BEFORE THE DEPARTMENT OF TRANSPORTATION OFFICE OF THE SECRETARY WASHINGTON, D.C.

Essential Air Service at VALDEZ, ALASKA DOCKET DOT-OST-2024-0052-0056 Under 49 U.S.C. §41731 et seq.

PROPOSAL OF REEVE AIR ALASKA, LLC

TO PROVIDE ESSENTIAL AIR SERVICE AT VALDEZ, ALASKA

Communications with respect to this document may be served upon:

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INTRODUCTION

Pursuant to the Department of Transportation's Order 2025-6-12, Reeve Air Alaska, LLC (Reeve Air) respectfully submits this proposal to provide year-round, subsidized Essential Air Service (EAS) to Valdez, Alaska, for two years beginning October 31, 2025, or sooner if DOT wishes service to begin earlier. Reeve Air Alaska would be able to begin service with as little as 2 business days of notification.

This proposal reflects Reeve Air's longstanding commitment to safety, reliability, and service excellence throughout Alaska. It also honors the Reeve family's 90-year aviation legacy, which began in Valdez in 1932.

ABOUT REEVE AIR ALASKA

Reeve Air's roots trace back to Valdez, where Bob Reeve, famously known as the Glacier Pilot, launched his charter flights through the rugged terrain and unpredictable weather of Prince William Sound. Today, his grandson Mike Reeve continues this legacy with Reeve Air Alaska, operating a fleet of turbine-powered, pressurized twin-engine Beechcraft King Air aircraft.

Reeve Air is an FAA-certified Part 135 commuter air carrier. The company provides both scheduled and charter service to communities across Alaska, including current EAS routes in Gulkana and McCarthy. All Reeve Air pilots hold Airline Transport Ratings, which is the highest certification available for commercial pilots.

WHY REEVE AIR IS RIGHT FOR VALDEZ

Locally Owned and Operated

Reeve Air is not a national or out-of-state operator experimenting with Alaska. Our business, our employees, and our culture are all Alaskan. We understand the weather, the infrastructure, and the expectations. Our team knows what it means to wait in the terminal for a medical appointment or to need last-minute parts flown in for a boat or business. We've built our service model to meet those real-world needs with responsiveness and care.





Fleet

Reeve Air Alaska's Beechcraft King Air fleet is equipped to fly specialized instrument approach procedures that many other aircraft cannot, including the larger turboprops currently operating in Valdez. Unlike aircraft such as the SAAB 2000, the King Air's configuration, GPS instrumentation, and operational flexibility allow it to utilize precision GPS, WAAS, and RNAV approaches into Pioneer Field which is critical for safely and reliably landing in the frequent low-visibility conditions common to Prince William Sound. This capability is a major advantage for year-round service in a region where weather variability routinely disrupts operations.

Reeve's aircraft are not only appropriately sized for the Valdez market, they are also technically and operationally superior for accessing the airport consistently and safely, regardless of season.

Safety

Reeve has operated Essential Air Service contracts in Alaska for years with a flawless safety record. Their aircraft are turbine-powered, well-maintained, and supported by a skilled in-house maintenance team. Reeve doesn't cut corners or make volume promises they can't keep. We fly what we commit to, safely and on time.

All Reeve captains hold Airline Transport Pilot (ATP) ratings, the highest level of FAA pilot certification. For a route like Valdez, which is defined by difficult terrain, changing weather, and critical service needs, Reeve's crew qualifications provide peace of mind and operational discipline.

Reeve's proposal is built on daily, consistent service using efficient aircraft and right-sized infrastructure. Other solutions may meet seat volume targets through infrequent, oversized operations, Reeve's proposal delivers frequent, right-sized service—with flights that reflect the actual travel patterns and preferences of the Valdez community.

Why Reeve

Reeve Air Alaska is not trying to "fit" into Valdez. It was built from Valdez. With the right aircraft, the right experience, and the right philosophy, Reeve is uniquely and perfectly aligned to serve Valdez with excellence, consistency, and safety.





