

Strategy & Application Guide

**The 2018 US Department of
Transportation**

**Small Community
Air Service Development
Grant Program**

Let Us Help You Get Your Share

Prepared by

BOYD GROUP
INTERNATIONAL
AVIATION FORECASTING & CONSULTING

Invitation: Join The Ranks of Boyd Group International Winners

The docket for the **2018 Small Community Air Service Development** grant program will be issued shortly. As the single most successful consulting firm in crafting winning applications under this program, we stand ready to assist you in getting your share of these federal funds.

Airports across the USA today are enjoying air service facilitated by our SCASD grant strategies. Here again, no other consulting firm can even come close to our track record.

No room to list them all from 2002 to today, but here are just a few examples among the airports we've assisted in winning more than \$24 million since the program began...

- **Sarasota-Bradenton, FL** successfully recruited low-fare service from AirTran, facilitated by a \$1.5 million grant. The result was a nearly 20% increase in enplanements.
- **Charleston, WV** today has nonstop service to Houston, meeting the needs of the petro-chemical industry in West Virginia, as well as opening an additional western gateway for the region.
- **Santa Fe**, now has very successful service to the AA hub at PHX, thanks to an effective grant application from BGI.
- **Bozeman** has new access to American's global hub at DFW, incubated by a BGI-crafted SCASD application. .
- **Spokane** gained nonstops on Delta to LAX, opening Southern California to Eastern Washington.
- **Richmond** was awarded a grant that allowed the airport to recruit United service to Denver.
- **Traverse City** today has new service to DFW, which is a major boost to the region's summer tourist industry.
- **Springfield-Branson Regional** topped the 1 million passenger mark in 2017, partially due to new service to Charlotte, supported by a successful Boyd Group International SCASD application.
- **Bangor** has successful United service to ORD, which was facilitated by a BGI SCASD grant application. The additional fallout is that United has found the BGR market to be so successful that they've added two daily flights to New York/Newark.

We look forward to adding your airport and community to this growing list in 2018!

Some Basics of The 2018 SCASD Program

The program is entering its 18th year, and while it has *functionally* not changed much since its original inception, there are lots of changes in not only how the program is administered, but also in the airline industry that it works within. This is where the expertise of Boyd Group International comes into play. Because we work with airlines at all levels, we understand their new emerging strategies – strategies that are critical to crafting a successful SCASD application.

There are some realities that are not clearly spelled out in the program requirements. For example, no longer will grants be awarded to support new service on routes already flown by another airline. Also, they have much more strict definitions between cash and "in-kind" contributions in the local match. In addition, while not mentioned on the docket, the DOT wants to see a letter of at least acknowledgement from any specific airline to which the grant is intended. The DOT has also indicated that schemes like "travel banks" are suspect.

And very importantly, applications now must be short and to the point. They want the facts, period.

More:

- **Number of Awards:** Maximum 40. No more than four in a single state. No requirement for DOT to award the full 40. Communities or consortiums of communities whose airport(s) are classified as a "small hub" are eligible.

- **Funding.** The program has never been funded anywhere near the originally-intended \$34 million. We can expect less than \$12 million this year. This is the reason that developing a well-focused and innovative application strategy is critical in getting the advantage over the dozens of other communities applying for scarce grant dollars.
- **Primary And Necessary Objective: Filling An Air Service Deficiency.** The community must convince the DOT that it has a demonstrable and *quantifiable* air service “deficiency” which, according to the legislation, can include “higher than average” fares, low service levels, or a clear market or destination deficiency.
- **Understanding The Airline Industry.** For a successful grant application, the airport and the community must know upfront the realities they face in resolving air service issues. The hard decision communities must make is whether the “deficiency” is one that can be resolved with the assistance of a SCASD grant, and the modality of how it will be accomplished. *That’s where we come in – BGI’s extensive forecast and airline strategy forecasts can tailor your airport’s application to the needs and opportunities of the future air transportation system.*
- **Community Contribution.** The DOT track record of grant awards has made it clear that the community needs to have skin in the game, and 20% of the cash amount requested in the grant is just about the minimum. There is no requirement to have these funds in the bank when the application is filed. The DOT simply needs to be assured that if needed, they will be available. This is outside of any in-kind support, like free advertising or waived airport fees. Without this, we advise our clients not to waste their time and money filing an application.

At Boyd Group International, we have the expertise, the data and the industry knowledge to help you define where a SCASD grant will be of value, and how to design a strategy that will convince the DOT that your airport is the best use of these scarce funds.

