

BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

Essential Air Service at)	
)	
MERIDIAN, MISSISSIPPI)	OST-2008-0112
LAUREL/HATTIESBURG, MISSISSIPPI)	OST-2001-10685
TUPELO, MISSISSIPPI)	OST-2009-0305
)	
Under 49 U.S.C. §41731 <i>et seq.</i>)	
)	

**AERODYNAMICS, INC. PROPOSAL TO PROVIDE SUBSIDIZED AIR SERVICE
AT MERIDIAN, LAUREL/HATTIESBURG AND TUPELO, MISSISSIPPI**

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Aerodynamics, Inc. (ADI) cordially submits its proposal to provide subsidized air service to the communities of Meridian, Laurel/Hattiesburg and Tupelo, Mississippi. ADI hereby offers one, two year, option for service. This bid is all or nothing, as ADI feels that it will require the mass of all three routes herein bid to establish a viable hub operation.

ADI proposes to operate flights, under its independent identity to the major hub airport of Atlanta, Georgia. Atlanta's Hartsfield airport is the nation's busiest with over 1,200 daily departures to over 200 cities worldwide. ADI is a certificated 121 operator that currently holds DOT economic authority for charter operations and is in the process of filing for expanded economic authority for full scheduled passenger service. ADI will work to establish interline ticketing and baggage agreements with the legacy carriers at ATL and will schedule its flights to allow multiple connecting opportunities. ADI contends that reasonable local fares and reliable scheduled operations will stimulate demand and the variety of destinations available from Atlanta will allow these markets to grow. Toward that end ADI will establish a reasonable fare structure between these cities and Atlanta. Additionally, ADI will endeavor to establish a codeshare relationship with the major carriers at ATL but will additionally establish its own reservations platform that will allow ADI flights to be sold via all major global distribution systems. ADI will maintain its own web based booking site as well as a reservation call center.

In compliance with Public Law 100-223, ADI proposes to operate these flights using Embraer 145 regional jets that are pressurized and accommodate 50 passengers. The EMB-145 features stand up headroom, a pressurized cabin, a Flight Attendant and an onboard lavatory. The aircraft has ample cargo capacity to accommodate even bulky military duffle bags. Each community's schedule would consist of a dedicated overnighting aircraft along with a midday turn. ADI has a long history of providing safe and reliable transportation. One of the keys to reinvigorating traffic at these three airports will be schedule reliability. Toward this end, ADI intends to include a 4th dedicated spare aircraft in support of this scheduled operation. With this spare aircraft ADI will have great flexibility in responding to any operational challenges and can assure these communities receive the level of operational performance they deserve.

ADI Company Overview

History

Aerodynamics Incorporated, operationally based in Atlanta GA., and corporately based in Beachwood, Ohio has multiple operating bases in the U.S. and is a certified FAA 121/135 Air Carrier (Cert# BUEA634C) offering large aircraft flight operations. Long recognized for its core value of operational excellence, ADI has served the industry for 54 years without **incident or accident**. ADI is one of only two companies operating Regional Jets in the supplemental 121 on-demand sector. ADI currently holds the ARG/US Platinum rating Full TSA approval and is IS-BAO Stage II, certified. ADI is one of the elite few Platinum certified Part 121 operators in the world.

Diversity over the years

ADI has had Airliners and Corporate Jet Aircraft on its Air Carrier Certificate including:

Airbus A319 / A320 series, Embraer EMB 145, EMB 135, Fokker 28, Jetstream 41, Corporate Gulfstream GIV, GIII, Citation Excel

Professional Customer Service Team

Full time dedicated customer service team with substantial experience and proven results

Worldwide Operations

ADI is authorized by the FAA for international operations.

The majority of ADI flights take place in the US, Latin America, Canada, Mexico and the Caribbean.