PROPOSED SERVICE FOR VALDEZ

Reeve Air proposes to offer daily roundtrip service, seven days per week, between Valdez (VDZ) and Anchorage (ANC), using the Beechcraft King Air. Flights will operate from the South Terminal at Ted Stevens Anchorage International Airport, providing passengers with direct access to rental cars, hotel shuttles, and major carriers, including Alaska Airlines, Delta Air Lines, United Airlines, and American Airlines. We have also included multiple options that would include service between Valdez and Fairbanks.

Why Fairbanks?

While we have presented options that meet the requirements of the Essential Air Service RFP, we also thought it germane to present options that recognize the on the ground reality of the needs of the community of Valdez.

Air service to Fairbanks is a significant issue for the citizens of Valdez. After meeting extensively with citizens and city officials the essential connection to the community of Fairbanks is currently missing, Reeve Air has endeavored to propose options to close that gap. Reasons for including a route connecting Valdez and Fairbanks are as follows.

1. Fairbanks Is the Industrial and Logistics Hub of Interior Alaska

Fairbanks is the gateway to Alaska's oil, gas, and mining industries, which have strong historical and operational ties to Valdez. The pipeline terminus at Valdez connects directly to operations based in or around Fairbanks. A direct route would allow industry professionals, contractors, and engineers to move between these points more efficiently, without time-consuming detours through Anchorage or overland travel.

2. Seasonal Highway Closures Leave Fairbanks Practically Inaccessible

Thompson Pass and the Richardson Highway between Valdez and Anchorage, and by extension Fairbanks, are frequently closed during the winter due to snow, avalanches, or poor visibility. For half the year, driving is unreliable or outright impossible. A direct flight would ensure year-round access for residents with family, business, or academic ties in the Interior.

3. Fairbanks Is a Secondary Medical and Educational Hub

While Anchorage provides specialized care, Fairbanks Memorial Hospital, the University of Alaska Fairbanks, and numerous public and private institutions serve residents from across the region. Many Valdez residents already use these services. A direct connection would reduce barriers to consistent healthcare, education, and professional development.

4. Military, Government, and Indigenous Connections

Fairbanks is home to Eielson Air Force Base, Fort Wainwright, and many state and federal agency outposts. Residents and families tied to military service, tribal organizations, or inter-agency coordination frequently travel between the two cities. A direct flight reduces travel time, cost, and complexity for these groups.





5. Tourism and Business Expansion Opportunities

Fairbanks is a major tourism gateway for visitors headed to Denali, the Arctic, or interior adventure destinations. A direct link would allow Valdez to tap into these visitor streams by offering a convenient coastal extension to their trip thus supporting the local economy without relying solely on cruise or road traffic. This connection also enables more fluid inter-community commerce and tourism packaging between the Interior and Prince William Sound.

Option 1 (Meets Exact Requirements of RFP):

- Route: 8 flights a day between ANC and VDZ during Peak Season (May-September), 6 flights a day between ANC and VDZ during Non-Peak Season (October-April)
- Aircraft: Beechcraft King Air (9-seat capacity)
- Flight Time: Approximately 45 minutes each way
- Annual Round Trips: 2652
- Completion Rate: 100 percent (targeted)
- Average Fare: \$225 one-way (projected)
- First Year Requested Subsidy: \$9,551,118

Option 2 (Same Total Flights as RFP, but with FAI Flights):

- Route: 6 flights a day between ANC and VDZ during Peak Season (May-September), 4
 flights a day between ANC and VDZ during Non-Peak Season (October-April), 2 flights a
 day between VDZ and FAI Year-Round
- Aircraft: Beechcraft King Air (9-seat capacity)
- Flight Time: Approximately 45 minutes each way for ANC to VDZ, Approximately 1 hour 20 minutes each way for VDZ to FAI
- Annual Round Trips: 1924 ANC to VDZ, 728 VDZ to FAI
- Completion Rate: 100 percent (targeted)
- Average Fare: \$225 one-way (projected) ANC to VDZ, \$300 one-way (projected) VDZ to FAI
- First Year Requested Subsidy: \$9,263,125





