to work and not require supplemental operating funds.

Q: How much more will the tickets cost?

A: Since fares are based on mileage between the origination and destination, there should be little to no difference in ticket price than if you were to fly out of El Paso on the same airline.

Q: What are the possible destination hubs?

A: Dallas, Houston, Denver, Phoenix or Los Angeles. Traditionally, 85% of USAF travel goes eastbound. Therefore, either Dallas or Houston will most likely be the destination hub for our initial flights.

Q: When will RJ service begin?

If the airline decides to proceed on, it will take at least 4 months before the operations begin.

Q: What will be the flight schedule?

A: That is still to be determined but there will be two or three flights on most or all days of the week to their hub.

Q: We tried this a few years ago and got nowhere. Why do you expect anything different this time?

A: It's all about timing. Five years ago, two major events occurred as we worked this issue. First, the FAA increased the flight hour requirement for co-pilots from 500 to 1500 hours. That caused an incredible lack of pilots which has only now been partially resolved. Next, the DOJ sued American Airlines and US Airways over their merger which put a hold on everything for a few years. About the time the service would have begun, the DC political situation which caused the departure of the F-22s also put sequestration in place which severely limited military TDYs. That might have doomed the program. Those issues are in the past and the timing is now right to move forward.

Q: Why haven't I heard much about this around town?

A: Because it is too soon to begin spreading the word about something that we don't know will happen. However, the word is starting to get out. For that reason, this white paper presents the pertinent facts as they are at this time. Please use this paper to correct any wrong information that you may hear being spread about.

Q: When should we start actively spreading the word?

A: We will most definitely let you know because that is something that will be essential for this service to achieve success! We will have extensive marketing when the time is right.

Thanks for reading this white paper.

If you have additional questions or comments, please contact one of the following:

Baxter Pattillo	(575) 491-3809	baxter@mpm.email
Lance Grace	(575) 491-4260	LanceCGrace@gmail.com
Jeff Rabon	(575) 430-6171	JeffRabon@MesaVerdeInc.com

To: Dara Parker – Office of Senator Heinrich

From: Michael Boyd - On Behalf of Alamogordo

RE: Need for Part 139 Designation At Alamogordo

Date: June 25, 2019

PART 139 – Description

Part 139 is an FAA regulation covering the necessary capabilities and facilities for an airport to accept and handle commercial scheduled and/or non-scheduled flights.

There are four sub-classifications within Part 139, which determine the type of aircraft and service that can be handled at the airport. The sub-classification pertinent to Alamogordo is “Class 1” which allows operations of “large” scheduled passenger aircraft, which are defined as 31 seats and larger.

The Need Regarding Alamogordo

Alamogordo (ALM) today has no scheduled air service. The community and region’s geographic location isolates it from true access to the global air transportation system, requiring essentially a three and one half to four-hour ground trip to El Paso International Airport, including the time needed to accommodate potential travel issues as well as to account for security and processing there.

The critical industries in the Alamogordo region – military and defense – are highly travel-centric. The lack of local air service access not only inflicts extreme costs on the taxpayer, but also material inefficiencies on our military, which now has no alternatives.

Unlike many rural communities where the local airport has no scheduled service, *Alamogordo actually has the traffic demand to support connective, major airline brand service to a major airline connecting hub.*

The community has met with American Airlines, which was impressed with the revenue and market opportunities ALM represents for their system, focused on flights to their global connecting hub at Dallas/Ft. Worth International Airport.

The Need For A Small Community Air Service Grant To Support Service Entry

American Airlines indicated that if ALM applied for funding to incubate such service, via a grant under the Small Community Air Service Development Grand Program (“SCASD”) they would be willing to express their support for the community’s grant application. This is not a commitment or guarantee, but an expression of support for ALM, and that the airline would further investigate service should the grant be awarded.

As a matter of reality, the DOT is reticent (read: won’t) to award a SCASD grant to support new air service, without the presence of an airline’s interest.

During and subsequent to these interactions, the carrier made clear, however, that to provide such expression of support, Alamogordo Airport would need to be certificated as a Part 139, Class 1 airport. Their point was that there would be no reason to support a grant application for an airport where the airline could not operate.

It is clear to the community and the airport, however, that indicating to the Department of Transportation in the SCASD application that this is American’s position, and that the community is proceeding at due pace to attain the necessary Part 139 certification, constitutes interest on the part of the carrier. However, the airline has

made clear that at this time they cannot “express interest” in form of a letter to the DOT because they have no assurance that the Part 139 certification will be accomplished.

