

Application Under the Small Community
Air Service Development Program

Docket #: DOT-OST-2013-0120

Friedman Memorial Airport Hailey, Idaho



Legal sponsor: Friedman Memorial Airport Authority

Contact: Rick Baird, Airport Manager
Friedman Memorial Airport
PO Box 929
Hailey, Idaho 83333
(208) 788-4956
rick@flyfma.com





July 19, 2013

Ms. Brooke Chapman
Associate Director
Small Community Air Service Development Program
U.S. Department of Transportation
1200 New Jersey Ave, SE W86-310
Washington, DC 20590

**Subject: Small Community Air Service Development Program
Docket DOT-OST-2013-0120
Friedman Memorial Airport Authority, Hailey, Idaho**

Dear Ms. Chapman:

The Friedman Memorial Airport Authority's Small Community Air Service Development Program grant application is included with this letter. Friedman Memorial Airport Authority, City of Hailey, Blaine County and our private partners have proposed a Strategic Plan that will help connect the Sun Valley area to major airports in the eastern part of the United States, where we lack service today. The Sun Valley area currently has nonstop air service to Salt Lake City and seasonal service to Seattle and Los Angeles. This service is valued by the local community but it limits access to major US airports, particularly to the east. The lack of connectivity to the east and high airfares are major reasons why 72 percent of visitors and local passengers use other airports, with the majority driving 2.4 hours to Boise and is also why Sun Valley is not as frequently considered a vacation destination from some of these areas.

The Strategic Plan for adding air service to another hub has the support of area governments, Fly Sun Valley Alliance and major businesses that will benefit from this service. A comprehensive marketing plan has been designed to build this important market to a sustainable passenger revenue performance level.

The Wood River Valley area including Hailey, Ketchum, and Sun Valley is a world class winter and summer destination for outdoor enthusiasts. The area is served by nearby Friedman Memorial Airport. Insofar as Friedman Memorial Airport is the nearest commercial service airport to central Idaho, it also serves as the primary commercial air access to the Sawtooth National Recreation Area and the Frank Church River of No Return Wilderness – both are world renown and heavily accessed resources. The airport has operational limitations due to runway length, elevation, temperature and approach/departure requirements that have restricted the aircraft types and flight segment distances that can be operated at the airport. Recently, the FAA approved regional jet operations at SUN, dramatically increasing air service opportunities. Airlines

FRIEDMAN MEMORIAL AIRPORT

TEL 208.788.4956 / 208.788.9003 • FAX 208.788.9852 • WEB www.flyfma.com
MAIL P.O. Box 929 • STREET 1616 Airport Way • Hailey, ID 83333

that historically could not serve the airport can now operate regional jets to hubs, including Denver, providing connectivity to the eastern US.

The Friedman Memorial Airport Authority's application meets the Priority Selection Criteria outlined in the Order Soliciting Community Proposals:

1. Average fares consistently exceed other airports in the region forcing passengers to decide between high fare premiums for local service or long drives to other airports in the state.
2. The community is providing 25 percent (\$180,000) of the funding of the Strategic Plan in the form of cash and in-kind services; **25 percent (\$175,000) of the \$709,000 cash requirement is from non-airport revenue sources.**
3. The Friedman Memorial Airport Authority, Fly Sun Valley Alliance, Sun Valley Resort, and Sun Valley Marketing Alliance have formed a public-private partnership.
4. The DOT's assistance will provide material benefits to not only local residents but inbound visitors as well. Tourism is the economic backbone of the region and greater connectivity to the eastern US will create new opportunities for visitors to include Sun Valley when considering winter and summer travel plans.
5. The public-private partnership has developed a realistic timetable to achieve the goals of this proposal.

Our application also meets several of the Secondary Selection Criteria. This application has broad-based support from surrounding communities as demonstrated by our numerous support letters. The Wood River Valley community is committed and ready to support the service described in this application.

We appreciate the US Department of Transportation's understanding of the critical importance of commercial air service in smaller communities and look forward to working with you as you evaluate the merits of the Friedman Memorial Airport Authority's Small Community Air Service Development Program grant application.

Sincerely,



Ron Fairfax
Chairman
Friedman Memorial Airport Authority

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Section 1. Application Highlights

This section contains:

- Project goals
- Description of the Strategic Plan
- Highlights of the grant application



This Small Community Air Service Development Program (SCASDP) grant application for Friedman Memorial Airport (SUN) meets the criteria of Docket DOT-OST-2013-0120. Friedman Memorial Airport Authority, the grant sponsor, is requesting \$500,000 in federal assistance to implement a \$739,000 air service initiative. The goal of this project is to increase eastern connectivity through an additional nonstop hub providing much needed air service to key eastern airports not currently served through Salt Lake City such as Washington-Dulles (IAD), New York (LGA), Cleveland (CLE), Pittsburgh (PIT), Columbus (CMH) and others plus provide additional frequencies to current destinations as well as lower airfares to top eastern destinations. In 2002, the City of Hailey, ID on behalf of SUN received a SCASDP grant to help secure air service to Los Angeles that was successful and continues today. The proposed project's goals differ from the previous grant application and award.

Underserved Community

At an elevation of 5,317 feet with a single 7,550 foot runway, SUN is operationally challenged. The airfield is located in a valley with mountainous terrain on both sides of the runway. Historically, this has restrained SUN's air service opportunities. Current service is limited to 30-seat Embraer Brasilia 120 aircraft operated by SkyWest Airlines to Delta Air Lines' Salt Lake City hub and 76-seat Bombardier Q400 service operated by Horizon Air to Seattle and Los Angeles seasonally. Recently the FAA approved regional jet operations at SUN. This development has dramatically increased SUN's air service opportunities.

The Sun Valley area is isolated from alternate airports. Boise Airport, the nearest small hub airport, is 150-plus miles to the west or an estimated 2.4 hour drive in good weather conditions. The nearest medium or large hub airport is Salt Lake City, an estimated 285 miles distant or over a four-hour drive.

Service has been declining in the SUN market. Since 2003, SUN's seats have decreased by 53 percent with the loss of Boise and Oakland service and the significant reduction in annual departures to Los Angeles, Salt Lake City, and Seattle. Compared to other summer and winter resort destinations such as Aspen, Eagle/Vail, and Jackson Hole, SUN is significantly underserved with the number of available seats and nonstop destinations considerably lower than the other resort destinations putting the Sun Valley area at a serious disadvantage.



Cooperatively, the public-private partnership has a history of successful initiatives with broad support from the community.

Significantly Higher Fares

With limited air service, local residents and visitors are subject to significantly higher fares. Over the last five years, SUN's average fares have far exceeded other airports within the state of Idaho, the state average, region average, and national average. In 2012, SUN's one-way, domestic airfares exceeded the state of Idaho average by \$25, the Northwest region by \$34 and the US average by \$29. On a market-by-market basis, compared to Boise and Twin Falls, SUN's average fare differentials exceed \$100 one-way in four of the top 10 eastern markets compared to Boise and five of the top 10 markets compared to Twin Falls. Improved eastern connectivity will help to alleviate these high fares.

Community Involvement and Support

Friedman Memorial Airport Authority, the Fly Sun Valley Alliance, the Sun Valley Marketing Alliance and the Sun Valley Resort have formed a public-private partnership in support of this application. Cooperatively, these organizations have a history of successful initiatives with broad support from the community. To support this air service initiative, the Airport Authority and community will fund 32 percent of the proposed \$739,000 Strategic Plan. Non-airport revenue sources will fund 25 percent (\$175,000) of the \$709,000 cash requirement. This is a strong commitment by the local community to improve service to eastern destinations.

Demonstrated Ability to Implement Project

History indicates that the public-private partnership and local businesses have the ability to successfully implement this project. In 2002, with the help of a SCASDP grant, the community enticed Horizon Air/Alaska Airlines to enter the Los Angeles market. The service was successful, and Alaska continues to serve the market over a decade later. As shown, this partnership has been successful in past air service efforts and is dedicated to the success of this initiative.

Far Reaching Benefits

Due to the presence of Sun Valley Resort the economy of the Sun Valley/Wood River Valley is largely based on tourism. Tourism is the economic backbone of the region. The area is home to Sawtooth National Recreation area, Silver Creek (world-class fly fishing), and Craters of the Moon National Monument.

In addition to the travel requirements of the tourist industry, local businesses and residents need to be connected to the national air transportation system. Multiple global companies are headquartered in the Sun Valley area. These companies among others rely heavily on air service to SUN to conduct business. In addition, many local area residents commute by air to jobs outside the area.

Section 2. Air Service Environment

This section contains:

Description of the Sun Valley community in relation to air service



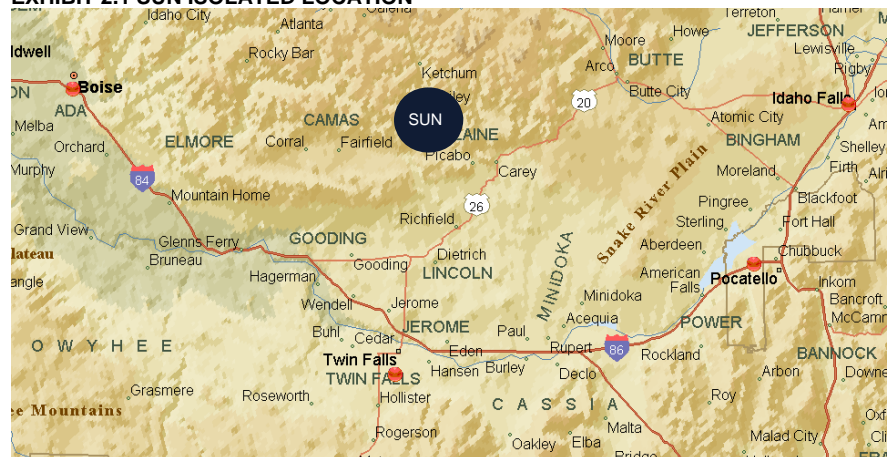
The Sun Valley area is a year-round, world-renowned destination for outdoor and cultural enthusiasts, with strong summer, fall and winter visitation. It is home to Sun Valley, the nation's first destination ski resort developed in 1936, and provides world-class skiing as well as numerous outdoor pursuits. This section demonstrates the community's economic dependence on commercial air service at the local airport.