Option 3 (ANC Flights corrected to current demand, adds 2/day FAI flights):

- Route: 3 flights a day between ANC and VDZ, 2 flights a day between VDZ and FAI
- Aircraft: Beechcraft King Air (9-seat capacity)
- Flight Time: Approximately 45 minutes each way for ANC to VDZ, Approximately 1 hour 20 minutes each way for VDZ to FAI
- Annual Round Trips: 1092 ANC to VDZ, 728 VDZ to FAI
- Completion Rate: 100 percent (targeted)
- Average Fare: \$225 one-way (projected) ANC to VDZ, \$300 one-way (projected) VDZ to FAI
- First Year Requested Subsidy: \$6,550,676

Option 4 (ANC Flights corrected to current demand, adds 1/day FAI flight):

- Route: 3 flight a day between ANC and VDZ, 1 flights a day between VDZ and FAI
- Aircraft: Beechcraft King Air (9-seat capacity)
- Flight Time: Approximately 45 minutes each way for ANC to VDZ, Approximately 1 hour 20 minutes each way for VDZ to FAI
- Annual Round Trips: 1092 ANC to VDZ, 364 VDZ to FAI
- Completion Rate: 100 percent (targeted)
- Average Fare: \$225 one-way (projected) ANC to VDZ, \$300 one-way (projected) VDZ to FAI
- First Year Requested Subsidy: \$5,465,246

Option 5: (ANC Flights corrected to current demand)

- Route: 3 flights a day between ANC and VDZ
- Aircraft: Beechcraft King Air (9-seat capacity)
- Flight Time: Approximately 45 minutes each way
- Annual Round Trips: 1092
- Completion Rate: 100 percent (targeted)
- Average Fare: \$225 one-way (projected)
- First Year Requested Subsidy: \$4,166,092





Option 6: (2 ANC flights and 2 FAI flights)

- Route: 2 flights a day between ANC and VDZ, 2 flights a day between VDZ and FAI
- Aircraft: Beechcraft King Air (9-seat capacity)
- Flight Time: Approximately 45 minutes each way for ANC to VDZ, Approximately 1 hour 20 minutes each way for VDZ to FAI
- Annual Round Trips: 728 ANC to VDZ, 728 VDZ to FAI
- Completion Rate: 100 percent (targeted)
- Average Fare: \$225 one-way (projected) ANC to VDZ, \$300 one-way (projected) VDZ to FAI
- First Year Requested Subsidy: \$5,569,305

Reeve exclusively operates twin-engine, pressurized Beechcraft King Air aircraft. These aircraft are ideally suited for flying over the Chugach Mountains and the waters of Prince William Sound. Pressurization provides a more comfortable and weather-resilient ride, while twin engines add a layer of safety that single-engine operations simply cannot match. Every aircraft in our fleet is flown by pilots holding Airline Transport Ratings, the highest certification available in the industry.

Reeve Air has an interline arrangement with Alaska Airlines and our passengers have direct access to all airlines operating at the Ted Stevens Anchorage International Airport including Alaska, Delta, United, American, and our summer seasonal domestic and international carriers.





FREIGHT AND MAIL SERVICE

Although the U.S. Postal Service handles mail delivery through a separate provider, Reeve Air offers regular freight service, including chilled, frozen, and small-package shipping. These services are particularly beneficial for time-sensitive items, such as medication, boat parts, and perishables. Our Anchorage freight facility ensures proper handling of all temperature-sensitive shipments.

MARKETING AND COMMUNITY OUTREACH

Reeve Air will collaborate closely with the City of Valdez, the Valdez Chamber of Commerce, and local businesses to align our service offerings with the community's needs. Planned initiatives include:

- Quarterly town hall meetings for community feedback
- Timely updates to our website and booking interface
- Outreach through local radio, social media, and tourism publications
- Joint marketing campaigns with the Valdez tourism and economic development agencies Our goal is to create a service that is community-driven, reliable, and consistent.