The FAA Intransigence Regarding Part 139 Certification

The regional Federal Aviation Administration has essentially blocked any move toward ALM attaining the necessary Part 139 certification.

They are doing so by insisting that the airport provide written proof that an airline has intent to operate at ALM before they will move forward. On the other hand, without the Part 139 certification, there is no airline that will make such a commitment.

Clearly, the FAA does not want to go to the expense of a -139 certification, without the airport proving that it is “necessary” – with that being defined as having an airline providing an indication of interest.

That specific “necessity” is arbitrary and completely contrary to the aviation needs of New Mexico. The point is that, a) an airline will show interest if the process is completed, and b) the value and the economic impact of a Part-139 goes well beyond just scheduled passenger service.

The fact is that today, having ALM as a non Part-139 airport – regardless of passenger airline interest – is a material detriment to the economy of the region. Part-139 classes 1, 2, and 4 allow the airport to accept large air carrier aircraft – defined as those with more than 30 seats.

The nature of air traffic demand generated by the airbase and White Sands is today hampered by the inability of the local airport to handle any air carrier operations – scheduled or non-scheduled. The Part-139 certification would allow additional aviation access to utilize ALM.

Part-139 Certification of ALM Is Needed For The Economy of New Mexico

As noted, Part-139 certification will allow ALM to attract not only scheduled passenger service – as indicated by the feedback from American Airlines – but charter movements as well in support of the local industry base.

At the risk of being indelicate, this situation represents the most significant new air access potential for New Mexico in years.

Airport	Code	CLASS	Scheduled Service
Albuquerque In'tl	ABQ	I	Yes
Carlsbad	CNM	II	Low Connectivity, 6-8 Seat Turboprops
Clovis	CVN	III	Low Connectivity, 6-8 Seat Turboprops
Farmington	FMN	III	None - Low Potential Due Durango
Silver City	SVC	III	Low Connectivity, 6-8 Seat Turboprops
Las Cruces	LRU	IV	None - Low Potential Due El Paso
Hobbs	HOB	I	Strong - United - Houston Hub
Roswell	ROW	I	Strong - AA- Phoenix & DFW
Sante Fe	SAF	I	Strong - AA- -Phoenix... United - Denver
Sierra Blanca	SRR	IV	None - Low Potential

There are now just ten Part-139 airports in the state, four of which have no scheduled air service, and very little (or no) chance of attracting same. Three others effectively have service that essentially has low value and

usage by consumers, being operated mostly by subsidized single-engine 6-8 seat airplanes and with very limited connectivity to the four major U.S. network airlines – American, United, Delta and Southwest.

Outside of Albuquerque, only three New Mexico airports have scheduled passenger service that connects the communities to and from the rest of the globe.

The addition of American Airlines service at Alamogordo would raise this to four, and deliver new global access for an entire region of the state. While this is currently based on discussions of interest with American, one thing is very certain: without the Part 139 certification, ALM will not have any chance of scheduled passenger air service, or unscheduled/charter flights, either. Without the part 139 certification, Alamogordo will be a secondary airport that cannot fully accommodate future aviation growth, with or without scheduled airline service.

Conclusions

1. The FAA's position in demanding that ALM first have a letter of interest and commitment from an airline before the -139 process can begin is ***not supported as a full requirement in the Part 139 regulation.***
2. There is a pressing need for viable, connective air service in the region served by ALM.
3. More importantly, there is sufficient demand – inbound and outbound – to support at least two American Airlines 50-seat airliners, accessing that carrier's global connecting hub at Dallas-Ft. Worth International Airport.
4. The addition of ALM as an access point to/from New Mexico would be a major economic impact for the region.

We believe that if we can gain support of the FAA for this certification, globally-connective air service is possible for Alamogordo. But even beyond that, the Part-139 certification is necessary to assure that Alamogordo Airport can meet aviation needs in the future.



