



May 10, 2021

Mr. Joel Szabat
Deputy Assistant Secretary for Aviation and International Affairs
U.S. Department of Transportation
1200 New Jersey Ave. SE
Washington, D.C. 20590

Re: Response to Petition for Reconsideration of Order 2021-4-7
EAS at Pierre (PIR) and Watertown (ATY), South Dakota
Docket No. DOT-OST-2011-0138

Dear Sec. Szabat:

Denver Air Connection (DAC) submits this letter in response to the submissions by the Cities of Pierre and Watertown and SkyWest Airlines seeking an appeal and reconsideration of Order 2021-4-7 awarding the above-referenced contract to DAC. As a threshold issue, none of the submissions identify any matter of record that the Department decided in error as is required for reconsideration. As such, the submissions should be rejected. Instead, the submissions appear to simply reiterate, without more, their belief that SkyWest's proposal was superior. Moreover, while the submissions contain numerous inaccuracies, misrepresentations, and unfounded assumptions regarding DAC's proposal, they do not provide any rational explanation why the Department should agree to spend an additional \$7.7 million in overall subsidy over the two year term.

All proposals were thoroughly vetted, and the Department determined: 1) DAC's proposal met all selection of criteria except for the stated preference of the elected officials representing the users of the essential air service, 2) DAC's service level is reasonable, 3) DAC is reliable, fit, willing, and able to provide reliable service, and 4) DAC will connect the communities to the national air transportation system at a far lower cost than SkyWest. Congress has expressly authorized the Department to take such relative subsidy requirements into account in selecting an air carrier for EAS subsidized service and the Department did so in awarding this contract to DAC. The submissions do not identify any improprieties or errors in either the bidding or the Department's review process. Similarly, the submissions are silent as to the vast disparity in public cost between the competing bids. Rather, they rely on vague, unsupported assertions of "financial and operational risk" or other flawed arguments that do not provide a sufficient basis for reconsideration.

DAC has been providing safe, reliable, subsidized/at-risk and charter air service to such diverse communities as Riverton WY, Sheridan WY, Telluride CO, Grand Junction CO, Alliance NE, Clovis NM, and Thief River Falls MN for over 16 years. Additionally, DAC has been a preferred provider of NCAA tournament travel over the past 10 years. In 2020 DAC demonstrated an average on-time departure rating of 98.12% and an average on on-time arrival rating of 97.1% for all routes it serviced. Additionally, over the two-year span from 2019 through 2020 DAC had only 1 flight cancelled due to maintenance issues. In 2020 DAC posted an impressive 99.75% completion rate on all its passenger operations – including flight cancellations due to weather. DAC looks forward to providing that same level of service to Pierre and Watertown, SD.

In stark contrast, according to the Air Travel Consumer Report (April 2021 Ed.), SkyWest demonstrated on on-time arrival rate into Pierre of only 77.1% and an on-time departure rate of 83.3%. SkyWest's numbers for the Watertown route were even lower with an on-time arrival rating of 70.8% and an on-time departure rating of only 56.3%.

Finally, while SkyWest touts the importance of its connections through the United Airlines system, the PIR-DEN route schedule DAC is currently programming will offer Pierre 117 more quality UA connections per day than SkyWest provides (249 connections within 2 hours as opposed to SkyWest's 132 – a service improvement of 88%). The proposed times for Watertown will provide similar, if not better improvement.

Based on the foregoing, none of the petitions have established the requisite error necessary for reconsideration. At the same time, the statistical data establishes that DAC has demonstrated a more favorable performance record and will save more than \$7.7 million in federal funds. The contract was properly awarded based on established criteria and should not be revisited.

Thank you for your consideration in this matter.



Cliff Honeycutt
President / CEO
Denver Air Connection