Isolated Central Idaho Catchment Area

SUN is located in Hailey, Idaho, 12 miles south of Ketchum/Sun Valley. The counties of Camas and Blaine, Idaho are considered SUN's primary service area. **Exhibit 2.1** shows the geography of the Sun Valley area located in the Wood River Valley and encompasses a large portion of Central Idaho. The towns of Hailey and Bellevue lie 11 to 14 miles to the south of Sun Valley and are home to the majority of the residents of Blaine County. To the north lies the 750,000-acre Sawtooth National Recreation Area.

Within a 25-mile radius is a population of 21,990, increasing to 37,495 within a 50-mile radius (source: ESRI Business Analyst Online). The primary SUN user, however, are visitors with 60 percent of SUN passengers visiting the Sun Valley area. An additional 17 percent are second homeowners.

EXHIBIT 2.1 SUN ISOLATED LOCATION



Despite the shortage of service offered at SUN, Sun Valley area residents and tourists rely on it for commercial air service due to the long travel time to competing airports (as shown in **Table 2.1**, next page). The 151-mile drive to



Due to the presence of the Sun Valley Resort, the economy of the Sun Valley/Wood River Valley is largely based on tourism.

Boise Airport can take an estimated 2.4 hours to travel not considering poor winter travel conditions or congestion. Twin Falls' Magic Valley Regional Airport to/from the Sun Valley resort area takes around 1.6 hours to drive, irrespective of winter driving conditions. Pocatello and Idaho Falls' airports would each take 2.5 plus hours to access.

While Boise offers low-fare service by airlines such as Southwest Airlines and Allegiant Air, Boise is classified as a small hub airport and has limited service. The nearest medium or large hub airport is Salt Lake City, an estimated 285 miles distant or over a four-hour drive.

TABLE 2.1 DRIVE TIME TO ALTERNATE AIRPORTS

AIRPORT	RESORT AREA TO:	
	MILES	DRIVE TIME
SUN	12	0.3 hrs
Twin Falls (TWF)	97	1.6 hrs
Boise (BOI)	151	2.4 hrs
Idaho Falls (IDA)	156	2.5 hrs
Pocatello (PIH)	169	2.7 hrs

Considering drive distances, SUN is the only convenient connection for visitors and local outbound passengers to the national air transportation network. Convenient air access to this destination resort community is crucial for the health of its tourist-based economy and to local non-tourism global businesses.

Tourism - the Foundation of the Local Economy

Due to the presence of Sun Valley Resort the economy of the Sun Valley/Wood River Valley is largely based on tourism. Tourism is the economic backbone of the region. SUN provides access to all of central Idaho and is the gateway to the Sawtooth National Recreation area, Silver Creek (world-class fly fishing), Craters of the Moon National Monument, Salmon River area, and the Frank Church-River of No Return Wilderness area. Additional information on winter and summer tourism follows.

Winter Tourism

In the winter, the Sun Valley area offers world-class Alpine skiing on two mountains. We also offer world-class Nordic skiing and are an official US Olympic/Paralympic training site. The area offers ice skating, sleigh rides, snowshoeing, hot springs, snowmobiling, galleries, theatre, and more. Sun Valley was rated as the #7 US Ski Resort by SKI Magazine and was in the Top 10 Ski Resorts by Men's Fitness. Signature winter events include: Holiday Winter Wonderland in December, the Sun Valley Nordic Festival in February, and the Sun Valley Film Festival and Solfest in March.

Summer Tourism

In the summer, the Sun Valley area continues to offer unrivaled recreation. Visitors enjoy four golf courses, biking, hiking, climbing, whitewater rafting, fly fishing, horseback riding, and other outdoor recreation. In addition, the Sun



Valley area offers world-class arts and culture with summer performances of the Sun Valley Summer Symphony and top galleries, concerts, theatre and other events. The Sun Valley area has been named one of the Top 10 Adventure Towns by National Geo Adventure and one of the Top 75 Resort Golf Destinations by Golf Digest. Signature summer and fall events include:

- Sun Valley Summer Symphony
- Ride Sun Valley Bike Festival
- Sun Valley Summer Ice Show
- Sun Valley Writers Conference
- Sun Valley Arts Festival
- Sun Valley Wine Auction
- Sun Valley Harvest Festival
- Sun Valley Wellness Festival
- Wagon Days
- Trailing of the Sheep Festival

Local Global Business

In addition to the travel requirements of the tourist industry, local residents need to be connected to the national air transportation system. The Sun Valley area attracts a highly skilled and well educated labor force. There are a significant number of veteran rehabilitation facilities dependent on air service. In addition, multiple companies are headquartered in the Sun Valley area including:

- POWER Engineers is a global consulting, engineering firm with a world-wide client base and 33 US offices, three international offices, and 1,700 employees (200-plus in the Sun Valley area).
- Smith Sport Optics has 75 employees, with 40 employees that travel extensively. Their parent company, Fafilo, is the second largest optical company in the world and is based in Italy.
- Marketron is a market leader in media advertising software with six US offices, 120 employees (45 in the Sun Valley area) and an active, traveling sales force.
- Rocky Mountain Hardware is a high-end construction hardware manufacturer with 85 employees and a traveling sales force.
- Scott Sports is a top sporting hard-goods manufacturer (e.g. bikes, skis). They have four offices in the US with 125 total employees (55 in the Sun Valley area). They have a traveling sales force and a parent company located in Switzerland; however, the sales force will be relocating to Salt Lake City due to limited Sun Valley air service.
- ESS Eye Pro is the sole authorized issuer of eyewear to the US Marine Corp and a leading supplier to other branches of the Department of Defense and military/security personnel in more than 100 nations.

These companies, along with others and a variety of nationally-recognized organizations such as Higher Ground (Sun Valley's renowned Wounded Warrior program), rely heavily on SUN air service to conduct business.

Section 3. Air Service – Existing and Historical

This section contains:

- Description of existing air service
- Synopsis of historical air service
- Description of air service development efforts



This section provides an overview of the current and historical air service at SUN. Carriers providing service, service frequency, and destinations offered are included in the discussion. A summary of historical air service is also included. A description of air service development efforts concludes the section.

Existing Air Service

Given the seasonal nature of the Sun Valley tourism market, commercial air service including the number of departures and seats available per week and nonstop destinations fluctuate with the demand of the season. **Table 3.1** shows SUN's scheduled air service from January through December 2013.

In 2013, service will be provided to three nonstop markets including Los Angeles, Salt Lake City and Seattle. The Los Angeles and Seattle services, provided by Alaska Airlines with the 76-seat Bombardier Q400 turboprop aircraft, is provided seasonally with one roundtrip per day in the winter and summer seasons. Delta Connection operated by SkyWest Airlines provides annual service to Salt Lake City with the 30-seat Embraer Brasilia 120 turboprop aircraft. The Salt Lake City service fluctuates with seasonal demand with weekly departures almost doubling during July and August. In total, SUN's peak months are during the summer with 63 total departures and 2,534 seats in July and August. Air service tapers off during the low seasons at just 21 weekly departures and only 630 seats. Although SUN has been approved for regional jet operations, all service is currently operated with turboprop aircraft.

TABLE 3.1 EXISTING AIR SERVICE - AVERAGE WEEKLY DEPARTURES/SEATS

DESTINATION	AIRLINE	AIRCRAFT	ITEM	CY 2013								
				JAN/ FEB	MAR	APR/ MAY	JUN	JUL/ AUG	SEP	OCT	NOV	DEC
Los Angeles, CA	Alaska	Bombardier Q400	Dept	7	7			7	7			
			Seats	532	532			532	532			
Salt Lake City, UT	Delta	Embraer Brasilia 120	Dept	28	35	21	37	49	35	28	21	25
			Seats	840	1,050	630	1,110	1,470	1,050	840	630	750
Seattle, WA	Alaska	Bombardier Q400	Dept	7	7		3	7	7			
			Seats	532	532		228	532	532			
Average Weekly Departures				42	49	21	40	63	49	28	21	25
Average Weekly Seats				1,904	2,114	630	1,338	2,534	2,114	840	630	750

Source: Diio Mi; as of July 2013; outbound only



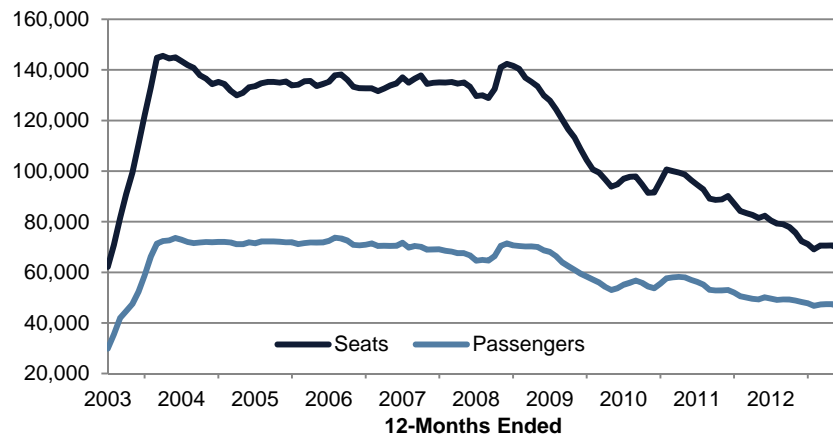
Historical Air Service

Air service at SUN has been declining over the last four years lessened somewhat by the use of revenue guarantees supported by the local community. This subsection summarizes SUN's air service history including: destinations, traffic levels, and service providers as well as obstacles to air travel demand.

Destinations, Service Providers, and Traffic Levels

Since 2003, passengers at SUN have fluctuated with the change in seating capacity (**Exhibit 3.1**). Onboard passengers peaked in 2005/2006 at over 73,000 dropping since then to less than 50,000 in 2012, representing a decrease of 37 percent. Seats peaked in 2003 and have since dropped by 53 percent.

EXHIBIT 3.1 HISTORICAL PASSENGERS AND SEATS



Source: Diio Mi

Table 3.2 displays SUN's total departures for the past 10 years by destination and airline. Total departures and seats peaked in 2003. The primary changes since 2003 is the loss of Boise and Oakland service and the significant reduction in annual departures to Los Angeles, Salt Lake City, and Seattle. Declining air service has a direct impact on tourism and the local economy.