MainGate United
Alamogordo Chamber of Commerce
1301 N White Sands Blvd
Alamogordo, NM 88310

To: Jean Gamarra, MSCE, EIT
Southwest Region ASW-640 LA/NM Airports District Office
10101 Hillwood Parkway
Fort Worth, TX 76177

Mr. Gamarra,

The project to bring regional jet service to Alamogordo, New Mexico began shortly after the formation of MainGate United, a subset of the Alamogordo Chamber of Commerce in the summer of 2018. The intention of this organization is to improve the quality of life for the servicemen and women at Holloman Air Force Base, along with the surrounding community of Otero County. The excitement for this project has been both plentiful and mitigated (for expectation management purposes) as we navigate the process. Below is a brief history of the project with what has been done, and what remains on the horizon.

- In July of 2018, on behalf of MainGate, Jeff Rabon, Lance Grace, and Baxter Pattillo gave a presentation to the Otero County Economic Development Council on the necessary steps required to obtain regional jet service. The OCEDC board voted to appropriate around \$25,000 to pay Mike Boyd of Boyd Group International for consulting services with navigating the process with the FAA, state and local government, and preferred major airline carriers.
- On August 2018, Jeff Rabon and Baxter Pattillo traveled to Denver to attend the International Aviation Forecast Summit hosted by Boyd Group International with the intention of acquainting ourselves with our consultant. During the summit, Mike Boyd expressed his interest and optimism for our project.
- The first step of Mike Boyd's process was to compile enplanement information from our catchment area, which is summarized as follows:
 - Catchment area includes Otero and Lincoln counties, along with White Sands Missile Range and Holloman Air Force Base

- This information was retrieved from data mining software used in the aviation industry that gauges travel to and from an area based off of purchased ticket information from the zip code it came from
- Per Mike Boyd's suggestion, with over 40 years of industry experience, that the best fit would be a twice-a-day flight to DFW with American Airlines
- Boyd Group International conservatively estimated that the ALM catchment area was capable of generating 138,000 flights per year, origin and destination and suggested pattern of two daily 50-seat nonstop to DFW
- After completion of the market forecast study, a meeting was scheduled for January 29, 2019 at American Airlines Headquarters in Fort Worth, TX to discuss the project and gauge American's interest. Those in attendance were Mike Boyd, Lance Grace, Jeff Rabon, and Baxter Pattillo representing Alamogordo. On American's side was Dale Morris, Senior Consultant/Government Affairs along with two officers from their network planning office. After the presentation of our materials, we had verbal confirmation that American Airlines was interested in capturing market share and that they would be sending a letter of support to help facilitate the process.
- While waiting for the letter to arrive, Jeff Rabon, Lance Grace, Jim Talbert (ALM Manager), and Baxter Pattillo attended the New Mexico Aviation Conference in Ruidoso on May 9, 2019 to gather strategy information from Scott Stark, Director of Roswell International Air Center. Information was provided on how Roswell went about obtaining regional jet service with American Airlines, and what Stark would have done differently in the beginning stages.
- On May 14, 2019, Mike Boyd emailed the ALM RJ team and stated that Dale Morris of American Airlines told him that we should be receiving the letter shortly.
- On May 20, 2019, Mike Boyd called the ALM RJ team and informed the group that American Airlines had rescinded their letter due to ALM not being an FAA Part 139 airport.
- On May 28, 2019, Jeff Rabon, Lance Grace, Baxter Pattillo and GB Oliver, Director of Alamogordo Chamber of Commerce, met with Brian Cesar, Alamogordo City Manager and Petria Schreiber, Alamogordo City Attorney, to discuss bringing the project in front of City Council and request a vote to enact appropriating funds from the Hold Harmless GRT to cover costs of obtaining FAA Part 139, provide at least a 20% match for the Small Community Air Service Development Grant, and fund the guarantee pool required by American Airlines. Our impression from individual conversations with City Commission members prior to this meeting and conversations during the meeting with the City Manager and Attorney indicated that there is strong support for this project and instructions were given on how best to approach the commission.
- On May 29, 2019, Jim Talbert sent a letter to Jean Gamarra of the FAA requesting a courtesy Part 139 inspection to learn what upgrades were necessary to obtain the status.

That same day, Jean Gamarra replied stating that we would need to submit a letter of intent from the air carrier, along with the proposed route and some safety information.

So as you can see, we're a little stuck at the moment and are in need of guidance.

Going forward, we will need to do the following:

- Gain revised letter of support from American Airlines
- Obtain Part 139 status with the FAA for ALM
- Present this project to the Alamogordo City Commission and convince them to vote for enacting the Hold Harmless GRT to fund the guarantee pool
- Apply for and win the SCASD grant
- Approach American Airlines again once fully funded and with 139 status in place
- Unleash the marketing campaign on the business community and start flying!

