GUNNISON-CRESTED BUTTE REGIONAL AIRPORT

MASTER PLAN STUDY

APPENDICES

2016

Prepared by

JVIATION

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Acceptance of this Airport Layout Plan by the FAA does not in any way constitute a commitment on the part of the United States to participate in any development depicted therein nor does it indicate that the proposed development is environmentally acceptable or would have justification in accordance with appropriate public laws.

CHAPTER 1 AND 2 APPENDICES

APPENDIX 1-1

WIDE AREA MULTILATERATION (WAM)

AIRCRAFT SURVEILLANCE SYSTEM

DOT
DEPARTMENT OF TRANSPORTATION

The Colorado Surveillance Project

What is the "Colorado Surveillance Project":

- "The cooperative Effort between the State of Colorado and the FAA to advance NextGen by deploying the emerging technologies of ADS-B and WAM to bring radar like service to the mountain airports of serving Ski Country."

Why a State of Colorado Project:

- Business Case - Colorado Ski Country Airports did not support the business case necessary to justify a 100% FAA funded project.
- The Division of Aeronautics realized that it would have to be part of the of the solution and not rely solely on the FAA.

Need for Improved Surveillance:

- Capacity - Increase airport capacity by eliminating the need for one-in one-out operations and improving operational efficiencies.
- Access – Enhanced surveillance improves access to airports by reducing delays, diversions and denied access.
- Economics - When aircraft are delayed or diverted due to the inability to safely and efficiently separate aircraft, there is a significant negative impact to the state and economies.

DOT
DEPARTMENT OF TRANSPORTATION

The Colorado Surveillance Project Overview

Phase I – **Complete certified in the NAS**

Utilized Wide Area Multilateration (WAM) as the surveillance source and provides "radar like" services to the following Colorado Ski Country Airports:

1. **Craig**
2. **Hayden**
3. **Steamboat Springs**
4. **Rifle**

- ✓ Project Start 2006
- ✓ Site Acceptance Test (SAT) 2009
- ✓ Initial Operating Capability (IOC) 2010

Phase II – Will add ADS-B to WAM to provide "radar like" coverage to the Following Colorado Ski Country airports:

1. **Durango**
2. **Gunnison**
3. **Montrose – Key Site**
4. **Telluride**

- ✓ Design Underway - Radios, Target Processor and Virtual Radar
- ✓ Siting for Key Site Montrose In process
- ✓ IOC **Montrose** scheduled June 2012
- ✓ IOC **Durango, Gunnison** and **Telluride** scheduled March 2013

DOT
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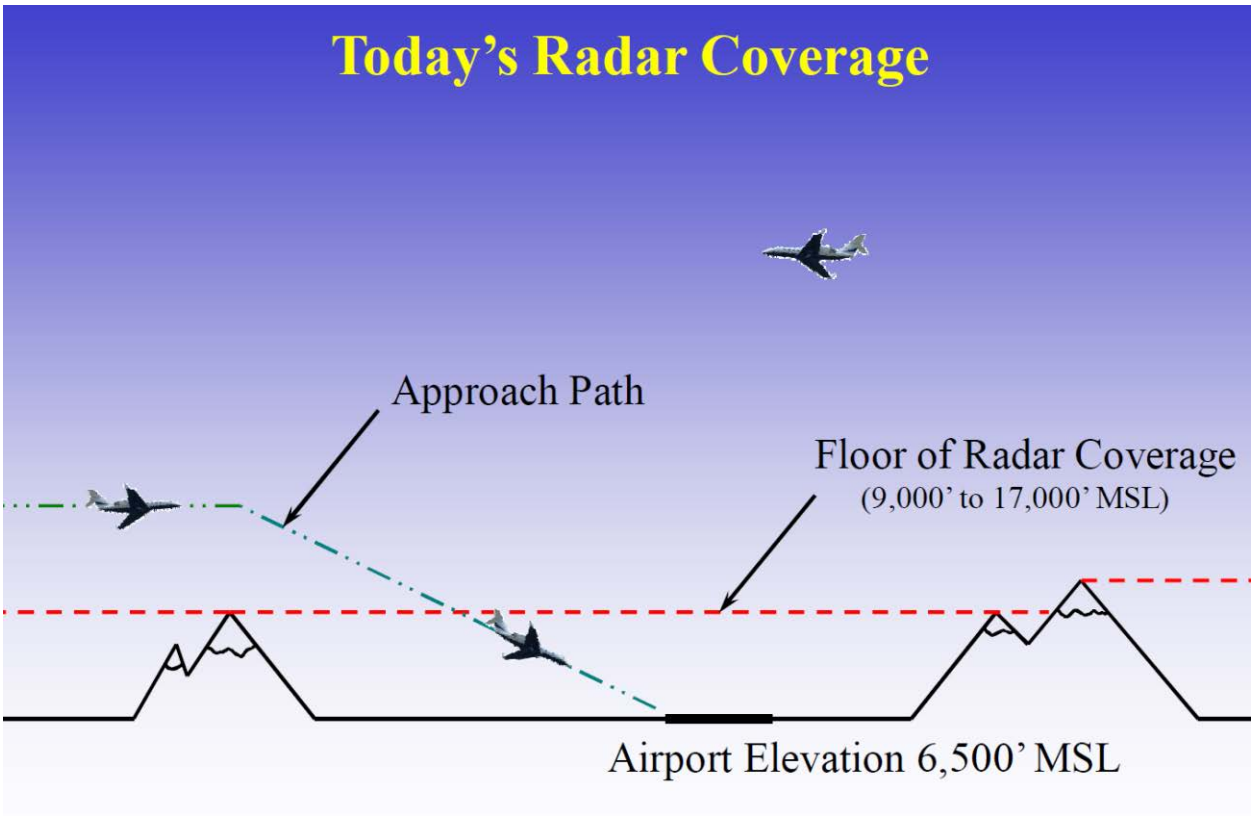
Challenges to Colorado Mountain Airports