TABLE 3.2 HISTORICAL DEPARTURES/SEATS BY DESTINATION AND AIRLINE

DESTINATION	AIRLINE	TOTAL DEPARTURES BY CALENDAR YEAR									
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Boise, ID	Alaska	145	0	9	65	5	0	24	178	2	0
Idaho Falls, ID	Alaska	0	0	0	0	0	107	69	0	0	0
Los Angeles, CA	Alaska	313	149	169	155	171	140	80	142	171	157
Oakland, CA	Alaska	9	76	86	82	96	71	0	0	0	0
Salt Lake City, UT	Delta	2,983	2,881	2,930	2,950	3,035	2,714	2,311	2,066	1,864	1,472
Seattle, WA	Alaska	346	326	324	285	271	300	153	134	176	176
Twin Falls, ID	Delta	115	181	185	116	64	66	23	0	0	0
Total Departures		3,909	3,612	3,701	3,652	3,641	3,397	2,659	2,520	2,212	1,805
Total Seats		144,947	133,155	134,376	134,667	133,340	129,913	94,740	96,446	82,362	69,430

Source: Diio Mi



In recognition of the importance of air service to the region, Fly Sun Valley Alliance was formed in 2008 to increase support for air service and have worked closely with the airlines serving SUN.

Extenuating Factors that have Affected Air Service

There are two primary factors which have affected SUN's air service. The first factor is that the Sun Valley market is primarily a discretionary travel market. It is a prominent summer and winter resort destination prized by leisure travelers and second home owners. Travel demand decreases significantly during the spring and fall shoulder seasons when travel is primarily business related.

The second factor impacting SUN's air service is the operational limitations of the airport. Runway length, elevation, temperature, and approach/departure requirements restrict the aircraft types and flight segment distances that can be operated at the airport without incurring unacceptable weight/capacity restrictions which in turn limits markets that can be served. Recently, Canadair Regional Jet 700 aircraft have been approved for operations at SUN and have significantly expanded the air service opportunities for the Sun Valley market.

Past Air Service Development Efforts

SUN provides local residents and businesses in the Wood River Valley with access to the national air transportation system and feeds the local tourism industry with visitors from all over the world. In recognition of the importance of air service to the region, Fly Sun Valley Alliance was formed in 2008 including members from the cities of Hailey, Ketchum, Sun Valley, Blaine County and major local businesses to increase support for air service. Members of the Alliance have worked closely with the airlines serving SUN. **Table 3.3** provides an overview of air service development efforts over the last five years.

TABLE 3.3 PAST AIR SERVICE DEVELOPMENT EFFORTS

YEAR	INITIATIVE	RESULT
2009	Horizon Air Headquarters Meeting	Completed
	SkyWest Airlines Headquarters Meeting	Completed
	Negotiated agreement with Horizon to retain service to Seattle in 2010	Completed
	Submitted SCASDP proposal	Unsuccessful
2010	Route Forecast - Frontier DEN	Completed
2011	Retention/Diversion Study	Completed
2012	SkyWest Airlines Headquarters Meeting	Completed
	Route Forecast - United DEN/SFO	Completed
	Retention/Diversion Study	Completed
	Airfare Monitoring	Completed
2013	United Airlines Headquarters Meeting	Completed
	Network USA 2013 (Met with Alaska, Delta, Seaport, SkyWest, United)	Completed

Section 4. Air Service Needs and Deficiencies

This section contains:

Description of the Sun Valley area's air service needs and deficiencies



The Air Service Needs and Deficiencies section identifies the issues at SUN that have stunted the growth of commercial air service to the community. This section provides a detailed analysis to demonstrate that the Sun Valley area is underserved, and the average airfares in this community are higher than other comparable communities.

Underserved Resort Destination

The Sun Valley area's visitors and residents do not have adequate commercial air service within an acceptable proximity. SUN's air service fluctuates considerably with seasonal demand and is significantly lower than other resort destinations. A high percentage of air travelers are forced to use alternate airports, primarily Boise Airport, a distant 150-plus miles away.

Comparison to Other Resort Destinations

SUN's air service has been limited to Delta Air Lines' turboprop service to its Salt Lake City hub, and Alaska Airlines' Los Angeles and Seattle turboprop service. Compared to other summer and winter resort destinations such as Aspen, Eagle/Vail, and Jackson Hole, SUN is significantly underserved. **Table 4.1** provides a comparison of air service provided at other resort communities. While the number of flights at SUN exceeds some of the other resort airports, the number of seats and nonstop destinations at SUN are significantly lower.

TABLE 4.1 COMPARISON OF AIR SERVICE AT RESORT AIRPORTS

RESORT AIRPORT	SCHEDULED CY 2012		
	FLIGHTS	SEATS	DESTINATIONS
Aspen, CO	5,195	345,526	6
Hayden, CO	1,812	165,733	8
Jackson Hole, WY	3,243	359,212	10
Montrose, CO	1,736	103,828	9
Sun Valley, ID	2,029	79,224	3
Vail/Eagle, CO	2,152	288,266	11

Source: Diio Mi

Until recently, SUN's airport limitations precluded consideration of similar services to other resort communities; however, with the approval of regional jet operations, the opportunity for the number of destinations and type of aircraft has been greatly improved. The air service support program funded through this grant application is critical to improving SUN's air service.

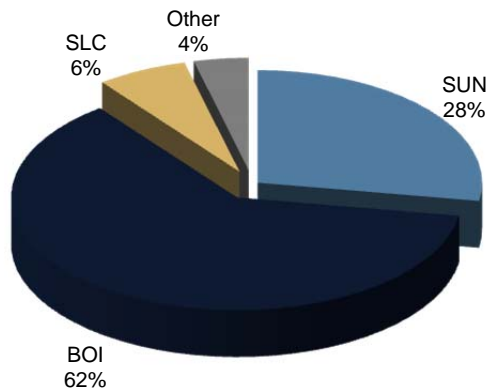
TABLE 4.2 SCHEDULED DEPARTURES BY PERIOD IN 2012

TIME PERIOD	DESTINATION/HUB			TOTAL FLIGHTS
	LAX	SEA	SLC	
Dec-Mar	103	103	570	776
Jun-Sep	87	106	662	855
Off-peak	0	0	398	398
Total	190	209	1,630	2,029

Source: Diño Mi

Significant Seasonal Reductions

SUN's flights are significantly reduced in off-peak months leaving the community with very limited air service. **Table 4.2** shows SUN's monthly flights in 2012. Departures in the off-season are almost half of the winter season departures and less than half of the summer season departures. This leaves a major gap in air service in several months of the year. Service to an additional hub could become year-round as the market matures.

EXHIBIT 4.1 SUN CATCHMENT AREA AIRPORT USE**High Diversion to Alternate Airports**

In 2012, SUN conducted a retention/diversion study to estimate the number of passengers using alternate airports. It was estimated that SUN has a passenger retention rate of 28 percent, with 72 percent driving to alternate airports (**Exhibit 4.1**). This equates to an estimated 368 passengers daily each way on the roadways due to inadequate local air service.

The majority of diverting passengers choose Boise and accept the almost 2.5 hour drive to access adequate air service. An additional six percent of SUN catchment area travelers use Salt Lake City, a drive of over four hours.

On a market-by-market basis, the highest diversion occurs in the eastern markets. **Table 4.3** shows the top 10 SUN catchment area eastern destinations. Denver is the second largest eastern destination and ranks as SUN's fifth overall largest market. The Denver hub could provide access to many of SUN's top eastern destinations and relieve the high diversion to alternate airports.

TABLE 4.3 SUN TOP 10 TRUE MARKETS

RANK	DESTINATION	ORIGIN AIRPORT %				PDEW
		SUN	BOI	SLC	OTHER	
1	New York, NY (JFK)	28	41	22	9	24.8
2	Denver, CO	15	75	5	5	18.8
3	Philadelphia, PA	10	75	9	6	10.0
4	Washington, DC (IAD)	9	79	3	10	9.8
5	Houston, TX (IAH)	11	65	22	2	8.9
6	Dallas, TX (DFW)	32	45	15	8	7.0
7	Boston, MA	46	44	5	5	6.2
8	Detroit, MI	12	55	14	19	6.1
9	Minneapolis, MN	25	71	1	3	5.3
10	New York, NY (LGA)	10	87	3	0	5.1
Total domestic		28	62	6	4	484
Total international		15	70	14	1	24.7
All markets		28	62	6	4	508.7



Excessive Airfares

Over the last five years, SUN's average fares have far exceeded other airports within the state of Idaho, the state average, region average, and national average. Shown in **Table 4.4**, in 2012, SUN's one-way, domestic airfares exceeded the state of Idaho average by \$25, the Northwest region by \$34 and the US average by \$29. Over the last 10 years, SUN's domestic airfares exceeded the state of Idaho in each year, ranging from \$25 to \$53 one-way. SUN's domestic fares have exceeded the Northwest region average fares by as much as \$48 one-way (2009).

TABLE 4.4 AVERAGE DOMESTIC AIRFARE (NON-DIRECTIONAL)

AIRPORT	AVERAGE DOMESTIC FARE										2012 SUN DIFF
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
SUN	\$151	\$159	\$168	\$195	\$182	\$193	\$190	\$181	\$189	\$205	
Boise, ID (BOI)	\$110	\$113	\$118	\$130	\$131	\$135	\$132	\$145	\$159	\$176	\$29
Idaho Falls, ID (IDA)	\$144	\$151	\$160	\$192	\$193	\$195	\$192	\$204	\$204	\$204	\$2
Lewiston, ID (LWS)	\$123	\$120	\$131	\$165	\$163	\$154	\$160	\$165	\$178	\$190	\$15
Pocatello, ID (PIH)	\$124	\$120	\$150	\$210	\$179	\$172	\$134	\$155	\$170	\$166	\$39
Twin Falls, ID (TWF)	\$128	\$127	\$154	\$208	\$174	\$145	\$132	\$124	\$115	\$166	\$39
Idaho	\$116	\$119	\$125	\$142	\$140	\$144	\$140	\$152	\$164	\$180	\$25
Northwest Region	\$133	\$133	\$140	\$151	\$151	\$155	\$141	\$155	\$166	\$172	\$34
United States	\$134	\$131	\$135	\$147	\$147	\$157	\$143	\$157	\$170	\$176	\$29

Source: Diio Mi

To further demonstrate the excessive fares in the SUN market, **Table 4.5** compares SUN's average fares in the top 10 eastern markets to the average fares for Boise and Twin Falls.