REQUESTED SUBSIDY

All Options are for a Two-Year Term (100 Percent Completion Rate)

Option 1: (8/day ANC-VDZ May-Sep, 6/day ANC-VDZ Oct-Apr)

| | | Year 1 | Year 2 | Total |
|---------------------------|-----------------------------|---------------|---------------------|-------------|
| Passenger Revenue | | \$ 1,420,869 | 1,420,869 | 2,841,739 |
| | | | | |
| Total Revenue | | \$ 1,420,869 | 1,420,869 | 2,841,739 |
| | | | | |
| Direct Expenses | Pilot Wage & Benefit | \$ 1,432,080 | 1,503,684 | 2,935,764 |
| | Aircraft Fuel | \$ 2,255,526 | 2,362,932 | 4,618,458 |
| | Mechanics & Aircraft Parts | \$ 1,503,684 | 1,578,868 | 3,082,552 |
| | Insurance | \$ 240,000 | 276,000 | 516,000 |
| | Aircraft Engines & Reserves | \$ 1,575,288 | 1,575,288 | 3,150,576 |
| | Aircraft & Traffic Svc | \$ 42,936 | 42,936 | 85,872 |
| Total Direct Cost | | \$ 7,049,514 | 7,339,708 | 14,389,222 |
| | • | | | |
| Indirect Cost | Maintenance - Ground | \$ 306,324 | 306,324 | 612,647 |
| | Marketing & Sales | \$ 60,000 | 60,000 | 120,000 |
| | Asset Depreciation | \$ 498,000 | 498,000 | 996,000 |
| | Ownership & Equipment | \$ 900,000 | 900,000 | 1,800,000 |
| | Station Wage & Benefits | \$ 375,675 | 386,617 | 762,292 |
| Total Indirect Cost | | \$ 2,139,998 | 2,150,940 | 4,290,939 |
| | | | | |
| General & Admin | | \$ 1,260,000 | 1,297,800 | 2,557,800 |
| Total Expense | | \$ 10,449,512 | 10,788,448 | 21,237,961 |
| 5% Margin | | \$ 522,476 | 539,422 | 1,061,898 |
| | | | | |
| Total Economic Cost | | \$ 10,971,988 | 11,327,871 | 22,299,859 |
| | | | | |
| Requested Subsidy | | \$ 9,551,118 | 9,907,001 | 19,458,120 |
| Requested Subsidy per leg | | \$ 1,800.74 | \$ 1,867.84 | \$ 1,834.29 |
| Tequested substay per leg | | ş 1,800.74 | ⇒ 1,007. 0 4 | Ş 1,054.29 |







Option 2: (6/day ANC-VDZ May-Sep, 4/day ANC-VDZ Oct-Apr, 2/day VDZ-FAI year-round)