Colorado's Mountain Airports experience the three "D's": Delays, Diversions and Denied Service.

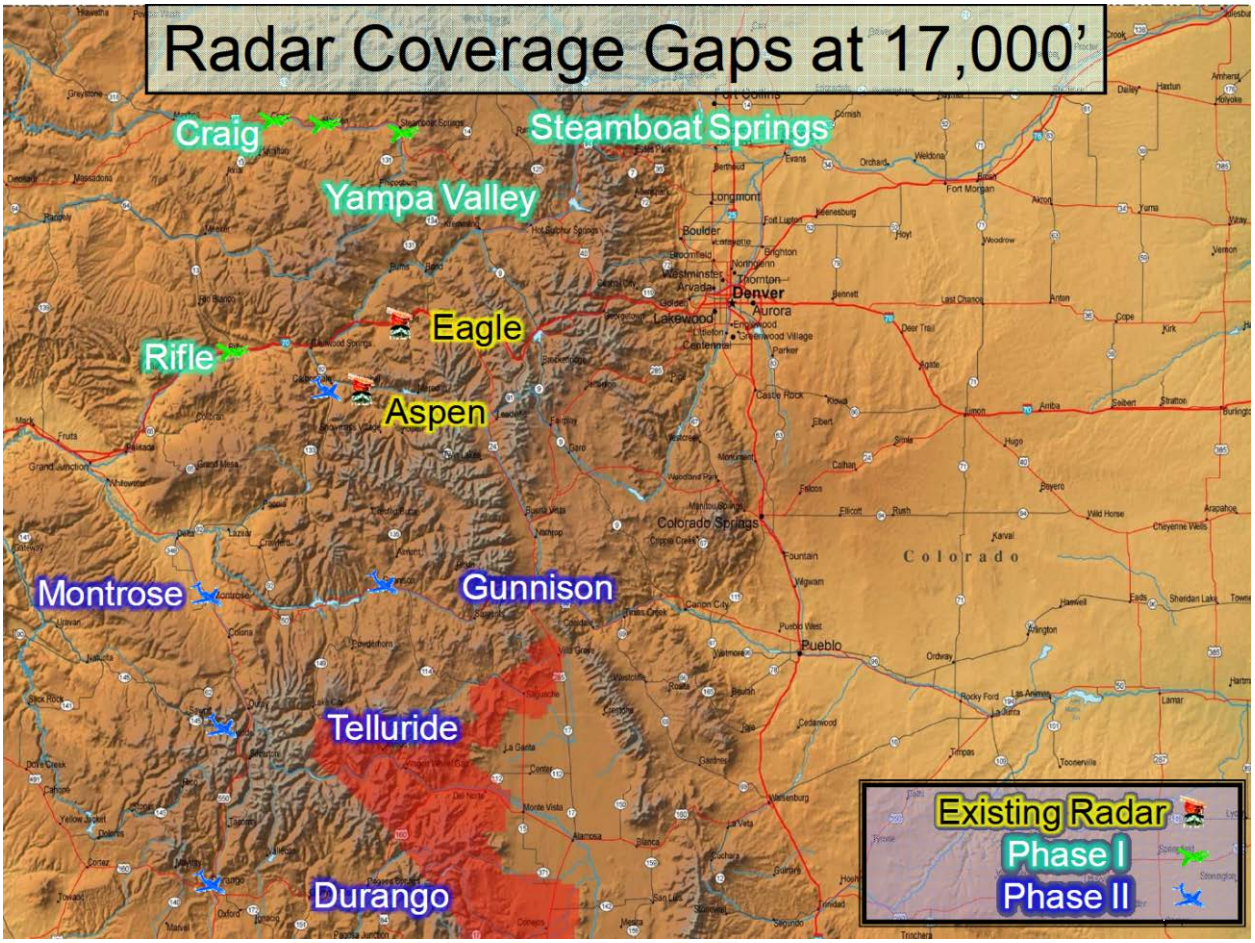
Factors that contribute to the three D's are:

a. Weather
b. Traffic Volume (Denied Service)
c. Physical Limitations of the Airport
   - Surrounding Mountainous Terrain
   - Runway Configuration - Most mountain airports have only one instrument runway, which limits the number of instrument approaches.
   - Limited Ramp Space - Aircraft must depart the airport, adding to the volume problem.
d. Instrument Approaches - Terrain causes approach minimums to be high resulting in more missed approaches (Delays and Diversions).
e. Lack of Surveillance - Inadequate surveillance during the approach and departure phase of flight results in greater separation requirements and reduced airport capacity.

DOT
DEPARTMENT OF TRANSPORTATION



DOT
DEPARTMENT OF TRANSPORTATION



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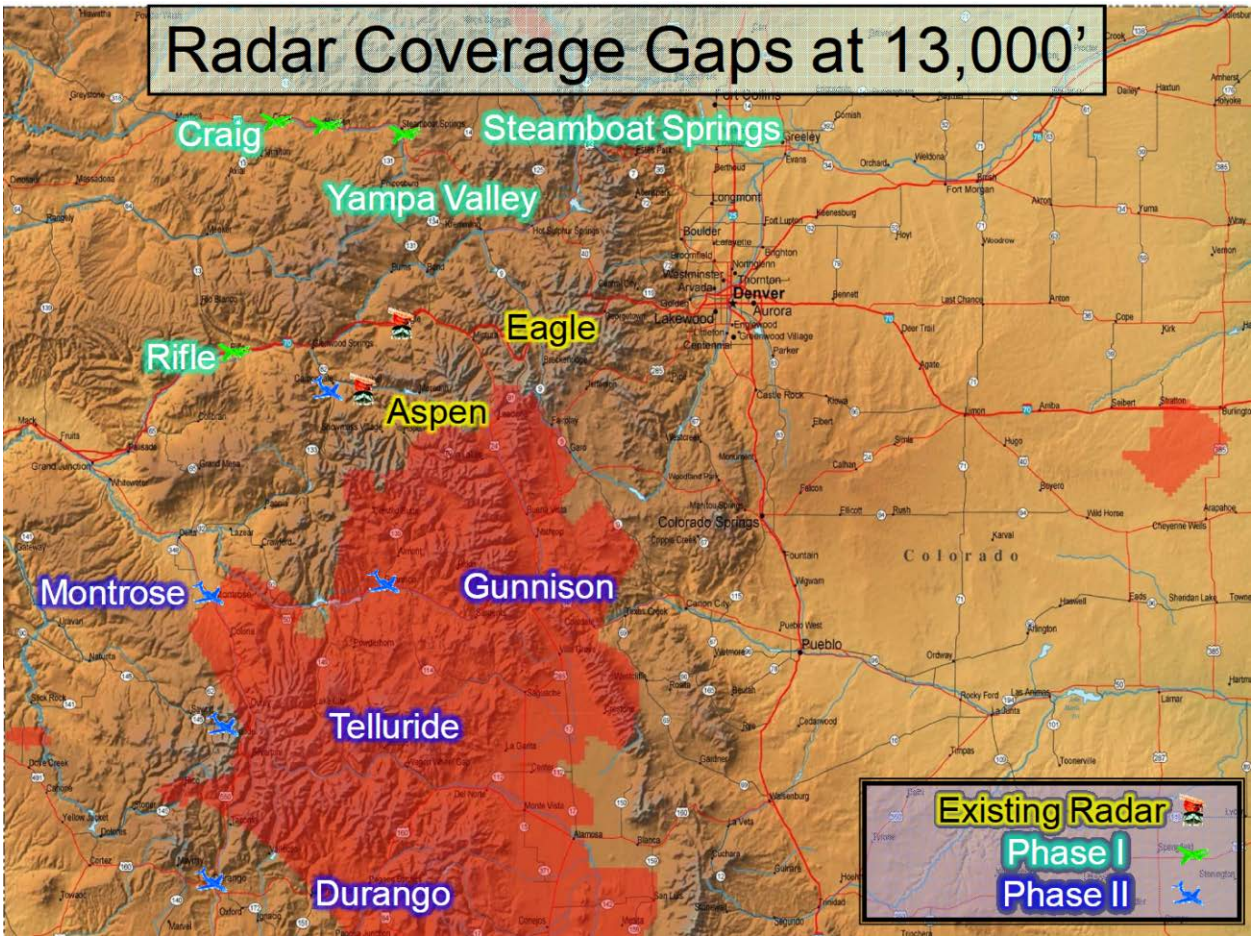
DEPARTMENT OF TRANSPORTATION