TABLE 4.5 AVERAGE FARE COMPARISON – ONE-WAY

SUN TOP 10 EASTERN MARKETS	AVERAGE FARE (\$)			SUN FARE VS. (\$)	
	SUN	BOI	TWF	BOI	TWF
New York, NY (JFK)	370	291	347	79	23
Denver, CO	179	149	137	30	42
Philadelphia, PA	407	237	278	170	129
Washington, DC (IAD)	382	245	186	137	196
Houston, TX (IAH)	331	230	178	100	153
Dallas, TX (DFW)	306	188	161	118	145
Boston, MA	339	267	266	72	73
Detroit, MI	308	257	197	51	111
Minneapolis, MN	251	230	213	21	39
New York, NY (LGA)	313	266	398	47	(86)
All domestic markets	205	176	166	29	39

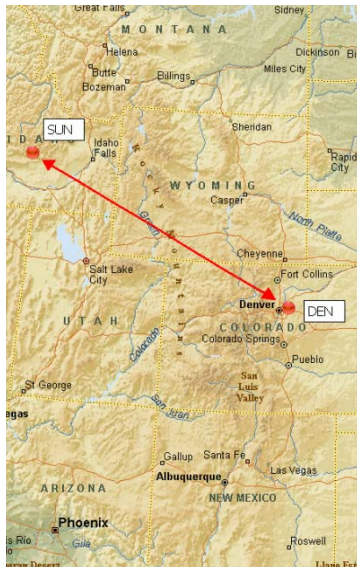
Source: Diio Mi

SUN's average one-way fares exceed Boise fares by \$100 or more in four of the top 10 markets and five of the top 10 markets when compared to Twin Falls. In markets such as Philadelphia and Washington Dulles, the one-way fare differential is almost \$200 more. Nonstop service with eastern connecting opportunities will provide more competition in the SUN market and lower airfares to SUN's top eastern destinations.

Section 5. Strategic Plan – Air Service

This section contains:

- A Strategic Plan for meeting the Sun Valley area's air service needs and deficiencies
- Alternate plan to meet the goal
- A discussion of how the new goal materially differs from SUN's previously awarded project



The previous section, *Air Service Needs and Deficiencies*, identified improved service and competition to eastern destinations as the Sun Valley area's primary air service need. This section establishes the project goal and lays out a plan for its achievement. An in-depth analysis of the proposed air service is summarized in this section along with an alternate plan. Because SUN participated in a prior grant award, a summary of the project and how the goals differed from this project is presented.

Project Goal

The goal of the Strategic Plan is to acquire nonstop service to a hub that significantly improves connections to eastern destinations adding key destinations not currently served via Salt Lake City. This goal will provide much needed additional capacity in the market as well as provide competition to eastern destinations thereby lowering airfares.

Proposed Air Service

The most beneficial hub service to provide improved eastern connectivity is United Airlines' hub at Denver. United has the type of aircraft that could serve the SUN market and provides nonstop service to 118 domestic markets and 13 international markets from Denver. Denver is also the second largest eastern destination for Sun Valley area travelers and the fifth largest overall market. The proposed service has been discussed with United and **United has provided a letter of support for this Strategic Plan** (refer to *Appendix A*).

Detailed Market Analysis

A detailed market analysis has been completed for United service to Denver International Airport. Key points of the analysis are described below. Projections were completed for a one roundtrip schedule on a 66-seat Canadair Regional Jet 700 aircraft. With the seasonality of the SUN market, the pro forma includes separate analyses for summer and winter service. The operating and market assumptions are listed below:

- United will capture a share of the existing market currently served by Delta Air Lines with a lesser impact on Alaska Airlines.
- The Denver local market will be stimulated 200 percent and connecting markets will be stimulated up to 25 percent depending on United's market share of existing passengers.



Although it is estimated that United will earn a profit after the SUN-Denver market matures, United will not generate this amount of profit at start-up.

- United's SUN-Denver service will capture a share of the passengers now driving to an alternate airport (i.e. Boise, Twin Falls).
- United's fully allocated operating cost between SUN and Denver was estimated using Diio Mi Form 41 data for SkyWest, adjusted by the manufacturer's cost curve and SkyWest feedback.

Table 5.1 provides a summary of the United Denver market analysis for one roundtrip per day on a 66-seat regional jet for the winter and summer seasons. Passenger projections were based on a mature market (i.e., passenger projections would be at 100 percent on the first day of service). It is estimated that one roundtrip per day will generate \$531,086 (15 percent margin) in system profit for United. The SUN-Denver route is forecast to be a strong economic performer for United after ramp-up is complete.

TABLE 5.1 SUMMARY OF ROUTE FORECAST

STATISTICAL CATEGORY	SUN-DEN		
	WINTER	SUMMER	COMBINED
Days of operation	100	70	170
Seats/departure	66	66	66
Onboard passengers	8,434	5,404	13,838
Total seats	13,200	9,240	22,440
Load Factor	64%	58%	62%
Average fare	\$251	\$253	\$252
System revenue	\$2,114,586	\$1,368,826	\$3,483,412
System cost	\$1,759,279	\$1,193,047	\$2,952,326
System profit/loss	\$355,307	\$175,779	\$531,086
System margin	17%	13%	15%

Although it is estimated that United will earn a profit after the SUN-Denver market matures, United will not generate this amount of profit at start-up. New markets typically have losses during the first year of operation, hence the need for a revenue guarantee to temper the airline's risk. The uncertainty in the airline industry including the fluctuating cost of fuel will play a large part in the revenue guarantee negotiations with United.

For purposes of estimating the shortfall, for the first month of service (June 2014), it is estimated that 60 percent of the projected passengers in a mature market will be attained. It is estimated that the market will reach full maturity by the end of the winter season. The ramp-up period is speculative and may differ depending on the effectiveness of the marketing campaign. It is also assumed that fares will be reduced by an estimated 10 percent.

To calculate the effect of the ramp-up period on net profit, **Table 5.2**, next page, shows revenue by month from the June 2014 start date, the associated cost per month, and the net shortfall. With a first year estimated cost of \$2.95 million, the service will incur an estimated shortfall of \$480,361.

TABLE 5.2 SERVICE RAMP-UP/START-UP PERIOD

MONTH	DAYS OPERATING	ESTIMATED O&D PAX	RAMP-UP %	RAMP-UP ADJ. PAX	REVENUE	ESTIMATED COST	NET SURPLUS/ SHORTFALL
June	8	618	60%	371	\$84,476	\$136,348	(\$51,872)
July	31	2,393	65%	1,556	\$354,624	\$528,349	(\$173,726)
August	31	2,393	70%	1,675	\$381,902	\$528,349	(\$146,447)
September	0	0	0%	0	\$0	\$0	\$0
October	0	0	0%	0	\$0	\$0	\$0
November	0	0	0%	0	\$0	\$0	\$0
December	17	1,434	75%	1,075	\$242,649	\$299,077	(\$56,429)
January	31	2,615	80%	2,092	\$471,976	\$545,376	(\$73,401)
February	28	2,362	90%	2,125	\$479,588	\$492,598	(\$13,010)
March	24	2,024	100%	2,024	\$456,751	\$422,227	\$34,524
April	0	0	0%	0	\$0	\$0	\$0
May	0	0	0%	0	\$0	\$0	\$0
Total	170	13,839	N/A	10,918	\$2,471,965	\$2,952,326	(\$480,361)

Source: Mead & Hunt, Inc.; Note: Includes ramp-up and 10% reduction in fares during the start-up period

Alternate Plan

If United does not provide nonstop service to Denver International Airport by December 31, 2014, alternate carriers will be approached for service to Denver or another hub that provides improved eastern connectivity. Minneapolis, Chicago and Dallas represent potential hub opportunities and discussions will be initiated late in 2014 if Denver service is not planned.

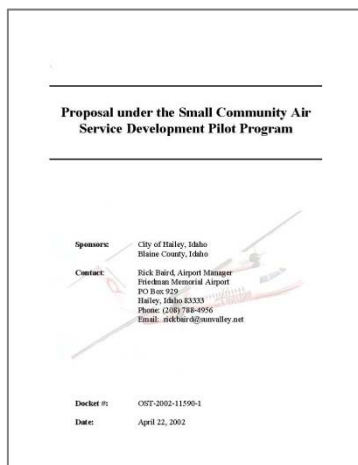
Previous Grant Recipient - New Project and Goals

In 2002, the US Department of Transportation (DOT) awarded the City of Hailey/SUN a SCASDP grant. The 2002 grant included the following goals:

- Stimulate year-round travel between Blaine County and its number one destination, Los Angeles.
- Balance the seasonality of the local economy by improving year-round movement of people between Blaine County and Los Angeles.
- Improve the air service options available at SUN, an airport that is significantly restricted by airfield elevation and mountainous terrain.
- Reduce the number of air travelers that must drive 154 miles to Boise to access lower airfares and nonstop service.

The \$944,243 project included \$600,000 in federal funds to guarantee revenue for service. It was successful in establishing the Los Angeles service that continues today on a seasonal basis.

The current application seeks assistance with an air service support program to initiate nonstop service to a hub with significant eastern connectivity. This project clearly has different goals than the previous SCASDP grant project. This application qualifies as a new project and meets the requirements of the SCASDP.



**This application
qualifies as a new
project and meets the
requirements of the
SCASDP.**

Section 6. Strategic Plan – Implementation and Funding

This section contains:

- Description of the public-private partnership
- Designation of a legal sponsor
- Funding necessary for implementation of the Strategic Plan
- Sustainability of the project



TABLE 6.1 PUBLIC-PRIVATE PARTNERS

PUBLIC-PRIVATE PARTNER	ROLE
Public:	
Friedman Memorial Airport Authority	Grant administration
Private:	
Fly Sun Valley Alliance	Air service plan management
Sun Valley Resort	Marketing plan development and implementation
Sun Valley Marketing Alliance	

Where the previous section provided details and analysis associated with the proposed service, this section, *Strategic Plan – Implementation and Funding*, details SUN's plan for effectively addressing the associated risk. A legal sponsor responsible for administering the program has been designated, and a public-private partnership has been formed to actively participate in implementing the proposed project. In addition, this section identifies self-sufficiency of the service as an integral part of the community's goals and provides a description of the community's plan to continue with the project if it is not self-sustaining after the grant award expires. A detailed description of the funding necessary for implementation of the Strategic Plan, including federal and non-federal contributions, is included.