| | | Year 1 | Year 2 | Total |
|---------------------------|-----------------------------|---------------|-------------|------------|
| Passenger Revenue | | \$ 2,313,124 | 2,447,804 | 4,760,929 |
| Total Revenue | | \$ 2,313,124 | 2,447,804 | 4,760,929 |
| Direct Forest | Dilat Mana O Danafit | | | |
| Direct Expenses | Pilot Wage & Benefit | \$ 1,650,480 | 1,733,004 | 3,383,484 |
| | Aircraft Fuel | \$ 2,599,506 | 2,723,292 | 5,322,798 |
| | Mechanics & Aircraft Parts | \$ 1,733,004 | 1,819,654 | 3,552,658 |
| | Insurance | \$ 240,000 | 276,000 | 516,000 |
| | Aircraft Engines & Reserves | \$ 1,815,528 | 1,815,528 | 3,631,056 |
| | Aircraft & Traffic Svc | \$ 42,936 | 42,936 | 85,872 |
| Total Direct Cost | | \$ 8,081,454 | 8,410,414 | 16,491,868 |
| | | | | |
| Indirect Cost | Maintenance - Ground | \$ 319,534 | 319,534 | 639,068 |
| | Marketing & Sales | \$ 60,000 | 60,000 | 120,000 |
| | Asset Depreciation | \$ 498,000 | 498,000 | 996,000 |
| | Ownership & Equipment | \$ 900,000 | 900,000 | 1,800,000 |
| | Station Wage & Benefits | \$ 446,011 | 456,465 | 902,476 |
| Total Indirect Cost | | \$ 2,223,545 | 2,233,999 | 4,457,544 |
| | | | | |
| General & Admin | | \$ 720,000 | 741,600 | 1,461,600 |
| Total Expense | | \$ 11,024,999 | 11,386,013 | 22,411,012 |
| 5% Margin | | \$ 551,250 | 569,301 | 1,120,551 |
| Total Economic Cost | Τ | Ć 44 F7C 240 | 44.055.242 | 22 524 562 |
| iotal Economic Cost | | \$ 11,576,249 | 11,955,313 | 23,531,563 |
| Requested Subsidy | | \$ 9,263,125 | 9,507,509 | 18,770,634 |
| | | | | |
| Requested Subsidy per leg | | \$ 1,746.44 | \$ 1,792.52 | |
| ANC-VDZ per leg | | \$ 1,618.65 | \$ 1,683.23 | |
| VDZ-FAI per leg | | \$ 1,955.74 | \$ 1,948.65 | |







Option 3: (3/day ANC-VDZ, 2/day VDZ-FAI)

| | | Year 1 | Year 2 | Total |
|---------------------------|-----------------------------|--------------|-------------|------------|
| Passenger Revenue | | \$ 2,296,289 | 2,414,134 | 4,710,424 |
| Total Revenue | | \$ 2,296,289 | 2,414,134 | 4,710,424 |
| | ļ. | | , , | |
| Direct Expenses | Pilot Wage & Benefit | \$ 1,201,200 | 1,261,260 | 2,462,460 |
| | Aircraft Fuel | \$ 1,891,890 | 1,981,980 | 3,873,870 |
| | Mechanics & Aircraft Parts | \$ 1,261,260 | 1,324,323 | 2,585,583 |
| | Insurance | \$ 160,000 | 184,000 | 344,000 |
| | Aircraft Engines & Reserves | \$ 1,321,320 | 1,321,320 | 2,642,640 |
| | Aircraft & Traffic Svc | \$ 29,466 | 29,466 | 58,932 |
| Total Direct Cost | | \$ 5,865,136 | 6,102,349 | 11,967,485 |
| | | | | |
| Indirect Cost | Maintenance - Ground | \$ 319,534 | 319,534 | 639,068 |
| | Marketing & Sales | \$ 60,000 | 60,000 | 120,000 |
| | Asset Depreciation | \$ 415,000 | 415,000 | 830,000 |
| | Ownership & Equipment | \$ 600,000 | 600,000 | 1,200,000 |
| | Station Wage & Benefits | \$ 446,011 | 456,465 | 902,476 |
| Total Indirect Cost | | \$ 1,840,545 | 1,850,999 | 3,691,544 |
| | | | | |
| General & Admin | | \$ 720,000 | 741,600 | 1,461,600 |
| Total Expense | | \$ 8,425,681 | 8,694,947 | 17,120,629 |
| 5% Margin | | \$ 421,284 | 434,747 | 856,031 |
| | | | | |
| Total Economic Cost | | \$ 8,846,965 | 9,129,695 | 17,976,660 |
| | _ | | | |
| Requested Subsidy | | \$ 6,550,676 | 6,715,560 | 13,266,236 |
| B | T | | | |
| Requested Subsidy per leg | | \$ 1,799.64 | \$ 1,844.93 | |
| ANC-VDZ per leg | | \$ 1,526.12 | \$ 1,594.62 | |
| VDZ-FAI per leg | | \$ 2,076.05 | \$ 2,082.19 | |