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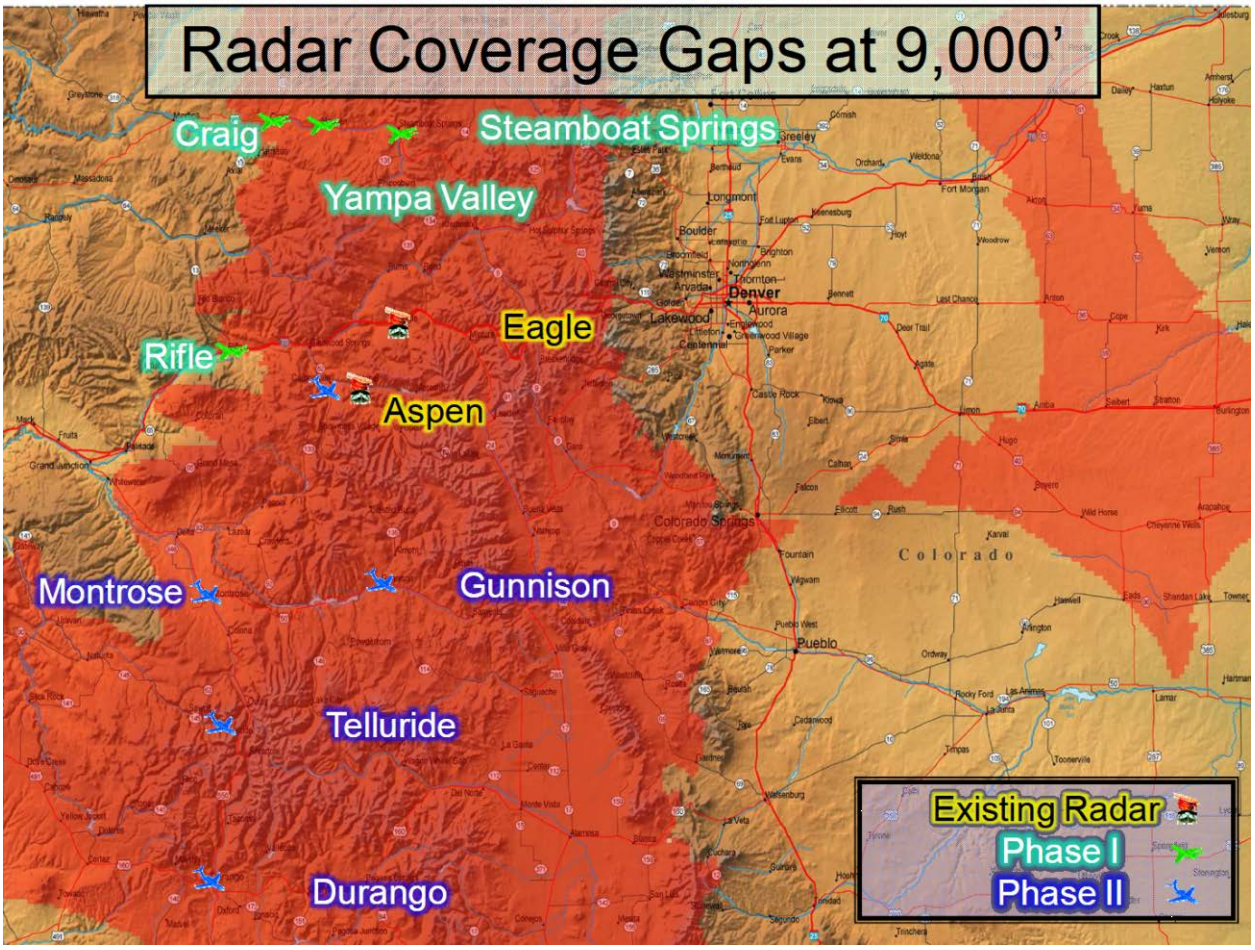
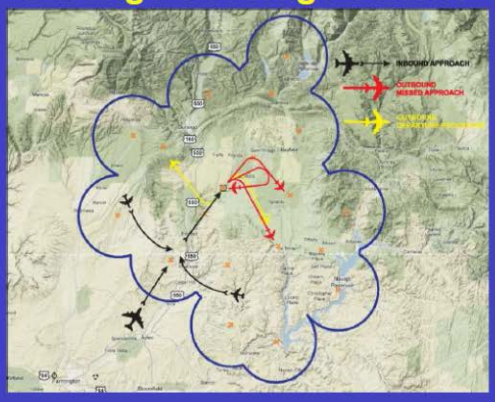
DEPARTMENT OF TRANSPORTATION