Please let us know how best to proceed with our initiative. We as a municipality, including Holloman Air Force and White Sands Missile Range, are very eager to supply a much-needed demand.

We look forward to speaking with you.

My best,

R Baxter Pattillo
MainGate United | Quality of Life Team Leader

The International Commercial Air Transportation System

How It Operates

All three of the major U.S. passenger airlines that offer both domestic and international travel (American, United and Delta), use a hub-and-spoke network to route their plane traffic. The words "hub" and "spoke" create a pretty vivid image of how this system works. A hub is a central airport that flights are routed through and spokes are the routes that planes take out of the hub airport.

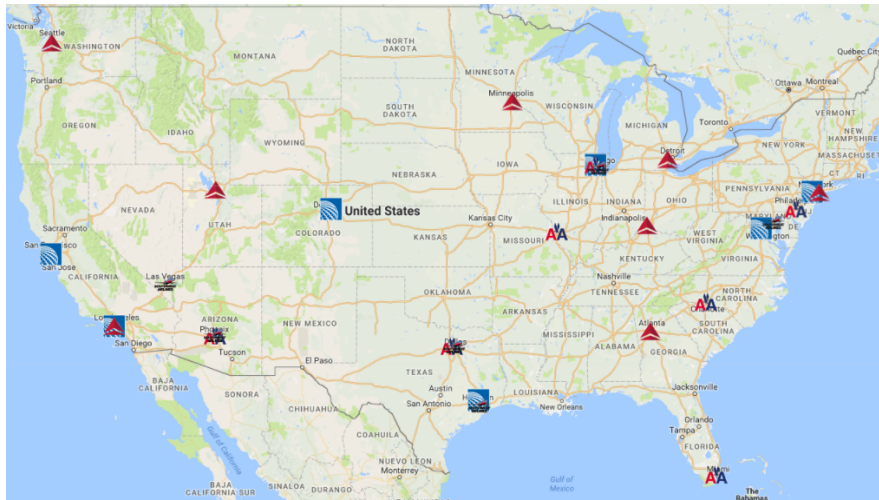


Figure 1: US Hub Airports

The purpose of the hub-and-spoke system is to save airlines money and give passengers better routes to destinations. Hubs are used by airlines to concentrate passenger traffic and flight operations at a given airport. They serve as transfer points to get passengers to their final destination. Regional examples of hubs include Houston, Dallas/Ft Worth, Denver and Phoenix. An airline operates flights from several non-hub (spoke) cities to the hub airport and passengers traveling between spoke cities need to connect through the hub. Nearby examples of spokes include El Paso and Albuquerque. This paradigm creates economies of scale that allow an airline to serve cities that could otherwise not be economically served on a non-stop basis.

For the passenger, the hub-and-spoke system offers one-stop air service to a wide array of destinations. With just one stop, passengers have access to hundreds of domestic and international destinations while enjoying a hassle-free travel experience. And with only two stops, a passenger can get to an airport most anywhere on the planet.

Southwest Airlines is one of the exceptions to the hub-and-spoke network system. It uses the old-fashioned point-to-point system, hauling people short distances with few connecting flights. They do offer a few non-stop flights on longer routes. It's point-to-point system provides a more direct route than a hub-and-spoke airline can offer but does not serve as many domestic locations and essentially no-international service.

The Past History of Commercial Air Service in Alamogordo

The hub-and-spoke system became the norm for most major airline companies after the U.S. federal government deregulated the airlines in 1978. Under the direct-route, or point-to-point, system used prior to deregulation, airlines were forced by the federal government through the Civil Aeronautics Board, to fly directly between two small markets. This resulted in many flights that were routinely half empty, which resulted in airlines losing money. Several airlines, such as Continental and Frontier, served Alamogordo with mid-sized propeller powered aircraft prior to deregulation.

The Essential Air Service (EAS) program was created in 1978 to subsidize airlines to serve communities across the country that otherwise would not receive scheduled air service. It was enacted to guarantee that small communities in the United States, which, before deregulation, were served by certificated airlines, continue commercial service. Its aim was to maintain a minimal level of scheduled air service to these communities that otherwise would not be profitable. Alamogordo was one of the many communities served by the EAS program after deregulation.