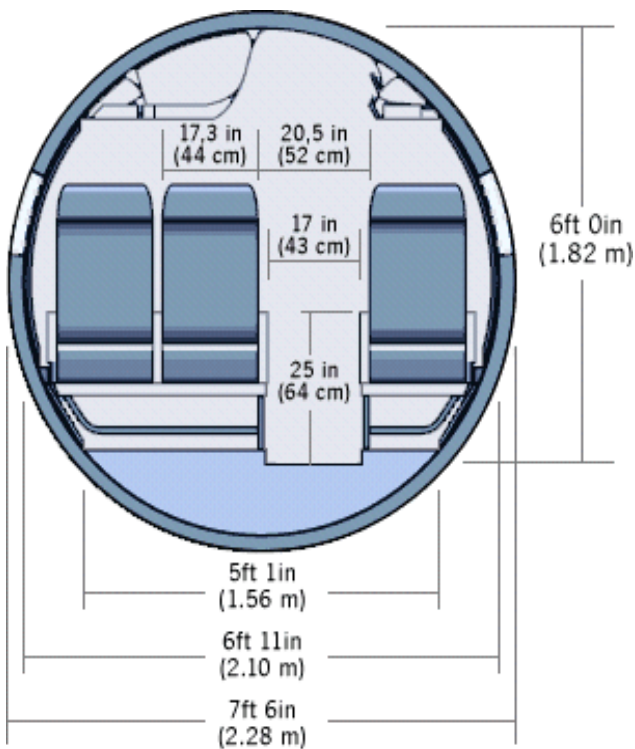
Certified Flight Followers & Maintenance Controllers

Available 24/7 to handle all aspects of trip planning including fuel, ground handling, ground transportation, hotels, catering and special needs.



The ADI Fleet

ADI's fleet is comprised of Embraer ERJ 145's, capable of accommodating up to 50 passengers. It was specifically designed to fly medium sized groups, shorter distances at greater speeds. The ERJ 145 has an impressive mission completion rate of 99.7%. The ERJ worldwide fleet has flown over fifteen million miles since its first flight in 1995 with zero fatalities.



Performance & Specifications

Maximum Range: 1,017 nm

(With Reserves)

Normal Cruise Speed: Mach 0.78

Cabin Height: 6 ft

Cabin Width: 6 ft 11 in

Usable Baggage: 2600 lbs.

Flight Attendants

Comfort

31" Seat Pitch

Rear Cabin Lavatory

Forward Cabin Galley

34 Large Windows

Overhead Storage Bins

ADI - Proven Success

ADI has considerable experience in shuttle operations in a variety of narrow-body airline equipment, including the Embraer regional jet. Founded in 1959, ADI operates under FARs Part 135, and Part 121 operations –and is recognized as a world leader in corporate shuttle operations. ADI has maintained a flawless safety record for over 50 years and is ARGUS Platinum rated.

Tortug'air International Service (starts June 2014) – Daily flights between Ft. Lauderdale (KFL) and Cap Haitian (MTCH) and Nassau (MYNN) in an Embraer 145.

Intel Corporate Airline (2004 – 2013) – Operating the world's largest private airline service - 33 daily flights operating seven Embraer 135's / Beech 1900 transporting over 300,000 passengers annually while boasting a 98.7% dispatch reliability rating, along with a 97.0% on-time performance ratio—each ranked 1st amongst ERJ operators worldwide.

Dow Chemicals (2002 – 2011) –Operating daily flights in an Airbus 319 between Saginaw, MI and Lake Jackson, TX and Philadelphia, PA. Dow Chemical's corporate shuttle which logged nearly 1400 flight hours annually. ADI maintained a 99% reliability and mission completion rating throughout the Airbus program.

The image shows a scanned document titled "Air Carrier Certificate" from the US Department of Transportation Federal Aviation Administration. The certificate is issued to Aerodynamics, Inc. at 1690 Stone Village Lane, Building 100, Suite 121, Kennesaw, GA 30152. It certifies that the company meets the requirements of the Federal Aviation Act of 1958. The certificate number is BUREA634C, issued on June 26, 2003, to SO-65. It is signed by Thomas A. Winston, Manager, Flight Standards Division, Southern Region. The document includes the FAA logo and form number 8430-16 (6-87).

US Department of Transportation
Federal Aviation Administration

Air Carrier Certificate

This certifies that
Aerodynamics, Inc.
1690 Stone Village Lane
Building 100, Suite 121
Kennesaw, GA 30152

has met the requirements of the Federal Aviation Act of 1958, as amended, and the rules, regulations, and standards prescribed thereunder for the issuance of this certificate and is hereby authorized to operate as an air carrier and conduct common carriage operations in accordance with said Act and the rules, regulations, and standards prescribed thereunder and the terms, conditions, and limitations contained in the approved operations specifications.

This certificate is not transferable and, unless sooner surrendered, suspended, or revoked, shall continue in effect indefinitely.