Public-Private Partnership

SUN is jointly owned by the City of Hailey and Blaine County, Idaho and is operated by the Friedman Memorial Airport Authority, the sponsor of this grant application. For the purpose of this application, Friedman Memorial Airport Authority, Fly Sun Valley Alliance, Sun Valley Resort, and the Sun Valley Marketing Alliance have formed a public-private partnership (refer to community support letters in *Appendix A*).

All partners in the public-private partnership will be fully involved in the execution of the Strategic Plan (**Table 6.1**). Friedman Memorial Airport Authority will execute federal grant offers, process all associated reimbursement requests, and oversee grant administration. Fly Sun Valley Alliance will manage the overall new air service plan implementation. Sun Valley Resort and Sun Valley Marketing Alliance will execute the marketing plan for the new service. Together these partners form a team committed to improving and retaining air service at SUN.

Incentive and Support Plan

The current airline financial landscape with airline bankruptcies and volatile fuel prices is rough. Accordingly, airlines are highly risk averse requiring communities to partner with them to reduce risk. This incentive and support plan has two primary objectives: first, to effectively market the service to inbound travelers and local residents; and second, to offset an airline's liability during the passenger ramp-up period. In short, the partnership's task is to market the new service and cover the airline's risk while passenger traffic builds. Each of the elements included in the support plan are described below.



Revenue Guarantee

An airline's consideration of nonstop service between SUN and a hub with significant eastern connections depends heavily on financial support. In the current airline and economic environment, it has become expected that a small community share in an airline's risk of service start-up. Depending on the aircraft used and frequency, airlines are typically requesting \$500,000 to \$1 million revenue guarantees. Like most communities, SUN does not have the funds available to offer such a guarantee without the assistance of the US DOT through this program.

Based on preliminary estimates of the shortfall in the first year of service (**Table 5.2**, page 14) and recent information on revenue guarantees in other similar markets, it is anticipated that a minimum \$500,000 revenue guarantee will be required. Terms of the revenue guarantee agreement are subject to further negotiations and changing industry conditions.

Marketing Campaign

In this environment, destination specific marketing efforts are largely left to the community. Marketing programs must be targeted to the unique market and designed to increase market awareness. The public-private partnership proposes a marketing program designed to increase the Sun Valley area's reputation as the nation's premiere destination resort and create new service awareness in order to make this service sustainable.

TABLE 6.2 MARKETING BUDGET

MEDIA VEHICLE			BUDGET
Online	Ski-specific sites	Onthesnow.com Powder.com	\$50,000
		Skinet.com liftopia.com	
		weather.com Snowforecast.com	
		sno-country.com	
	Search engines	Google, Yahoo, Bing and travel specific search engines, Google ad words	\$20,000
	Video display ads	YouTube, Tremor Media	\$15,000
		Video.egg	
		Yahoo! Network	
	Target city local sites	Travel section sponsorships on newspaper/broadcast sites, ski council sites	\$20,000
Other online sites	TripAdvisor links	\$25,000	
	Facebook, Twitter, other social sites		
Email	Targeted e-mails to Opt-in Travel category lists, skiers, travel agents, airline frequent fliers, etc.		\$10,000
Print	Travel sections in local print		
	Local magazines, airline publications, golf publications		\$30,000
PR	Target media	News releases, media outreach & press trips, etc.	\$5,000
Local emphasis	Airport signage, print/radio, online, email in airport catchment area		\$10,000
Total			\$185,000

The target audience is primarily potential visitors to the Sun Valley area. **Table 6.2** provides the marketing budget. Sun Valley Resort and Sun Valley Marketing Alliance will use a media firm to coordinate timing and optimal placement of each element of the marketing campaign and will be responsible for oversight of the marketing campaign. The following marketing efforts will be included in this campaign.

- Digital presence in key on-line sites
- A mix of traditional advertising which could encompass print, radio or out-of-home
- PR outreach to key publications
- Utilization of owned media (social media, blog, database) to encourage travel



The marketing campaign created by an outside firm addresses awareness in the local market but concentrates the effort on potential visitors from Denver and eastern markets beyond Denver. This aggressive and comprehensive air service marketing campaign will ensure long-term continuation of this air service initiative.

Fee Waivers

The incentive program includes a landing fee waiver for the first 12 months of seasonal air service. The fee waiver will vary depending on the type of aircraft used and the frequency of service. The fee waiver is estimated to be \$18,000.

Project Continuation and Sustainability

The preliminary analysis indicates that after the ramp-up period, daily service to Denver will be profitable (i.e. self-sustaining). However, a rise in fuel costs or any number of factors could result in fewer passengers or less ticket revenue than anticipated. During the course of the project, the public-private partnership will track the performance of the service, and, if at the end of the first nine months of service it is not meeting expectations, the partners will evaluate the program and draw up a plan that targets the shortcomings. Depending on the specifics at the time, the public-private partners will consider appropriate support mechanisms.

Strategic Plan Funding

The public-private partnership is requesting US DOT assistance in funding 68 percent, or \$500,000, of the Strategic Plan. **Table 6.3** provides the Strategic Plan budget by element and sources of funding. SUN and the community will fund 32 percent of the proposed Strategic Plan. Non-airport funding sources will provide 25 percent of the cash requirement and 25 percent of the funding for the total program including in-kind services.

TABLE 6.3 STRATEGIC PLAN BUDGET

DESCRIPTION	FUNDING SOURCE					TOTAL
	US DOT	AIRPORT		NON-AIRPORT		
	CASH	CASH	IN-KIND	CASH	IN-KIND	
Revenue guarantee	\$500,000					\$500,000
Marketing campaign		\$10,000		\$175,000		\$185,000
Fee waivers			\$18,000			\$18,000
Monitoring program		\$24,000			\$5,000	\$29,000
Grant administration			\$7,000			\$7,000
Total	\$500,000	\$34,000	\$25,000	\$175,000	\$5,000	\$739,000
Percent of total project	68%	5%	3%	24%	1%	100%
Percent of cash contribution	71%	5%	N/A	25%	N/A	100%

Section 7. Schedule and Monitoring

This section contains:

- The schedule for timely completion of the project
- How the community will monitor the progress of the project



This section provides critical milestones to be achieved by the public-private partnership. A monitoring program is also provided to track the progress and performance of the new service.

Strategic Plan Schedule and Milestones

The following target dates are proposed to track the progress of this air service initiative:

TABLE 7.1 STRATEGIC PLAN SCHEDULE

DATE	ACTION ITEM	DESCRIPTION
October 2013 - January 2014	Airline meetings/negotiations	After grant award, SUN will meet with airlines at their headquarters to discuss nonstop eastern hub service. Upon airline interest, the terms of the airline incentive package will be negotiated.
February-March 2014	Marketing campaign development	Development of the marketing campaign will be completed in February/March 2014 in order to begin the marketing campaign 60 days prior to new service initiation.
April 2014	Marketing initiation	It is anticipated that the marketing campaign will begin by April 2014 and continue throughout the first year of service.
June 2014	Nonstop Denver service	The service start date is the critical date for the rest of the Strategic Plan. It is anticipated that, with successful airline negotiations, service would start in June 2014. Service start-up is dependent on airline route planning and aircraft availability.
December 2014	Alternate plan	If an airline has not implemented nonstop Denver service by December 31, 2014, SUN will contact other potential carriers to increase connectivity to eastern destinations which would meet the goals of this grant application.

**TABLE 7.1 STRATEGIC PLAN SCHEDULE**

DATE	ACTION ITEM	DESCRIPTION
May 2015	Revenue guarantee contract completion	At the end of the first year of nonstop service, with a service start date of June 2014, the revenue guarantee will be calculated. If the service start date changes due to airline circumstances and/or equipment availability, the revenue guarantee contract term will change accordingly.

Monitoring Program

The monitoring program includes: service performance tracking; impact on airfares; and determining the influence of new service on retention at SUN. **Table 7.2** provides the action items and frequency to monitor the Strategic Plan. Fly Sun Valley Alliance has committed funds to hire a consultant to monitor advance bookings and passenger revenue performance.

TABLE 7.2 STRATEGIC PLAN MONITORING

FREQUENCY	ACTION ITEM	DESCRIPTION
Monthly	Airline performance	Load factors by flight, enplanements, flight cancellations
	Market performance	Passenger ramp-up
	Revenue guarantee indicators	Ticket revenue, cost, drawdown
Quarterly	Airfares	Track walk-up, business, and leisure published fares for the top 25 markets to ensure fares are competitive with competing airports (i.e. Boise and Twin Falls). Fare issues will be communicated to incumbent airlines.
9 months	Program assessment	Complete an overall assessment of the program to determine if additional community support is needed beyond year one.
12 months	True Market Estimate	Complete a true market estimate to evaluate the use of SUN by local travelers compared to their use of Boise and Twin Falls. Analyze output and communicate with airline.

Appendix A. Airline and Community Letters of Support

Appendix A includes letters of support for Friedman Memorial Airport Authority's application to the US DOT. Support letters were submitted by **United Airlines**, participants in the public-private partnership, government representatives, and members of the community. The letters of support are included on the following pages of this *Appendix A* and are listed below.

Airline

United Airlines

Public-private partnership

Fly Sun Valley Alliance

Friedman Memorial Airport Authority (refer to cover letter)

Sun Valley Marketing Alliance

Sun Valley Resort

Government

Blaine County

City of Hailey

City of Ketchum

City of Sun Valley

Idaho Congressional Delegation

Idaho State Legislature

Businesses and Organizations

Blaine County School District #61

Haily Chamber of Commerce

Higher Ground Sun Valley

Marketron

POWER Engineers, Inc.

Rocky Mountain Hardware

Smith Optics

St. Luke's Wood River Medical Center

Sustain Blaine

Wood River Economic Partnership



July 18, 2013

Ms. Brooke Chapman
Associate Director
Small Community Air Service Development Program
U.S. Department of Transportation
1200 New Jersey Ave, SE W86-310
Washington, DC 20590

**Subject: United Airlines' Letter of Support
Small Community Air Service Development Program Grant Application
Docket DOT-OST-2013-0120
Sun Valley – Friedman Memorial Airport, Hailey, Idaho**

Dear Ms. Chapman:

In conjunction with the subject grant application filed by the Friedman Memorial Airport Authority, United Airlines strongly supports the Strategic Plan to improve air service to the Sun Valley area.