Critics question the economic efficiency of EAS service. Patronage on many flights is very low. The majority of EAS airplanes have fewer than 20 seats and flights typically are less than half full. However, the program is politically popular in the cities receiving the subsidized flights, many of which use an airport with scheduled service as a selling point to attract industry to their regions. Several subsidized airports are even within an hour's drive from an unsubsidized airport.

This type of commercial air service operated out of Alamogordo for more than 30 years. It was conducted by a variety of small companies using small propeller aircraft. Like many EAS operations, it was highly subsidized since it was seldom used. The service never went to a hub and therefore wasn't really part of the air transport system. In addition, it wasn't linked to a major airline requiring travelers to purchase multiple tickets and transfer their own bags. It was rarely used by the military and was only convenient for a few individuals who conducted business in northern New Mexico. In 2011, the last year before it was finally terminated, it averaged .81 passengers per trip at a subsidized cost of \$1400 per flight. The critics were right!

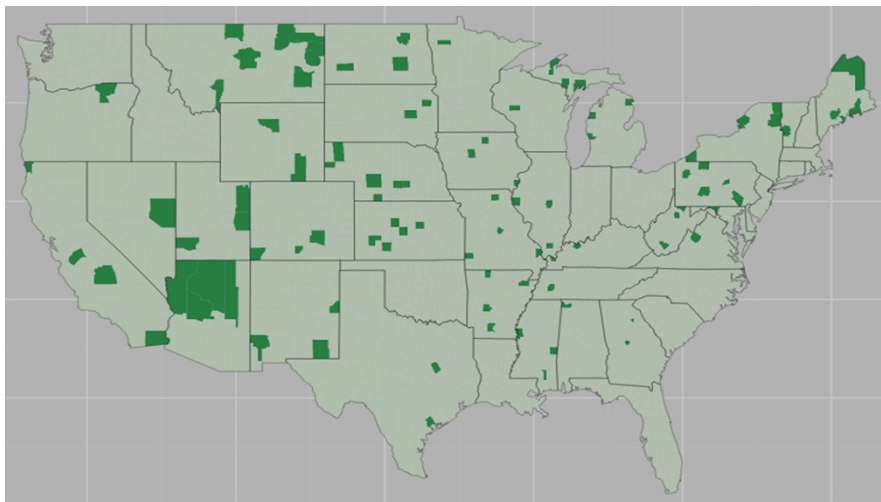


Figure 2: Communities with Subsidized Essential Air Service (EAS)

The Department of Transportation currently subsidizes air carriers to serve approximately 60 communities in Alaska and 115 communities in the lower 48 that otherwise would not receive any scheduled air service. Three of these are in New Mexico: Carlsbad, Clovis and Silver City.

		Destinations	Company	Aircraft	Subsidy	
Carlsbad	Cavern City Air Terminal	Albuquerque (ABQ) Dallas/Fort Worth (DFW)	Boutique Air	Pilatus PC-12/9	\$2,981,576 (year 1)	May 31, 19
					\$3,041,207 (year 2)	
Clovis	Clovis Municipal Airport	Dallas/Fort Worth (DFW)	Boutique Air	Pilatus PC-12/9	\$3,184,393	Jul 31, 18
Silver City Hurley / Deming	Grant County Airport	Albuquerque (ABQ) Phoenix (PHX)	Boutique Air	Pilatus PC-12/9	\$3,285,885 (year 1)	Dec 31, 18
					\$3,368,032 (year 2)	

The Future of Commercial Air Service in Alamogordo

Currently, airline passengers from our area use one of the closest “spoke” airports, El Paso or Albuquerque, to enter the air transport system by flying from there to a “hub” airport. With the advent of local Regional Jet service, Alamogordo would become another “spoke” city by flying passengers on high-speed RJs to a “hub” airport where they would transfer to another aircraft to fly to their final destination. This type of commercial airline service has never existed in Alamogordo! It will provide significant benefits to the travelling public and make our region more attractive for investors, companies and individuals looking to relocate.

Trip to DFW for RJ Discussion with American Airlines
29 Jan 2019

Lance Grace - MGU
Jeff Rabon - MGU
Baxter Pattillo - MGU
Mike Boyd - Boyd International (Consultant) (Paid for by OCDEC)

Phillippe Puech - Domestic Network Planning Manager
Margaret Muir - Manager, Domestic Planning / Network & Schedule Planning
Dale Morris - Consultant, Special Projects

Briefing consisted of:

HMN & WSMR – 15-20 minutes	- Lance
What to do around Alamogordo	- Baxter
Airport	- Jeff

The 6 P's. Fast moving, well prepared and all factual.

