

DEPARTMENT OF
TRANSPORTATION
SCHEDULE OPERATIONS

ERICKSON

June 4th, 2014

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Kevin Schlemmer
Albert Muldoon
U.S. Department of Transportation
1200 New Jersey Avenue, S.E.
Washington, D.C. 20590

Erickson's' Proposal to Provide Air Service to Little Diomed, Alaska:

Gentleman,

In response to the Department of Transportation's request, Erickson hereby submits this proposal to provide air service to Little Diomed, Alaska. Erickson's proposal is to provide direct service to Little Diomed performing the following route once per week: Nome (OME) to Diomed (DIO) to Wales (WAA) to Diomed (DIO) to Nome (OME).

Erickson thanks you for the opportunity to continue our service to the Little Diomed, Alaska community. Our combination of safe and reliable aircraft and extensive regional operational knowledge will ensure a quality air service that will meet Little Diomed's passenger transportation requirement most efficiently.

Frequency and Schedule

Erickson's proposal offers a unique routing structure that will serve to maximize value and create the most effective solution for passenger and cargo transportation services for the community of Little Diomed. Erickson will offer one scheduled routing trip per week:

- Leg 1: Fly Passengers/Cargo from Nome to Diomed
- Leg 2: Fly Passengers/Cargo from Diomed to Wales (Refueling Stop)
- Leg 3: Fly Passengers/Cargo from Wales to Diomed
- Leg 4: Fly Passengers/Cargo from Diomed back to Nome.

The above proposed air service routing will allow the most advantageous solution by maximizing transportation to and from Little Diomed, giving passengers flight options into Wales and also into Nome. Thus, Erickson's proposal doubles the space capacity for passengers seeking air service from Little Diomed to an airport with regional air service capability, which both Wales and Nome currently provide.

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To recap, Erickson's concept to support Little Diomedé would be one scheduled flight routing per week. The flight routing proposed above would allow transportation for 8 passengers to Little Diomedé and 8 passengers from Little Diomedé to the respective locations above each week. Erickson would provide this service for a planned 44 weeks. Historically the ice runway is available for fixed-winged aircraft to land at Little Diomedé 8 weeks a year and during that time helicopter air service is not required. Additional service may be provided with the remaining subsidy funding, or if there are instances in which flight legs were cancelled due to weather.

Safe and Reliable Twin Engine Aircraft

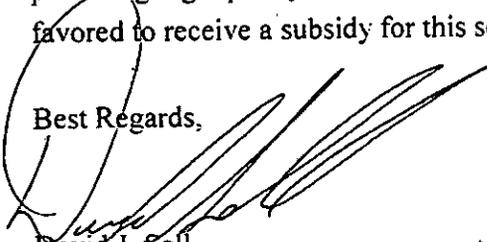
Erickson's proposed service to Little Diomedé will be provided using the BO-105, a four (4) passenger seat, twin engine helicopter. A typical load out of Nome would be 4 passengers and approximately 450lbs of baggage/freight. The BO-105 aircraft will provide the safety that comes from a twin engine, and, as per the requirements of 14 CFR 135.183, the necessary specifications when flying over water in extremely cold environmental conditions and it has proven to be the optimal aircraft for the austere conditions in the Nome/Little Diomedé region.

Summary

Erickson's proposed weekly service for the routing listed above requires a subsidy in the amount of \$377,520 per year. In order to execute the proposed air transportation service for the community of Little Diomedé, Erickson respectfully requests this aforementioned subsidy. In the following pages, please find Erickson's proposed routing solution, flight hours, fuel breakdown, and pricing information that necessitates a government subsidy.

Erickson provides the experience needed to meet and exceed expectations. Additionally, with our established infrastructure in Nome and Wales, we are uniquely positioned and extremely qualified in providing high quality and vitally important air service to Little Diomedé, and should be strongly favored to receive a subsidy for this service.

Best Regards,



David J. Sell

Sales Manager Alaska

Erickson Helicopters

Erickson
Proposal to Provide Air Service to Little Diomed, Alaska

The below information is pertinent to providing Air Service to Little Diomed and includes flight time, flights per year, fuel requirements, fuel pricing pegged rates for each location that requires fueling, flight routing, assumptions and subsidy requirements.

The Below information is Erickson's proposed weekly scheduled air service based on the following flight routing:

- Leg 1: Fly Passengers/Cargo from Nome to Diomed.
- Leg 2: Fly Passengers/Cargo from Diomed to Wales (Refueling Stop).
- Leg 3: Fly Passengers/Cargo from Wales to Diomed.
- Leg 4: Fly Passengers/Cargo from Diomed back to Nome.

Erickson's Proposed Air Service Information:

Flights Per Week:	1 Flight Routing per week, 4 flight legs
Weeks of Service per Year:	44 Weeks
Total Flight Time for Routing:	2.5 Hours
Price per Hour (\$):	\$2,900
Total Fuel Required Per Routing:	150 Gallons
Fuel Required at Nome (Departure):	115 Gallons
Nome Fuel Pricing (Pegged):	\$7.00/Gallon
Fuel Required at Wales (Return):	35 Gallons
Wales Fuel Pricing (Pegged):	\$15.00/Gallon
Yearly Total Subsidy Requested:	\$377,520/Year
Flight Price for Complete Routing:	\$8,850/Flight Routing
Hourly Rate Including Fuel:	\$3,432

Erickson's Assumptions:

- Erickson offers passenger and/or cargo air service on each of the above legs once a week.
- Erickson requested subsidy pricing of \$377,520 has fuel included in the price.
 - Fuel is pegged the following rates per location: Nome is \$7/Gallon; Wales is \$15/Gallon.
 - If fuel price increases beyond pegged pricing per gallon at the above locations, Erickson reserves the right to ask for economic price adjustment.
- Erickson's proposal is for 44 weeks of flying a year, due to the ice runway in place for an average of 8 weeks per year.
- Erickson shall be paid the full amount listed for completed flight routes or flight hours.