By Direction of the Administrator

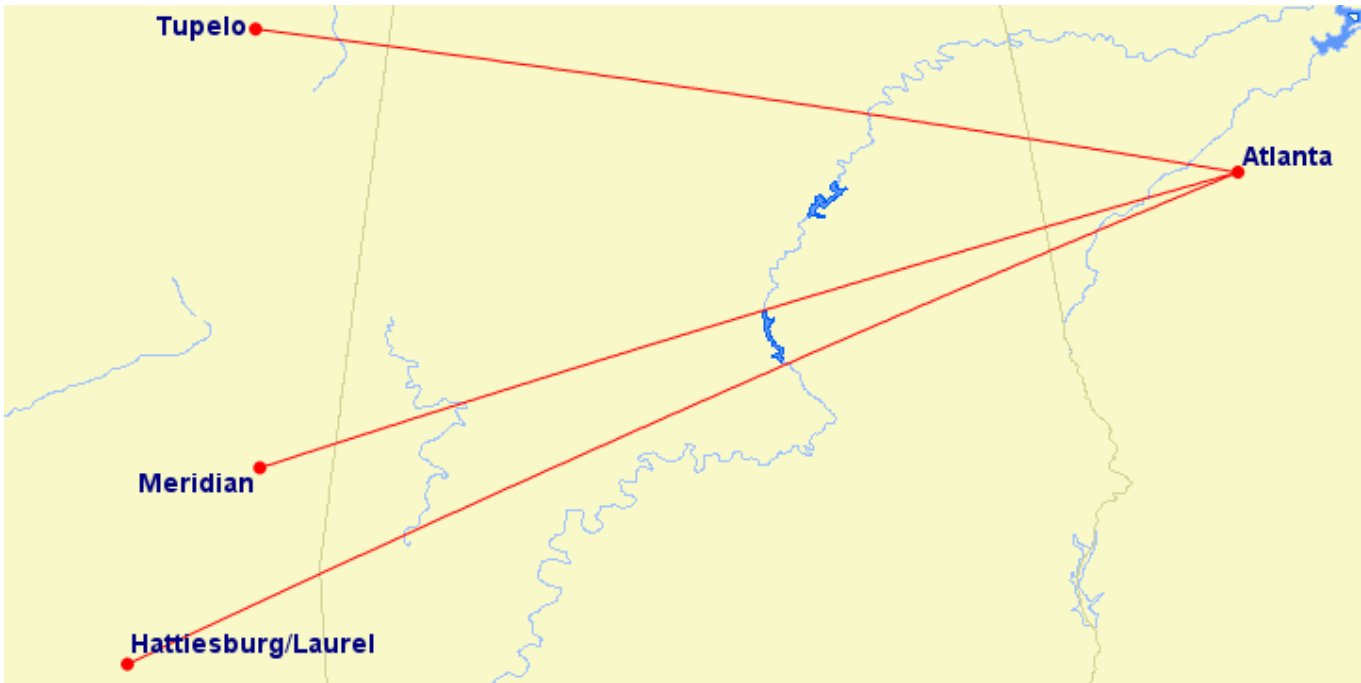
Certificate number: BUREA634C

Effective Date: June 26, 2003

Issued at: SO-65

Thomas A. Winston
Thomas A. Winston
(Signature)
Manager, Flight Standards
Division
(Title)
Southern Region
(Region/Office)

FAA Form 8430-16 (6-87) Electronic Forms (PDF)



Service Option 1

24 Weekly frequencies between Meridian, Mississippi and Atlanta, Georgia

24 Weekly frequencies between Laurel/Hattiesburg, Mississippi and Atlanta, Georgia

24 Weekly frequencies between Tupelo, Mississippi and Atlanta, Georgia

Aerodynamics, Inc. proposes to operate these flights under our independent brand and through anticipated codeshare relationships. The timing of these flights would be optimized for connections to and from legacy carriers in Atlanta. ADI proposes to encourage connecting traffic by using a simplified “add on” fee structure whereby passengers connecting to or from other airline flights would pay only a low incremental fare for the ADI segment. The anticipated service pattern features two weekday roundtrips operating on a nonstop routing. Weekend service would consist of one round trip, nonstop flight on Saturday and one roundtrip, nonstop flights on Sunday to all three cities. ADI intends to acquire ticket counter space in the North Domestic Terminal in ATL and plans to work from Gate E-37 in a busing operation similar to what Silver Airways does today.