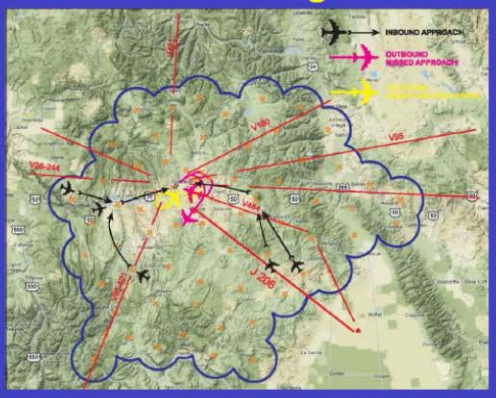
DOT
DEPARTMENT OF TRANSPORTATION

Phase II Coverage Volumes

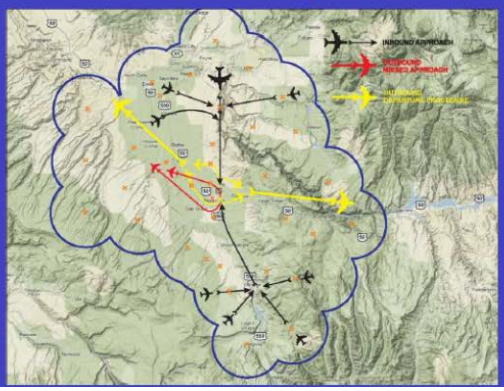
Durango Coverage Volume



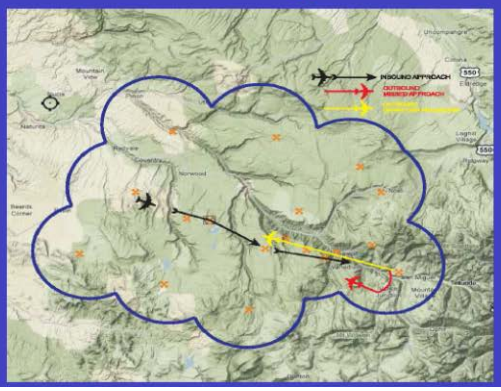
Gunnison Coverage Volume



Montrose Coverage Volume

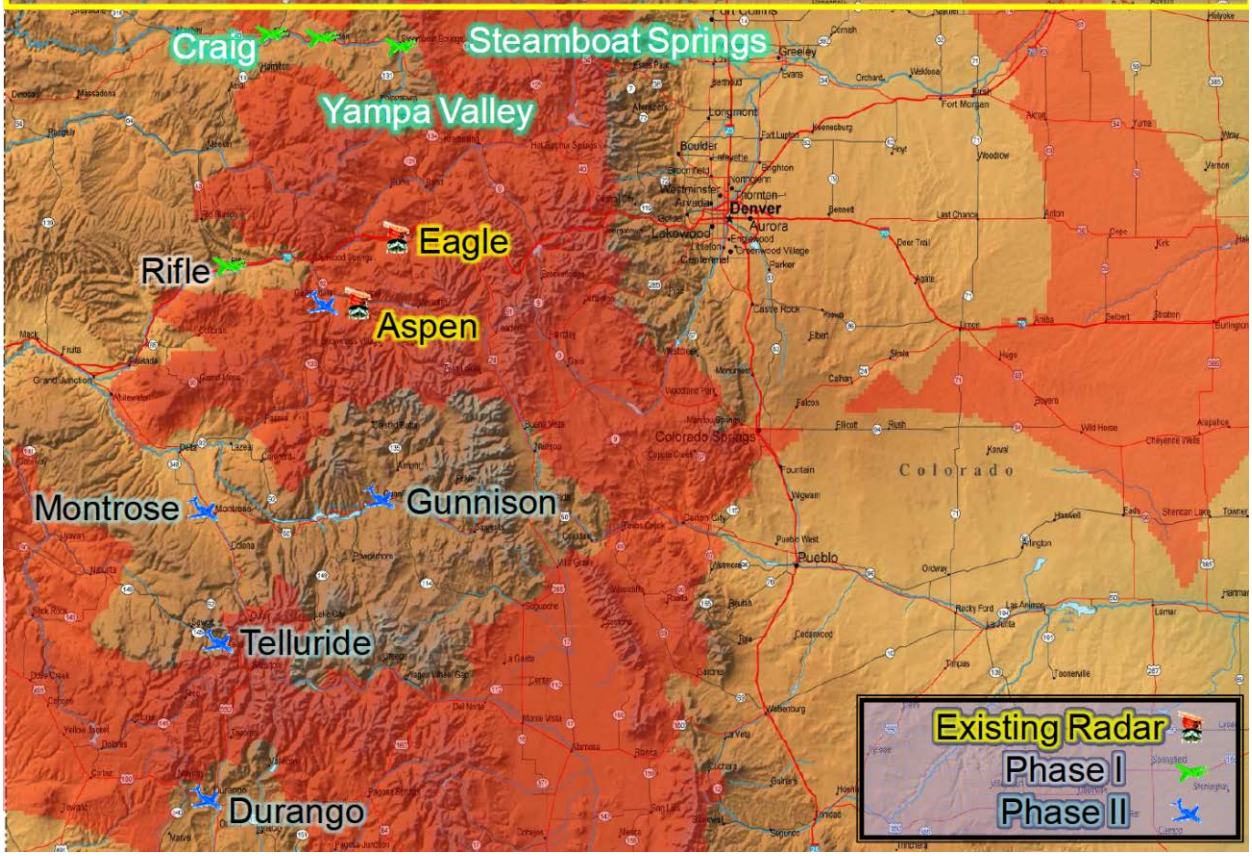


Telluride Coverage Volume



DOT
DEPARTMENT OF TRANSPORTATION

9,000' Coverage Gaps Post Phase I & Phase II



Air Traffic Control System Complete, Operational at Western Colorado Airports

August 9, 2013 - Statewide Transportation Plan - DENVER, COLORADO - The Colorado Department of Transportation (CDOT) Aeronautics Division announced that a Federal Aviation Administration (FAA) Next Generation Air Transportation (NextGen) ground and satellite-based air traffic control system that expands radar coverage of the airspace serving major western Colorado airports at Gunnison, Telluride, and Durango became operational on July 31.

The new system, utilizing Wide Area Multilateration (WAM) technology, allows air traffic controllers based in Longmont, CO, to track and separate flights at the three airports which receive heavy visitor traffic throughout the year and especially during ski season due to their proximity to major winter resorts.

The three airports now join a system previously activated for Montrose (2012) and Rifle/Garfield County, Craig, Steamboat Springs, and Hayden (2010).

"This is great news for aviation safety in Colorado," noted CDOT Executive Director **Don Hunt**. "This completed system will help deliver more on-time flights, reduce fuel consumption, and will help boost tourism and economic development. This system is consistent with the goals of Governor Hickenlooper and CDOT to deliver the most efficient and safest transportation system for Colorado."

Prior to implementation of the new WAM technology, tracking of flights at these airports was very limited via traditional radar and was not possible at altitudes below 17,000 feet. As a result there were frequent flight delays and diversions, especially during bad weather.

WAM technology works by utilizing a network of sensors deployed around each of the airports which receive and send aircraft transponder signals. System computers immediately analyze the signals, allowing air traffic controllers to determine precise aircraft location for the purposes of keeping air traffic safely separated and providing vital flight guidance in the event of inclement weather.

The technology also allows pilots to fly search and rescue missions in weather conditions that would previously have kept them grounded and improves their ability to located downed aircraft more quickly. The system helps reduce weather-related flight diversions and delays.

"CDOT's Aeronautics Division has been involved with this system for the past eight years," explained Aeronautics Division Director **David Gordon**. "This has been a great partnership with the FAA. The technology which was first used in western Colorado is now being installed across the United States to help our aviation system stay safe, on-time, and dependable."

CDOT's Aeronautics Division paid for WAM system development, which for the first time is integrated with NextGen technologies, at Montrose, Durango, Telluride, and Gunnison. The (FAA) maintains and operates the system.