Option 4: (3/day ANC-VDZ, 1/day VDZ-FAI)

| | | Year 1 | Year 2 | Total |
|---------------------------|-----------------------------|------------------|-------------|------------|
| Passenger Revenue | | \$ 1,858,579 | 1,917,502 | 3,776,081 |
| Total Revenue | | \$ 1,858,579 | 1,917,502 | 3,776,081 |
| | | + -,, | _,,, | 3,113,002 |
| Direct Expenses | Pilot Wage & Benefit | \$ 895,440 | 940,212 | 1,835,652 |
| | Aircraft Fuel | \$ 1,410,318 | 1,477,476 | 2,887,794 |
| | Mechanics & Aircraft Parts | \$ 940,212 | 987,223 | 1,927,435 |
| | Insurance | \$ 160,000 | 184,000 | 344,000 |
| | Aircraft Engines & Reserves | \$ 984,984 | 984,984 | 1,969,968 |
| | Aircraft & Traffic Svc | \$ 23,573 | 23,573 | 47,145 |
| Total Direct Cost | | \$ 4,414,527 | 4,597,467 | 9,011,994 |
| | | | | |
| Indirect Cost | Maintenance - Ground | \$ 319,534 | 319,534 | 639,068 |
| | Marketing & Sales | \$ 60,000 | 60,000 | 120,000 |
| | Asset Depreciation | \$ 415,000 | 415,000 | 830,000 |
| | Ownership & Equipment | \$ 600,000 | 600,000 | 1,200,000 |
| | Station Wage & Benefits | \$ 446,011 | 456,465 | 902,476 |
| Total Indirect Cost | | \$ 1,840,545 | 1,850,999 | 3,691,544 |
| Consul O A lock | | | | |
| General & Admin | | \$ 720,000 | 741,600 | 1,461,600 |
| Total Expense | | \$ 6,975,072 | 7,190,066 | 14,165,138 |
| 5% Margin | | \$ 348,754 | 359,503 | 708,257 |
| Total Economic Cost | | \$ 7,323,826 | 7,549,569 | 14,873,395 |
| Requested Subsidy | | \$ 5,465,246 | 5,632,067 | 11,097,313 |
| | | <u> </u> | | |
| Requested Subsidy per leg | | \$ 1,876.80 | \$ 1,934.09 | |
| ANC-VDZ per leg | | \$ 1,690.15 | \$ 1,761.94 | |
| VDZ-FAI per leg | | \$ 2,292.09 | \$ 2,301.37 | |







Option 5: (3/day ANC-VDZ)

| | | Year 1 | Year 2 | Total |
|----------------------------|-----------------------------|--------------|-------------|------------|
| Passenger Revenue | | \$ 1,420,869 | 1,420,869 | 2,841,739 |
| | | | | |
| Total Revenue | | \$ 1,420,869 | 1,420,869 | 2,841,739 |
| | | | | |
| Direct Expenses | Pilot Wage & Benefit | \$ 589,680 | 619,164 | 1,208,844 |
| | Aircraft Fuel | \$ 928,746 | 972,972 | 1,901,718 |
| | Mechanics & Aircraft Parts | \$ 619,164 | 650,122 | 1,269,286 |
| | Insurance | \$ 160,000 | 184,000 | 344,000 |
| | Aircraft Engines & Reserves | \$ 648,648 | 648,648 | 1,297,296 |
| | Aircraft & Traffic Svc | \$ 17,679 | 17,679 | 35,359 |
| Total Direct Cost | | \$ 2,963,917 | 3,092,586 | 6,056,503 |
| | | | | |
| Indirect Cost | Maintenance - Ground | \$ 306,324 | 306,324 | 612,647 |
| | Marketing & Sales | \$ 60,000 | 60,000 | 120,000 |
| | Asset Depreciation | \$ 415,000 | 415,000 | 830,000 |
| | Ownership & Equipment | \$ 600,000 | 600,000 | 1,200,000 |
| | Station Wage & Benefits | \$ 375,675 | 386,617 | 762,292 |
| Total Indirect Cost | | \$ 1,756,998 | 1,767,940 | 3,524,939 |
| | | | | |
| General & Admin | | \$ 600,000 | 618,000 | 1,218,000 |
| Total Expense | | \$ 5,320,916 | 5,478,526 | 10,799,442 |
| 5% Margin | | \$ 266,046 | 273,926 | 539,972 |
| | | | | |
| Total Economic Cost | | \$ 5,586,962 | 5,752,452 | 11,339,414 |
| | | | | |
| Requested Subsidy | | \$ 4,166,092 | 4,331,583 | 8,497,675 |
| | | | | |
| Requested Subsidy per leg | | \$ 1,907.55 | \$ 1,983.33 | |