FROM	TO	DEP	ARR	FLT	EQP	FREQ	STOPS
ATL	MEI	1030a	1050a	201	ERJ	X7	0
ATL	MEI	530p	550p	203	ERJ	X6	0
MEI	ATL	630a	850a	200	ERJ	X7	0
MEI	ATL	200p	420p	202	ERJ	X6	0

ATL	PIB	1000a	1035a	103	ERJ	X7	0
ATL	PIB	500p	535p	105	ERJ	X6	0
PIB	ATL	600a	835a	102	ERJ	X7	0
PIB	ATL	130p	405p	104	ERJ	X6	0

ATL	TUP	930a	950a	302	ERJ	X7	0
ATL	TUP	600p	620p	304	ERJ	X6	0
TUP	ATL	715a	935a	301	ERJ	X7	0
TUP	ATL	245p	505p	303	ERJ	X6	0

(Note: These schedules are for illustration and may not represent the final selling product)

Aerodynamics Inc				
Essential Air Service Proposal To Provide Service at:				
Tupelo, MS; Meridian, MS; and Laurel/Hattiesburg, MS				
	Option 1	Option 1	Option 1	Option 1
	<u>Tupelo</u>	<u>Meridian</u>	<u>Laurel/Hatt</u>	<u>System Total</u>
Hub Served	Atlanta	Atlanta	Atlanta	Atlanta
Number of Roundtrips per Service Day	2	2	2	
	Non-Stop	Non-Stop	Non-Stop	
	(12rt/week)	(12rt/week)	(12rt/week)	
<u>Operating Statistics</u>				
Assumed Completion %	97 %	97 %	97 %	97 %
Annual Adjusted Block Hours	1,375.74	1,517.36	1,658.98	4,552.08
Annual Adjusted Departures	1,213.89	1,213.89	1,213.89	3,641.67
Annual Adjusted ASMs	15,355,696	16,205,419	19,604,308	51,165,423
Annual RPMs	4,852,416	5,506,602	7,185,232	17,544,249
Projected Load Factor	31.6 %	34.0 %	36.7 %	34.3 %
<u>Revenue Projections</u>				
Enplaned Passengers	19,180	20,624	22,245	62,049
Mileage (Average as Operated)	253	267	323	281
Average Fare	\$ 91.58	\$ 91.58	\$ 91.58	\$ 91.58
Passenger Revenue	\$ 1,756,363	\$ 1,888,641	\$ 2,037,113	\$ 5,682,117
Miscellaneous Revenue	\$ 211,730	\$ 227,676	\$ 245,574	\$ 684,980
<u>Expense Projections</u>				
Flight Operations	\$ 656,744	\$ 724,351	\$ 791,957	\$ 2,173,052
Ownership	\$ 750,000	\$ 750,000	\$ 750,000	\$ 2,250,000
Maintenance	\$ 845,950	\$ 983,663	\$ 1,121,376	\$ 2,950,988
Reservations, Stations & Administration	\$ 1,385,771	\$ 1,334,823	\$ 1,334,877	\$ 4,037,471
Fuel	\$ 1,878,584	\$ 2,140,159	\$ 2,401,734	\$ 6,420,477
Marketing	\$ 6,000	\$ 6,000	\$ 6,000	\$ 36,000
Total Annual Expenses	\$ 5,523,049	\$ 5,938,995	\$ 6,405,943	\$ 17,867,987
Projected Profit / (Loss)	(\$ 3,766,686)	(\$ 4,050,354)	(\$ 4,368,830)	(\$ 12,185,870)
Profit Element	\$ 276,152	\$ 296,950	\$ 320,297	\$ 893,399
Annual Subsidy Required	\$ 3,831,108	\$ 4,119,628	\$ 4,443,553	\$ 12,394,289
Subsidy per Departure	\$ 3,156.06	\$ 3,393.74	\$ 3,660.59	\$ 3,403.47
Subsidy per Passenger	\$ 199.75	\$ 199.75	\$ 199.75	\$ 199.75

In conclusion, Aerodynamics, Inc. believes that this proposal will provide these communities with superior air service options. We feel the passengers will benefit from service to the nation's busiest hub airport in Atlanta, Georgia. With a renewed focus on price, schedule connectivity and reliability, ADI intends to grow these markets. ADI has proven itself as a dependable Air Service provider and brings a commitment to work with these communities to address their travel needs. Integrity of service that has been a hallmark of the ADI Charter operation and we look forward to extending our brand into the Scheduled service arena.

Respectfully Submitted: June 2, 2014

Scott Beale
Chief Executive Officer
Aerodynamics, Inc.