United Airlines has been interested in serving this area from our Denver hub but the airport could not support the required aircraft. With the recent FAA approval allowing regional jets into SUN we are reviewing the case for service. Given the similar attributes of Sun Valley with other communities that we successfully serve from Denver the longer term results are promising but will require a strong marketing effort and risk mitigation for United Airlines to initiate service in this market. The community has committed marketing funds but with the risk associated with a market this size United Airlines will require a revenue guarantee to mitigate a major portion of the risk. The Strategic Plan proposed by the community would be sufficient for us to move forward with a business plan for this market and consider starting service in summer 2014.

United Airlines looks forward to working with the US Department of Transportation and Friedman Memorial Airport in working on this air service initiative. Please contact me if you have questions concerning this letter of support and/or specifics about United Airlines.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Ferea", written over a horizontal line.

Jim Ferea
Managing Director, Domestic Planning



July 12, 2013

Brooke Chapman, Associate Director
Small Community Air Service Development Program
United States Department of Transportation
1200 New Jersey Avenue SE
Washington, DC 20590

Dear Ms. Chapman:

Fly Sun Valley Alliance (FSVA) is pleased to submit this letter of support for the Friedman Memorial Airport's Small Communities Air Service Development Program grant application. We fully support the proposed plan to increase east coast connecting air service to SUN. Supporting and improving air service to Sun Valley is the mission of our community-wide organization. We recognize that commercial air service is critical to the economy of our entire region through access for visitors and support to area businesses, organizations and institutions. In fact, improving our commercial air service access is the single most effective way to improve our economy.

We can confirm that FSVA is part of a public-private partnership that has been formed with Friedman Memorial Airport for the purpose of supporting air service improvement. Where small community air service initiatives like this are concerned, it is partnership like this that can make a difference. If this grant is awarded to SUN, we will be actively committed to ensuring the success of this new air service.

Thank you for your consideration of this application. We will continue to work diligently to insure the long-term success of air service in our community.

Sincerely,

Eric G. Seder

Eric Seder, President
Fly Sun Valley Alliance Board of Directors



July 16, 2013

Brooke Chapman, Associate Director
Small Community Air Service Development Program
United States Department of Transportation
1200 New Jersey Avenue SE
Washington, DC 20590

Dear Ms. Chapman,

I am writing in support of the 2013 application for Friedman Memorial Airport (SUN) in Hailey, Idaho under the Small Community Air Service Development grant program. The goal of this project is to increase eastern connectivity through an additional nonstop hub providing much needed air service to key eastern airports not currently served through Salt Lake City.

As a mountain resort community that is dependent on tourism, the Sun Valley region is currently hampered by difficulty of access for many potential travellers. With only three direct flights into SUN, choices for travellers are extremely limited. In particular, choices for travellers from the Eastern US are minimal, often requiring several stops and connections.

As the destination marketing organization for the region, the Sun Valley Marketing Alliance (AKA "Visit Sun Valley") focuses its efforts on markets where easy access is in place. Our efforts would most definitely be expanded should a new flight come to fruition.

We hope that you will give strong consideration to this application. If successful, this could have a significant positive impact on the community.

Sincerely,

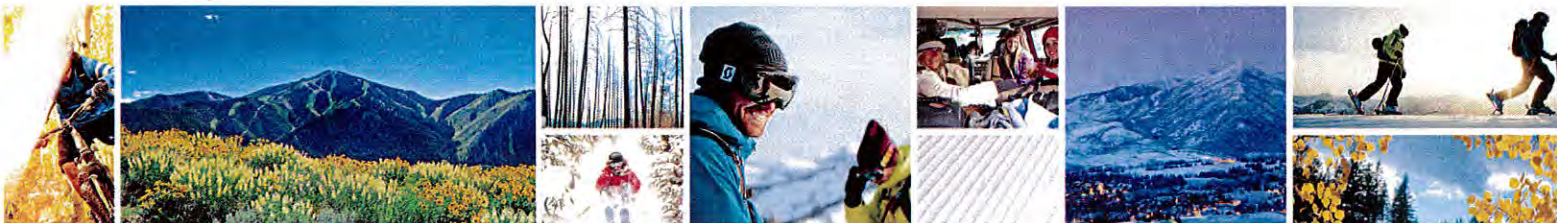
A handwritten signature in black ink, appearing to read "Arlene Schieven".

Arlene Schieven | President + CMO

Sun Valley Marketing Alliance
P.O Box 4934 Ketchum, ID 83340

T > 208.725.2110 | F > 208.726.4533

www.visitsunvalley.com | facebook.com/sunvalley





Brooke Chapman, Associate Director
Small Community Air Service Development Program
United States Department of Transportation
1200 New Jersey Avenue SE
Washington, DC 20590

July 17, 2013

Dear Ms. Chapman,

I am writing to you voice our strong support for the 2013 application of Friedman Memorial Airport (SUN) in Hailey, Idaho, under the Small Community Air Service Development grant program.

Tourism is the lifeblood and economic driving force of the entire Wood River Valley. With its internationally known all-season resort of Sun Valley, this area plays a vital role in attracting visitors and business to the state of Idaho. Given our remote location in Idaho, connection to the national air service transportation system is of critical importance.

A substantial portion of our resort's and community's business is derived from national conventions. Many groups are attracted to the area and all that it offers, but ultimately choose not to come because participants find it difficult to get here in one day from the east coast. We would like to increase connectivity through an additional non-stop hub providing eastern airport air service that is currently not served through Salt Lake City. Since 2007, 45 percent of our seat volume to the valley has been lost due to discontinued air service. This loss significantly impacts not only our tourism business, but ultimately all businesses and residents of the Wood River Valley.

Sun Valley Resort has for many years provided minimum revenue guarantees for airlines servicing Friedman Memorial Airport, and has also dedicated a considerable portion of its marketing budget toward advertising both incoming and out-going flights. We fully intend to continue this kind of support with any new air service established.

We appreciate your urgent consideration of this grant request and encourage you to notify us if you need additional data to support this application.

Sincerely yours,

Tim Silva
Vice President/General Manager



THE BOARD OF BLAINE COUNTY COMMISSIONERS

206 FIRST AVENUE SOUTH, SUITE 300

HAILEY, IDAHO 83333

PHONE: (208) 788-5500 FAX: (208) 788-5569

www.blainecounty.org bcc@co.blaine.id.us

Lawrence Schoen, Chairman * Angenie McCleary, Vice Chair* Jacob Greenberg, Commissioner

July 17, 2013

Brooke Chapman, Associate Director
Small Community Air Service Development Program
United States Department of Transportation
1200 New Jersey Avenue SE
Washington, DC 20590

Dear Ms. Chapman,

The Board of Blaine County Commissioners fully supports the 2013 application for Friedman Memorial Airport (SUN) in Hailey, Idaho under the Small Community Air Service Development grant program. Blaine County is a world renowned tourist destination. Visitors come to our area to ski at Sun Valley Resort, hike and mountain bike in our beautiful public lands including the Sawtooth National Recreation Area and Craters of the Moon National Monument, and fly fish on Silver Creek. Increased air service opportunities are vital to Blaine County's economy and quality of life.

Service to Denver is critical to providing the necessary increased air service opportunities. It would allow us to connect to key eastern airports and improve the options available to the traveling public. In addition to being beneficial to visitors, and the significant positive impact to our tourist based economy, increased air service and a connection to Denver is also essential to attract and retain local businesses. This is another key component of the local economy in the cities within Blaine County. Local residents and businesses, which operate nationally as well as globally, are in great need of being connected to the national transportation system. These locally headquartered businesses are heavily reliant on air service.

Blaine County has been working diligently to retain, improve and expand air service. With your assistance, eastbound commercial service will help the business community and the citizens in this area achieve their goals. We ask that you fully consider this application and hope that you find it worthy of your support.

Sincerely,

Lawrence Schoen
Chairman

Angenie McCleary
Vice Chair

Jacob Greenberg
Commissioner

City of Hailey

OFFICE OF THE MAYOR

115 MAIN STREET SOUTH, SUITE H
HAILEY, IDAHO 83333

(208) 788-4221
Fax: (208) 788-2924

July 18, 2013

Brooke Chapman, Associate Director
Small Community Air Service Development Program
United States Department of Transportation
1200 New Jersey Avenue SE
Washington, DC 20590

**RE: Support for Friedman Memorial Airport (SUN) 2013 Small Community Air
Service Development Grant**

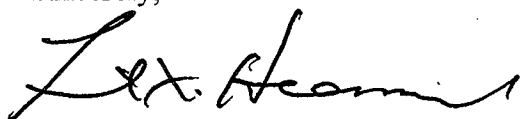
Dear Ms. Chapman:

Friedman Memorial Airport (SUN) in Hailey, Idaho serves many Hailey residents, their families and friends, as well as tourists. Hailey residents tend to make our area a destination for important family events, such as weddings and family reunions, thereby increasing the tourist economy within the area that encompasses the Sawtooth National Recreation Area, Sun Valley Resort, and world famous fishing, biking, parades, small town charm, and mountain lifestyle.

Many of our residents have connections to eastern United States cities. Our exemplary schools send students to eastern universities each year. Local businesses have headquarter offices, or are the satellite offices of, eastern-based counterparts.

Eastbound commercial service and connectivity through Friedman Memorial Airport (SUN) is important to our community. Please consider our thoughtful support of a Small Community Air Service Development grant for 2013.

Sincerely,



Fritz X. Haemmerle
Mayor, City of Hailey



RANDY HALL, MAYOR

**480 EAST AVENUE NORTH
P.O. BOX 2315, KETCHUM, IDAHO 83340
TELEPHONE: (208) 726-3841 FAX: (208) 726-8234**

July 15, 2013

Brooke Chapman, Associate Director
Small Community Air Service Development Program
United States Department of Transportation
1200 New Jersey Avenue SE
Washington, DC 20590

Dear Ms. Chapman:

We write in support of the 2013 application for Friedman Memorial Airport (SUN) in Hailey, Idaho under the Small Community Air Service Development grant program. The goal of this project is to increase eastern connectivity through an additional nonstop hub providing much needed air service to key eastern airports not currently served through Salt Lake City. In Ketchum we rely heavily on tourists, second homeowners and business travel in and out of the SUN airport. We are supportive of all initiatives that will expand our local air service and strengthen our economy. We urge the Department of Transportation to give this application all due consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Randy Hall", is written over the "Sincerely," line.