WIDE AREA MULTILATERATION (WAM) PROJECT

What Is Multilateration?

A new surveillance system introduced, called multilateration or Wide Area Multilateration (WAM), is now allowing air traffic controllers to track aircraft along the difficult approach to Juneau, Alaska—a mountainous area where radar was not possible.

Multilateration is a surveillance technology that works by employing multiple small remote sensors throughout an area to compensate for terrain obstructions, and is another tool the SBS program uses to enhance air traffic surveillance. The data from multilateration sensors is fused to determine aircraft position and identification. This data is then transmitted to air traffic control for use in providing surveillance separation services.

Currently, Juneau, Alaska; and several airports in the mountainous regions of Colorado have the first multilateration systems.

Colorado Wide Area Multilateration

Background

Increases in air traffic have resulted in growing delays and denied service at the Colorado mountain airports, especially during bad weather. Instrument meteorological conditions can reduce aircraft acceptance rates for these airports from 12 to 17 flights per hour, to only four per hour. From November to April each year, the Colorado Department of Transportation estimates 75 aircraft per airport, per day, are delayed or diverted, resulting in major revenue loss for the state.

In 2005, the FAA, at the request of the State of Colorado Department of Transportations Division of Aeronautics, conducted an analysis of these delays and cancellations. The FAA study determined that the lack of surveillance contributed to reduced capacity during instrument meteorological conditions, and identified multilateration as the preferred solution for providing surveillance to the Colorado mountain airports.

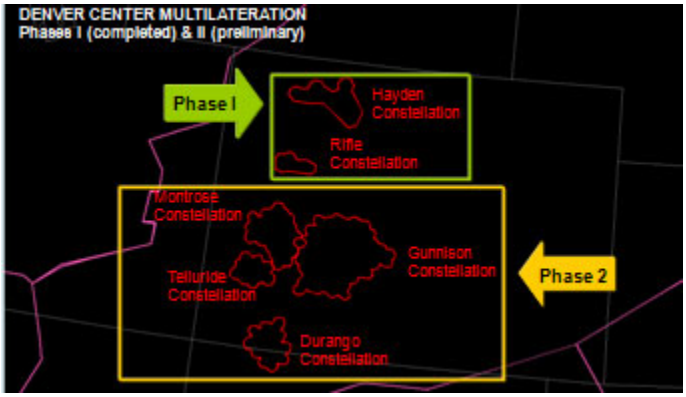
In September 2006, the FAA and the State of Colorado Department of Transportations Division of Aeronautics signed a Memorandum of Agreement for a project to plan, install, test, and commission a surveillance system for the Colorado mountain airports.

Wide-Area Multilateration (WAM), began initial operations on September 12, 2009 at Denver Center serving the Yampa Valley-Hayden, Craig-Moffat, Steamboat Springs and Garfield County Regional-Rifle Airports. The WAM capability provide these airports with improved safety, efficiency and capacity by allowing controllers to see aircraft that are outside radar coverage saving time and money that would otherwise be lost due to flight delays and cancellations or diversions to other airports.

On December 8, 2009, the FAA approved the next phase of the Colorado Wide Area Multilateration (WAM). The phase 2 allows for the development and implementation of air traffic separation services, using Multilateration and ADS-B surveillance, for En Route air traffic operations in and out of the following airports:

- Gunnison-Crested Butte Regional (GUC)
- Montrose Regional (MTJ)
- Telluride Regional (TEX)
- Durango-La Plata County (DRO)

The system will be an ADS-B 1090 Extended Squittter (ES) and Universal Access Transceiver (UAT) surveillance system with integrated Multilateration surveillance capabilities. The system will also provide additional ADS-B services, including Flight Information Services-Broadcast (FIS-B) and Traffic Information Services-Broadcast (TIS-B) services. The Initial Operating Capability (IOC) of the ADS-B and Multilateration services is expected in Montrose by June 2012 with other sites operational in March 2013.