AA doing well

- Reinvesting
- Expanding Dallas – Need traffic
- “East West” – What they need
- 135/145 (Smaller RJs) will not disappear

Phillipe will provide a letter of interest

- Required for successful DOT grant
- Required to get FAA to come to ALM for a 139 Certification survey

“We know where Alamogordo is now”

Post meeting comments from Mike Boyd:

“Been doing this since 1984 and that was the most positive outcome of this kind of meeting that I have ever experienced.”

“They were looking at the military activity in terms of flights which equate to dollars.”

The ball is now in our court. It is up to this community to determine whether we get this or not.

We will be getting together to strategize on the path forward.

From: [Jeffrey G Rabon](#)
To: [Baxter Pattillo](#)
Subject: Fwd: FAA entitlement
Date: Tuesday, July 30, 2019 10:44:33 AM
Attachments: [image002.png](#)
[image003.png](#)

Sent from my iPad

Begin forwarded message:

From: James Talbert <jtalbert@ci.alamogordo.nm.us>
Date: August 22, 2018 at 9:05:11 AM MDT
To: Jeff Rabon <jeffrabon@icloud.com>
Subject: Fw: FAA entitlement

Jeff,

I hope this will answer your question on the million dollar entitlement.

Jim

I would probably direct them to the AIP Handbook (FAA Order 5100.38). Below is a screen shot of the section that I believe answers the question. If not, let me know.



Best regards,

John E. Michener

Assistant Manager, LA/NM Airports District Office

FAA, ASW-640

10101 Hillwood Parkway

Fort Worth, TX 76177

(817) 222-5010, FAX (817) 222-5988

From: Moran, Dan, NMDOT <Dan.Moran@state.nm.us>

Sent: Friday, August 17, 2018 12:44 PM

To: Michener, John (FAA) <John.Michener@faa.gov>

Subject: FW: FAA entiletement

Good Afternoon John,

Do you know where to find guidance regarding Jim's question?

Thanks,

Daniel R. Moran

NMDOT Aviation Division

PO Box 9830

Albuquerque, NM 87119

(505) 244-1788 ext 9112 - Office

(505) 699-5462 - Cell

dan.moran@state.nm.us



The advantage in any arena of life, is earned far in advance of the moment one is required to perform. – Andy Andrews

From: James Talbert <jtalbert@ci.alamogordo.nm.us>
Sent: Friday, August 17, 2018 10:26 AM
To: Moran, Dan, NMDOT <Dan.Moran@state.nm.us>
Subject: FAA entitlement

Dan,

Where is it written that when an airport passes 10,000 enplanements the entitlements go to a million dollars?

Thanks

Jim



New Mexico State Senate

State Capitol
Santa Fe

COMMITTEES:

MEMBER:
• Judiciary
• Public Affairs

SENATOR RON GRIGGS

R-Doña Ana, Eddy & Otero-34

2704 Birdie Loop
Alamogordo, NM 88310

(575) 439-1331

E-mail: ron.griggs@nmlegis.gov

July 22, 2019

Mr. Bob Patillo, Chair
MainGate United
c/o Alamogordo Chamber of Commerce
1301 N. White Sands Blvd.
Alamogordo, New Mexico 88310

RE: Commercial air service

Dear Mr. Patillo –

Commercial air service for the citizens of Alamogordo and the surrounding area has been worked on for many years going back to the time I spent on the city commission and I am sure even further. The restrictions that went along with the EAS subsidy kept us from looking into Dallas or Phoenix and limited our options to Albuquerque. While we did attract carriers on three separate occasions, none of them really worked out because travel to Albuquerque was not what the citizens wanted or really needed.

I am pleased that MainGate is working toward bringing regional air service back to Alamogordo. I understand there are a lot of moving parts and I hope you and the City of Alamogordo can make it work. I support the effort.