Mayor Randy Hall



Mayor
Dewayne Briscoe

Council
Robert A. Youngman,
President
Nils Ribi
Michelle Griffith
Franz Suhadolnik

July 17, 2013

Ms. Brooke Chapman, Associate Director
Small Community Air Service Development Program
United States Department of Transportation
1200 New Jersey Avenue SE
Washington, DC 20590

Dear Ms. Chapman,

On behalf of the City of Sun Valley, I would like to express our support for the 2013 grant application for the Friedman Memorial Airport (SUN) in Hailey, Idaho. The Friedman Memorial Airport services the Sun Valley area and the Small Community Air Service Development grant program would help our community greatly. Increasing and maintaining air travel to and from the Friedman Memorial Airport by finding an additional hub will connect the Sun Valley area to important eastern airports that aren't available through Salt Lake City.

Sun Valley is known for its exceptional downhill skiing and nordic activities in the winter and excellent hiking, biking, and fishing in the summer. Sun Valley is also a base for the Sawtooth National Recreation Area. Given its more remote location, the visitors and homeowners of Sun Valley and the surrounding cities in the Wood River Valley rely heavily on air travel. This grant would help tremendously with our area's tourism economy, conferences held at Sun Valley Resort, and local homeowners who travel frequently for business.

Your favorable consideration of this grant application would be greatly appreciated.

Sincerely,

A handwritten signature in blue ink that reads "Susan E. Robertson".

Susan E. Robertson
City Administrator

Mike Crapo
United States Senator
239 Dirksen Senate Office Bldg.
Washington, D.C. 20510

James E. Risch
United States Senator
483 Russell Senate Office



Mike Simpson
Member of Congress
2312 Rayburn House Office Bldg.
Washington, D.C. 20515

July 9, 2013

Brooke Chapman, Associate Director
Small Community Air Service Development Program
United States Department of Transportation
1200 New Jersey Avenue SE
Washington, DC 20590

Dear Ms. Chapman:

We write in support of the 2013 application for Friedman Memorial Airport (SUN) in Hailey, Idaho under the Small Community Air Service Development grant program. The goal of this project is to increase eastern connectivity through an additional nonstop hub providing much needed air service to key eastern airports not currently served through Salt Lake City.

Due to the presence of the Sun Valley Resort the economy of the Sun Valley/Wood River Valley is largely based on tourism. The area is also the home to the Sawtooth National Recreation area, Silver Creek (famous fishing) and Craters of the Moon National Monument. In addition to the travel requirements of the tourist industry, local residents and businesses need to be connected to the national air transportation system. Multiple companies are headquartered in the Sun Valley area and rely heavily on air service to SUN to conduct business.

We fully understand and appreciate the importance of eastbound commercial service for the business community and citizens of the region and urge the Department of Transportation to give this application all due consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Crapo".

Mike Crapo
United States Senator

A handwritten signature in black ink, appearing to read "J. E. Risch".

James E. Risch
United States Senator

A large, stylized handwritten signature in black ink, appearing to read "Mike Simpson".

Mike Simpson
Member of Congress

SENATOR MICHELLE STENNETT
(208) 332-1353
mstennett@senate.idaho.gov



REP DONNA PENCE
(208) 332-1032
dpence@house.idaho.gov

Idaho State Legislature

STATE CAPITOL
P.O. BOX 83720
BOISE, IDAHO 83720-0081

District 26

Blaine, Camas, Gooding & Lincoln Counties

July 16, 2013

Brooke Chapman, Associate Director
Small Community Air Service Development Program
United States Department of Transportation
1200 New Jersey Avenue SE
Washington, DC 20590

Dear Ms. Chapman:

Idaho's Legislative District 26 is home to Friedman Memorial Airport (SUN) and we are writing in support of their application for a US Department of Transportation Small Community Air Service Development Program Grant. Currently, SUN is significantly underserved in part due to operational challenges that include mountainous terrain and isolation from neighboring hub airports. The \$500,000 SCASDP Grant would be augmented by private-public partnership monies for a total of \$674,000 in funding to increase air service to vital hubs on the east coast.

Tourism is a driving economic force in our community and having limited air travel options disadvantages Sun Valley when competing against other winter resorts in our region. Furthermore, businesses operating in our district need efficient air travel to remain competitive in the U.S. marketplace, much of which requires travel to eastern cities. Finally, our local residents and large population of second homeowners require more robust travel options. It is for these reasons that this initiative has the broad support and cooperation of our community which is funding approximately one quarter of the proposed plan.

Because improved air service is important to our constituents and local economic interests, we would encourage your serious consideration of Friedman Memorial Airport's grant application which would lead to increased travel options and lower fares for travelers to America's first destination resort.

Sincerely,

Handwritten signature of Michelle Stennett in black ink.

Senator Michelle Stennett

Handwritten signature of Donna Pence in black ink.

Representative Donna Pence



Blaine County School District #61

118 West Bullion Street – Hailey, Idaho 83333

www.blaineschools.org

Phone (208) 578-5000 – Fax (208) 578-5110

July 16, 2013

Brooke Chapman, Associate Director
Small Community Air Service Development Program
United States Department of Transportation
1200 New Jersey Avenue SE
Washington, DC 20590

Dear Ms. Chapman:

The Blaine County School District supports the Application under the Small Community Air Service Development Program by the Friedman Memorial Airport Authority. The School District realizes how important the tourism industry is to the local economy as well as the local School District and the individual schools that encompass all of Blaine County. The School District has over 500 full time employees that utilize air service on a regular basis.

The Blaine County School District schedules in excess of 125 flights per year on the average for staff members to attend trainings, conferences and professional development opportunities. Less than five percent of these flights are scheduled for departure from the Sun Valley airport due to the cost of air service. Ninety Five percent of the flights that are scheduled by the School District are scheduled out of the Boise airport due to the cost. After factoring in all of the private travel that our employees enjoy outside of the School District, the amount of air service increases dramatically. This adds a lot of additional traffic on the highway system as well as additional risk due to the road conditions for a large part of the school year.

By increasing eastern connectivity, the Friedman Memorial airport could possibly keep more of this commuting air service traffic to Boise for flights, in the local economy. Our view is that east coast connectivity will accomplish several of the stated goals of this grant program. This grant will have a positive impact on airfares. The grant will give our 500 employees more options. As stated previously, the Blaine County School District is excited about the opportunity and fully supports this grant application.

Respectfully;

Mike Chatterton
Business Manager



July 15, 2013

Brooke Chapman, Associate Director
Small Community Air Service Development Program
United States Department of Transportation
1200 New Jersey Avenue SE
Washington, DC 20590

Dear Ms. Chapman:

The Hailey Chamber of Commerce fully supports the SCASDP grant application of Friedman Memorial Airport, in partnership with Fly Sun Valley Alliance, to increase air service connectivity between Sun Valley and the east coast of the US. Our airport, SUN, is located in Hailey and our community serves as the air access gateway to the entire Sun Valley area region for both leisure and business travelers. We have many local businesses based here, a number of which are global but have their corporate headquarters in Hailey. They critically need improved access in order to remain in our community so this new service could help tremendously with business retention as well as business expansion in the future.

Thank you for your consideration of this application.

Sincerely,

A handwritten signature in black ink that reads "Joan Davies".

Joan Davies
Hailey Chamber of Commerce Board of Directors



July 18, 2013

Ms. Brooke Chapman, Associate Director
Small Community Air Service Development Program
United States Department of Transportation
1200 New Jersey Ave, SE
Washington, D.C. 20590

Dear Ms. Chapman,

Higher Ground Sun Valley (HG) is a local nonprofit organization located in Ketchum, Idaho, whose mission is to enhance quality of life through inclusive therapeutic recreation and education for people of all abilities. As part of our military program for injured service members and veterans, HG flies 200 individuals into Sun Valley each year for a week of therapeutic recreation and rehabilitation at no cost to them. As we aim to increase our programming for these individuals and travel remains an essential component of helping our veterans in their healing efforts, we at HG view this Small Community Air Service Development Program Grant as a means to be able to serve even more deserving veterans. We are confident this collaborative initiative will support community disability awareness, enhance veterans support efforts, and help stimulate the local Ketchum economy.

Some examples of how FMAA and this Air Service grant will benefit individuals with disabilities, including HG participants:

- Accessibility to the Wood River Valley
- Safety through the elimination of excessive travel
- Affordability
- Ease of access to adaptive recreational opportunities

Higher Ground Sun Valley supports the FMAA proposal and its potential to provide travel options that are affordable and accessible for our participants and programs.

Respectfully,

A handwritten signature in black ink, appearing to read 'Kate Weihe', with a long horizontal line extending to the right.

Kate Weihe

Executive Director



Marketron

Walter M. Denekas

Chief Financial Officer

T 208.788.6889

C 908.874.7787

wdenekas@marketron.com

101 Empty Saddle Trail

Hailey, ID 83333

July 16, 2013

Ms. Brooke Chapman, Associate Director
Small Community Air Service Development Program
United States Department of Transportation
1200 New Jersey Ave., SE
Washington, DC 20590

Dear Ms. Chapman,

Friedman Memorial Airport (SUN) in Hailey, ID has applied for a grant under the SCASD program. This grant would go towards providing connectivity with the East Coast. We at Marketron would like to express our strong support for this grant, as it would be a major benefit to the community as a whole and to our business in particular.

Marketron provides computer software to radio stations throughout the country that schedules radio advertising time slots, much like an airline reservation system keeps track of sold and unsold airplane seats. We have 153 employees, of which approximately one-third are here in Hailey, ID. The rest are at offices in Toronto, New York, Chicago, San Francisco, Denver, and Alabama (serviced through the Atlanta airport). Currently, it takes a minimum of two connections to any of the East Coast and Midwest cities, so a one-day visit requires another two days of travel. This severely restricts how often our employees can meet face-to-face as well as how frequently we can get clients to visit us.