Determining Your SCASD Grant Objectives

There are many potential uses that fit the grant language, but let’s be clear. The main objective is to apply the money to objectives that can make a difference in air service. This is where the experience of Boyd Group International has assisted airports across the nation in crafting winning applications, and then turning them into demonstrable air service improvements.

Here are some examples of how we’ve helped our clients:

Identifying & Illuminating Air Service Shortfalls. We are the experts in defining where a community truly has an air access deficiency, and how it can be addressed with SCASD grant dollars. From Bangor to Bozeman, and Traverse City to Spokane, and a lot of places in between, we have successfully won SCASD dollars, and then assisted in turning them into actual new air service.

Supporting Airline Gauge Upgrades. As 50-seat jets are retired and replaced by 70-76 seat units, this can result in lower load factors that can shift decision-making in airline planning offices. A grant to enhance ridership – with focused goals and defined results – can show the airline that the community is working to fill those additional seats.

Additional Airline Hubsite Access. A lot of airports are finding that they have sufficient demand to support access to additional airline connecting hub airports, but getting the hubbing airline across the line is a real challenge. So, a SCASD grant can be a huge asset when approaching airline planners. *However, as a practical matter, pre-application contact with the target airline is necessary*, as the DOT tacitly requires that any request for money to incubate air service be accompanied by a letter of support from the target airline.

Here, again, BGI is your best partner, because no consultant has better contacts and working relationships within the airline industry.

Identifying An Emerging Service Need. Boyd Group International’s forecast expertise can help you look over the horizon and identify air service needs that may emerge in the future. If there’s a major factory being built or expanded, our forecast and industry trend expertise can result in a grant application that relates to hard economic results based on a grant award.

Studies To Gain New Insights To The Region’s Air Service Potential. Boyd Group International has assisted a range of clients in this regard. For example, the massive expansion of international investment at small and mid-size communities in the Deep South has shaped whole new traffic flow demands, both domestic and internationally. BGI’s Airports:USA® forecast expertise assists our SCASD clients in quantifying these dynamics, and doing so in a manner that gets the attention of the DOT.

The Boyd Group International SCASD Approach: A Proven Success

Boyd Group International works with you all through the process, from determining the best objectives, to crafting the application, to filing it, and working to achieve maximum results once the grant is awarded. Our approach – which is validated by the results we've achieved – is very straight forward...

We help you develop a clear strategy. We help you define your key objectives. We go over how the grant money will be administered, and how the program will be monitored. We are very direct with our clients – if we believe the objectives can't be achieved, we advise the client. This is the reason we have declined more SCASD assignments in the past four years than we have accepted.

Our proposal format: ruthlessly direct. We help our clients to submit proposals that outline the problem(s) and get to the solution quickly. We use informative illustrations where necessary, but we refuse to pad the document with extraneous information, pictures or graphics that has nothing to do with air service. The staff at the DOT don't have a lot of time, so we make sure our clients' proposals concentrate on "effective brevity."

We do this because the DOT demands a professional business approach... *"The more highly defined and focused the proposal, the more competitive it will be..."* We only relate to the business case, not local color. The DOT staff are really not interested in vacationing in your community. The DOT doesn't care if Lewis and Clark wandered through town in 1803. They just want clear facts.

We provide futurist, cutting-edge support data. Boyd Group International has Airports:USA®, the #1 enplanement forecast source. We also have Aviation DataMiner™, the most advanced traffic and revenue forecast models available anywhere. The DOT wants to see compelling arguments supported by professional data and incisive arguments for the grant. That's what we deliver.

We concentrate on win-win for both the client and the DOT. This means having an objective that will make the best use of SCASD dollars, one that provides long-term improvements to air service. It also means convincing the DOT that the administration of the program will be as easy as possible for them to monitor, with clear milestones and performance triggers.

We guide you through every step of the process. From developing your strategic SCASD plan, to developing cutting-edge data to support the application, to carefully crafting the application itself and filing it, Boyd Group International is with you all the way.

Post-Award Airline Access. And after you win your award, we're there to assist in turning it into air service results. Remember, BGI has earned the respect of airline CEOs and planners. Just take a look at the senior executives that attend and participate at our annual International Aviation Forecast Summits. When we contact an airline on behalf of our clients, they take our calls. And respect our data and perspectives.

Let's Get Started Exploring Your 2018 SCASD Options

The SCASD funding is there for airports that can best demonstrate how a grant can improve air service.

It's a lot more complex than just grant-writing. The industry forecast and trend expertise of Boyd Group International will craft an application that's compelling, direct, and outlines your objectives in a manner that puts you ahead of the competition.

We look forward to working with you!

Give us a call to get your proposal started!

Or just click here and send us an e-mail.



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