Very truly yours,

Ron Griggs
NM State Senator



New Mexico State Senate

State Capitol
Santa Fe

COMMITTEES:

MEMBER:
Finance

SENATOR WILLIAM F. BURT

R-Chaves, Lincoln & Otero-33

Office: 501 S. Florida Ave.
Mailing: P.O. Box 1848
Alamogordo, NM 88311

Home: (575) 434-6140
Cell: (575) 439-9439
E-mail: bill.burt@nmlegis.gov

July 30, 2019

To Whom It May Concern:

I am writing this letter to support for Regional Air Service based in Alamogordo, NM. I have lived in Alamogordo for over 30 years. I am a business owner, Vice Chair of the Bank 34 Board of Directors and a State Senator.

There are several reasons why Alamogordo should have regional service. First, Holloman Air Force Base. Holloman is the premier pilot training base in the United States Air Force. Military and support personnel are constantly traveling in and out of our area. Each year, they produce 160 F-16 pilots and over 700 remotely piloted aircraft pilots and sensor operators. Holloman hosts over 20 tenant units. Every unit on base has a constant flow of personnel and supporting contract workers. Holloman supports over 4,400 active duty personnel plus dependents. Also, there are over 2,000 civilian employees and contract workers.

Next, Otero and Lincoln counties are home to two beautiful resort communities. Ruidoso and Cloudcroft, New Mexico. These areas draw visitors from many states to specific attractions all year long. They come to see and experience White Sands National Monument, the New Mexico Museum of Space History, the Museum of the Horse, Bill the Kid Museum, and Fort Stanton State Park! Plus, visitors enjoy great attractions like the Inn of the Mountain Gods Resort and Casino, Ski Apache, Sunspot National Observatory, Lincoln National Forest, several beautiful 18 hole golf courses and more.

Also, please consider the area residents. Most have family and business activities outside our state. Many residents travel to Albuquerque, El Paso or Roswell to fly. Alamogordo Air Service would save area residents time and money.

I respectfully request every consideration be given to placing regional air service in Alamogordo, New Mexico. I am prepared to work with you locally and at the state level to assure the success of this service. Please feel free to contact me at any time. Best wishes and thank you for your consideration.

Respectfully,

Bill Burt

NM State Senate, District #33

Regional Jet Service to Alamogordo



11 February 2013

Proposed RJ Service

- **Regional Jets**
 - Approx 50 passenger (Embrear or Canadair)
 - Transition to 70 to 100 passenger RJs in a few years
- **Destination is a major international hub**
 - Dallas, Houston, Denver, Phoenix or Los Angeles
- **Aligned with a major airline company**
 - Most likely American or possibly United
 - Not Southwest
 - use point-to-point operations
 - no international connections
 - Boeing 737s carry too many passengers
- **Everything begins in Alamogordo**
 - Single ticket from start to finish
 - Bags checked to final destination
 - TSA security checks in terminal

Possible RJ Routes



American
United

Hubs: DAL, PHX & LAX
IAH, DEN & LAX

Average RJ Route: – 420 nm
– 596 nm

Regional Jet Service Survey

Conducted in January to March 2013

Apache Point	Bank 34	Ben Archer	Caldwell Banker
City of Alamo	Cloudcroft Schools	Community Ed Fair	DAR
Desert Sun	Eagle Ranch	1st National Bank	RJ Meeting Group
German Air Force	LEPC	Lowes (Bldg Mat)	Lowes (Grocery)
Mesa Verde	Morrison Supply	OCEC	OCFFA
Otero County	PNG-SAS-Zuni-GH	PreCheck	Sunspot
Counseling Center	The Lodge	US Air Force	USDA Forest Service
Cloudcroft Village	Vision Ford	Western Baking	

- **31 Groups**
- **672 Responses**
- **2759 Family Members (3.25% of market area)**