Option 6: (2/day ANC-VDZ, 2/day VDZ-FAI)

| | | Year 1 | Year 2 | Total |
|---------------------------|-----------------------------|--------------|-------------|------------|
| Passenger Revenue | | \$ 2,296,289 | 2,414,134 | 4,710,424 |
| | T | | | |
| Total Revenue | | \$ 2,296,289 | 2,414,134 | 4,710,424 |
| | | | | |
| Direct Expenses | Pilot Wage & Benefit | \$ 1,004,640 | 1,054,872 | 2,059,512 |
| | Aircraft Fuel | \$ 1,582,308 | 1,657,656 | 3,239,964 |
| | Mechanics & Aircraft Parts | \$ 1,054,872 | 1,107,616 | 2,162,488 |
| | Insurance | \$ 160,000 | 184,000 | 344,000 |
| | Aircraft Engines & Reserves | \$ 1,105,104 | 1,105,104 | 2,210,208 |
| | Aircraft & Traffic Svc | \$ 23,573 | 23,573 | 47,145 |
| Total Direct Cost | | \$ 4,930,497 | 5,132,820 | 10,063,317 |
| | | | | |
| Indirect Cost | Maintenance - Ground | \$ 319,534 | 319,534 | 639,068 |
| | Marketing & Sales | \$ 60,000 | 60,000 | 120,000 |
| | Asset Depreciation | \$ 415,000 | 415,000 | 830,000 |
| | Ownership & Equipment | \$ 600,000 | 600,000 | 1,200,000 |
| | Station Wage & Benefits | \$ 446,011 | 456,465 | 902,476 |
| Total Indirect Cost | | \$ 1,840,545 | 1,850,999 | 3,691,544 |
| | | | | |
| General & Admin | | \$ 720,000 | 741,600 | 1,461,600 |
| Total Expense | | \$ 7,491,042 | 7,725,419 | 15,216,461 |
| 5% Margin | | \$ 374,552 | 386,271 | 760,823 |
| Total Economic Cost | | \$ 7,865,594 | 8,111,690 | 15,977,284 |
| Requested Subsidy | | Ć F FCO 20F | F 607 FFF | 11 255 850 |
| nequested substuy | | \$ 5,569,305 | 5,697,555 | 11,266,860 |
| Requested Subsidy per leg | | \$ 1,912.54 | \$ 1,956.58 | |
| ANC-VDZ per leg | | \$ 1,451.13 | \$ 1,525.43 | |
| VDZ-FAI per leg | | \$ 2,232.26 | \$ 2,241.54 | |





CONCLUSION

Reeve Air Alaska is more than a transportation provider. We are part of Alaska's aviation heritage and deeply committed to the communities we serve. With deep historical ties to Valdez, a safe and modern fleet, and a longstanding record of reliable operations, Reeve Air is ready to provide the level of service the people of Valdez expect and deserve.

We believe that reliable, daily service beats inflated frequency numbers that look good on paper but rarely materialize in real life. Reeve focuses on delivering what is promised, not overextending schedules. Our commitment is to show up, fly safely, and make sure the people of Valdez have a dependable link to Anchorage year-round.

We appreciate the Department's consideration and welcome the opportunity to support Valdez through this Essential Air Service program.

This is more than adding another route. It's continuing a legacy that was born here and belongs here.