Establishing a connection from SUN to Denver would give us one-connection access to every major city in the US. Establishing a connection from SUN to O'Hare Airport would provide one-connection access to every major city in the world. Both would provide a tremendous boost to the local economy, which is heavily dependent on tourism, and would have a multiplier economic impact through the effect on the support services throughout the community.

Last, I would like to emphasize that this is a community with a highly educated and motivated work force; you can be sure this grant will be leveraged to provide an economic benefit many times the size of the grant itself. These would be funds well-spent, and I ask you to give this grant your support.

Sincerely,

Walter M. Denekas
Chief Financial Officer



3940 GLENBROOK DRIVE
PO BOX 1066
HAILEY, ID 83333

PHONE 208-788-3456
FAX 208-788-2082

July 15, 2013

Brooke Chapman, Associate Director
Small Community Air Service Development Program
United States Department of Transportation
1200 New Jersey Avenue SE
Washington, DC 20590

ENERGY

FACILITIES

COMMUNICATIONS

ENVIRONMENTAL

Subject: Friedman Memorial Airport (SUN) Application for the Small Community Air Service Development Grant Program

Dear Ms. Chapman:

On behalf of POWER Engineers, Inc. (POWER), I am writing this letter of support for the Small Community Air Service Development Program (SCASDP) grant application submitted by Friedman Memorial Airport (SUN) in Hailey, Idaho. POWER is a design, consulting and engineering services firm with over 1,900 employees in various locations around the U.S. and internationally. Our company was formed and maintains its headquarters in Hailey, Idaho.

In recent years, POWER has had significant difficulties maintaining our headquarters in Hailey due to the steadily eroding air service quality from this location. Much of our work is in the eastern portion of the United States as well as overseas and in locations requiring better service to the east from Hailey.

Improvement of air service from SUN will allow POWER to maintain a significant presence here in the Wood River Valley and continue our headquarter operations locally.

POWER Engineers fully supports this effort to improve our air service from Hailey as a means to sustain our operations here.

Sincerely,

Jack Hand
President & CEO

ROCKY MOUNTAIN[®]

H A R D W A R E

Ms. Brooke Chapman, Associate Director

Small Community Air Service Development Program

United States Department of Transportation

1200 New Jersey Ave, SE

Washington, DC 20590

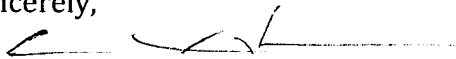
Hello Ms. Chapman,

I would like to express to you my support for the Small Community Air Service Development Grant for Friedman Memorial Airport located in Hailey Idaho. This would certainly benefit my company if air service was available to the eastern United States.

Rocky Mountain Hardware is based in Hailey Idaho, we manufacture Architectural Bronze hardware and distribute through local hardware and plumbing showrooms nationally and internationally. We invite members of the design community as well as our dealer network to visit our facilities for training and many of them are reluctant to do so because of the difficulty in getting to the Hailey/Sun Valley area. I feel that if Friedman Memorial Airport was given this grant it would greatly benefit my company.

Feel free to call and discuss if you wish.

Sincerely,



Christian Nickum
President



Ms. Brooke Chapman, Associate Director
Small Community Air Service Development Program
United States Department of Transportation
1200 New Jersey Ave, SE
Washington, DC 20590

Dear Ms. Chapman:

As part of the executive team at Smith Sport Optics, Inc., a leader in sports goggles, helmets and sunglasses, (www.smithoptics.com) we rely heavily on air traffic out of Sun Valley to places East and beyond. Our parent company, Safilo SPA, is located in Padova, Italy and many of us routinely make that journey. Our company employs 81 people in Ketchum, 240 in Salt Lake City, Utah, and another 8 scattered throughout the U.S who routinely visit our corporate headquarters in Sun Valley.

Travel from the resort town of Sun Valley is difficult enough to have pushed Scott USA, a competitor of ours, to leave. Please do whatever you can to help improve our air service so we're not also forced to leave the Sun Valley area.

Thank you.

Best regards,

Ned Post
President

Cc: Blair Clark, Ron Hayes



July 18, 2013

Ms. Brooke Chapman, Associate Director
Small Community Air Service Development Program
United States Department of Transportation
1200 New Jersey Ave, SE
Washington, DC 20590

Dear Ms. Chapman,

This letter on behalf of St. Luke's Wood River is to show our full support of the Small Community Air Service Development Program Grant that FMAA is submitting in conjunction with Fly Sun Valley Alliance and the Sun Valley Company.

St. Luke's believes that our community's vitality is dependent on our air service. This type of enhanced service is imperative to both develop our visitor base and to facilitate easier access for our businesses. In addition, when recruiting and retaining highly qualified medical personnel, reliable air service options are often an important element in their decision to relocate to this valley.

We are proud to be one of the largest employers in our valley and are excited about the opportunity to further support the Friedman Memorial Airport with this important grant submission.

Best Regards,

A handwritten signature in black ink, appearing to read "Cody Langbehn", with a long horizontal flourish extending to the right.

Cody Langbehn, CEO
St. Luke's Wood River



Brooke Chapman, Associate Director

Small Community Air Service Development Program

1200 New Jersey Ave SE

Washington DC

Dear Sirs:

I write in support of the application from the Friedman Memorial Airport (SUN) located in Hailey, Idaho for a Small Community Air Service Development Grant. My organization is the Blaine Co economic development arm, a public private partnership representing the interests of Bellevue, Carey, Hailey, Ketchum, Sun Valley and the greater County.

Expansion of commercial air service is of vital importance to our community. We have 5 internationally recognized companies who make their headquarters in the Sun Valley Region. Better connections with the domestic and international markets are critical to retaining these businesses in our valley.

We also have more than 8,000 second home owners and 200,000 tourism visitors annually who would benefit from better connections and alternative route options. Our area is extremely underserved from the east coast where a large potential market for recreational visits is currently untapped.

Without expanded commercial air service, it will become increasingly difficult to compete with other western resort communities like Jackson Hole, Steamboat and others that have regular service to east coast destinations. I would ask for your support of our grant proposal so as to enable our community of 20,000 to maintain its long-term economic viability.

Sincerely,

Harry Griffith

A handwritten signature in black ink, appearing to read "H. Griffith", is written over the printed name.

Executive Director, Sustain Blaine

July 14, 2013

July 13, 2013

Brooke Chapman, Associate Director
Small Community Air Service Development Program
US Department of Transportation
1200 New Jersey Avenue SE
Washington, DC 20590

Dear Ms. Chapman:

Our local non-profit Wood River Economic Partnership (WREP) represents 100 businesses whose 2500 employees work in a county of 22,000 people. Because we are a mountain resort community, air service is our economic lifeline. Many location-neutral businesses here rely on air travel and some are leaving because we have been losing air service. In addition, we have had four high-end hotel projects entitled, but not yet financed and built. The financier's consultants are wary of our declining air service and are hesitant to recommend investment until we can bolster our air service. This is almost a billion dollars' worth of new direct investment into our community that won't get started until we solve our transportation challenges.

As a community we are working hard to raise money for additional air service. Securing this grant would significantly help our efforts to grow our economy. Like many other communities we have suffered from the Great Recession with a 30% loss in our county GDP. We are very motivated to improve our situation and we'll do our part.

Thank you for your consideration,



Doug Brown
Executive Director
WREP
Wrepofidaho.com
dougbrownsv@gmail.com
208-309-0187



C.L. "Butch" Otter, Governor

Jeffery Sayer, Director

July 23, 2013

Ms. Brooke Chapman,
Associate Director, Small Community Air Service Development Program
1200 New Jersey Avenue SE
Washington DC 20590

Dear Ms. Chapman,

On behalf of the Idaho Department of Commerce, Tourism Division, please accept this letter of support for the Friedman Memorial Airport proposal before the US Department of Transportation for a grant under the Small Community Air Service Development Program. I am writing to pledge our marketing support for new service to Denver.

As a former resident of Ketchum I am excited about the prospect of improved air service to the Wood River Valley. I have driven to Twin Falls and Boise to fly for business and pleasure and can fully appreciate the convenience and safety of having direct service to Denver. I was a sales director at the time and lost many pieces of potential business because the clients simply could not arrive in Sun Valley in one day on the available service.

Idaho markets itself internationally with Montana, Wyoming and South Dakota with Denver as a Gateway City partner through Rocky Mountain International. Sun Valley is a desired destination by international travelers where we have hosted many familiarization tours and marketplaces in the last 20 years to promote the area. New service from Denver would be a boon to this marketing effort that has been years in development but stymied due to lack of access.

Additionally Denver is a hub for the east coast and this new service would allow for us to attract business and travelers from yet untapped markets

Idaho Tourism is willing to commit marketing support of 50% of the cost of the advertising in key markets that would respond to the announcement of new service, through our cooperative advertising program. At least \$50,000 will be budgeted to support this marketing effort in print and online.

Sincerely,

Karen Ballard
Idaho Chief Tourism Officer



C.L. "BUTCH" OTTER

GOVERNOR

July 22, 2013

Brooke Chapman, Associate Director
Small Community Air Service Development Program
United States Department of Transportation
1200 New Jersey Ave. SE
Washington, DC 20590

Dear Ms. Chapman,

The State of Idaho would like to respectfully request full consideration be given Friedman Memorial Airport's proposal for inclusion in the Small Community Air Service Development grant program.

Located in Hailey, Idaho, the airport is a primary component of the tourism-dependent local economy. Friedman Memorial Airport has the potential for a significantly increased benefit to the local economy when connected to an additional hub providing more direct travel to eastern markets.

A world famous ski resort, Sun Valley and the nearby national monument and recreation areas also provide year-round recreational opportunities. Convenient transportation from all regions of the United States is crucial in order for the region to recognize its full economic potential. Additionally, citizens who reside in the area would benefit from the expanded travel options to the eastern portion of the United States

The need for an additional direct connection to the population centers of the eastern United States is clear. Inclusion in the Small Community Air Service Development grant program will allow Friedman Memorial Airport to provide better east-bound travel options to residents, tourists, and business leaders traveling to and from the area.

Thank you again for your timely and careful consideration of this request.

As Always – Idaho, "Esto Perpetua"

A handwritten signature in black ink, reading "C.L. Butch Otter".

C.L. "Butch" Otter
Governor of Idaho