RJ Survey Questions

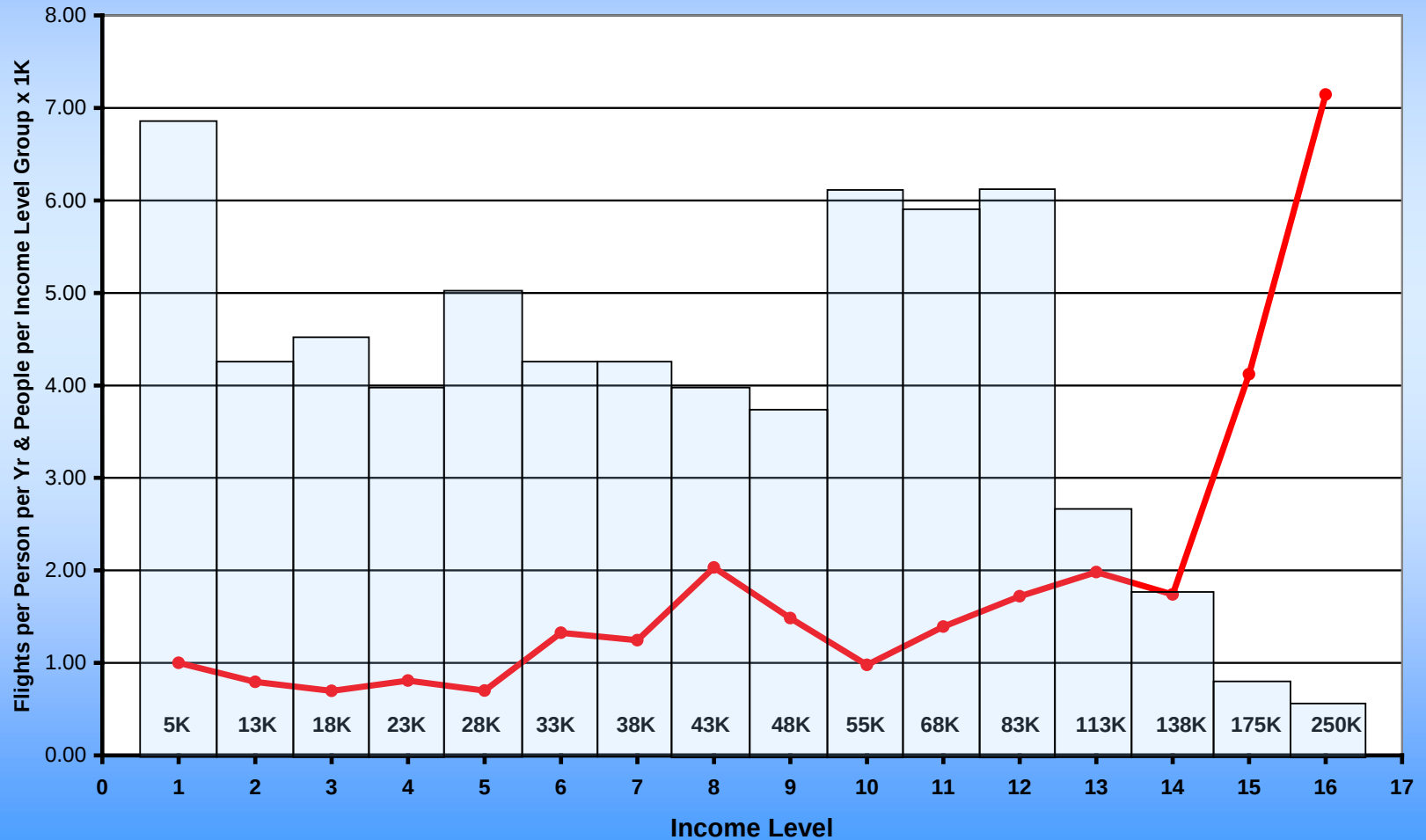
1. How many round-trip commercial airline trips do you and your local family members make each year?
2. How many of those airline trips were primarily for business?
3. How many of those airline trips were to locations outside of the United States?
4. How many members are in your local family?
5. How many families, friends or colleagues make airline trips to come visit you or your family each year?
6. **OPTIONAL:** What is your household income level?

	Household Income
1	\$0 to \$10K
2	\$10 to \$15K
3	\$15 to \$20K
4	\$20 to \$25K
5	\$25 to \$30K
6	\$30 to \$35K
7	\$35 to \$40K
8	\$40 to \$45K
9	\$45 to \$50K
10	\$50 to \$60K
11	\$60 to \$75K
12	\$75 to \$100K
13	\$100 to \$125K
14	\$125 to \$150K
15	\$150 to \$200K
16	above \$200K

Flying to Income Level

Correlation of Flying to Income Level

Sources: RJ Survey & 2010 US Census for Otero County County



Survey Results

Flights per Person per Year

Residents .59

Business 29%
Leisure 71%

Foreign 11%
Domestic 89%

Visitors .73

Flights from Market Area per Year

Residents 49,885

Business 14,200
Leisure 35,685

Foreign 5,330
Domestic 44,555

Visitors 61,824

Enplanements per Person per Year 1.32

Enplanements from Market Area per Year 111,709