APPENDIX 1-2

PUBLISHED INSTRUMENT APPROACH CHARTS

GUNNISON CRESTED BUTTE REGIONAL AIRPORT

SOURCE: FAA

GUNNISON, COLORADO | AL-517 (FAA) | 10266

ILS or LOC RWY 6

GUNNISON-CRESTED BUTTE RGNL (GUC)

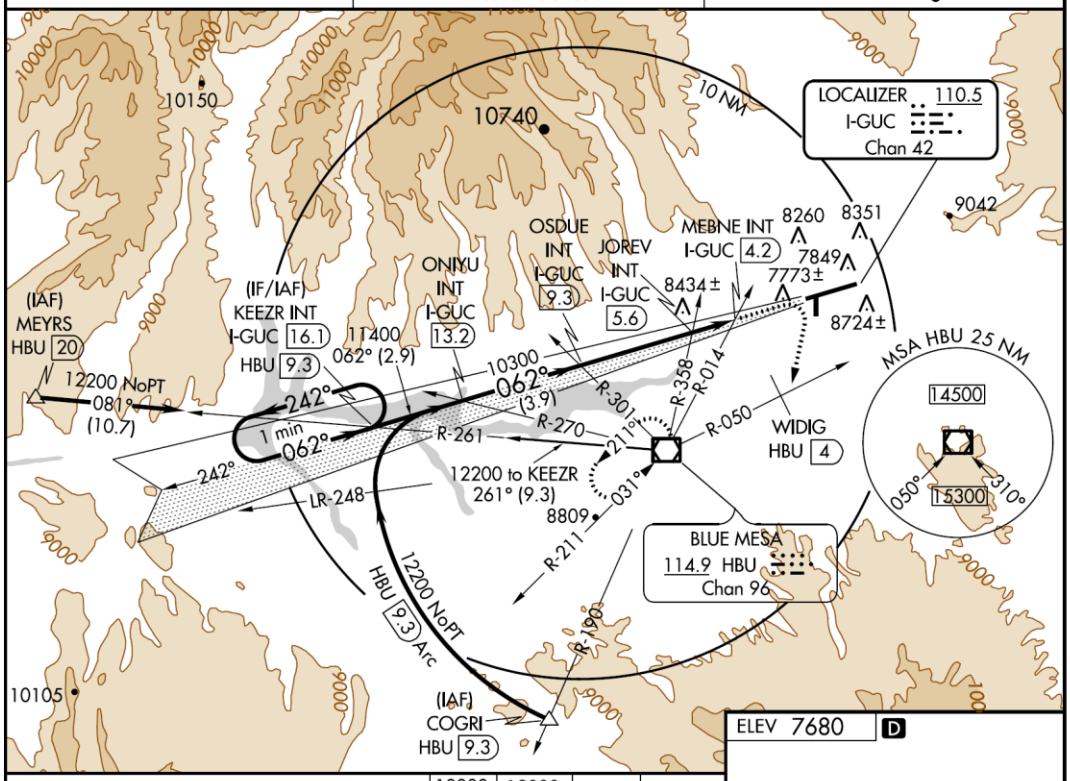
LOC/DME I-GUC	APP CRS	Rwy Idg	9400
110.5	062°	TDZE	7667
Chan 42		Apt Elev	7680

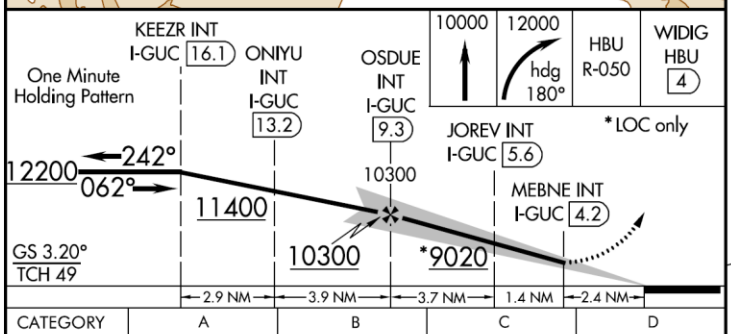
Circling NA at night. Inoperative table does not apply. When local altimeter setting not received, procedure NA. DME required. Visibility reduction by helicopters NA. Procedure NA when airport closed except by prior arrangement.

MALSF

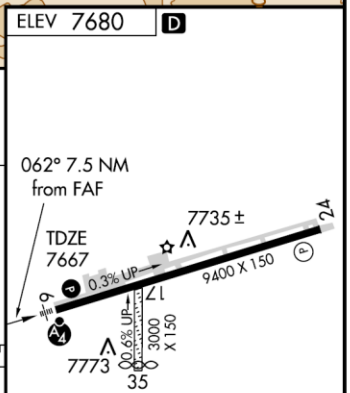
MISSED APPROACH: Climb to 10000 then climbing right turn to 12000 via heading 180° and HBU VOR/DME R-050 to WIDIG/HBU 4 DME continue via HBU VOR/DME R-050 to HBU VOR/DME and hold.

AWOS-3	DENVER CENTER	UNICOM
135.075	125.35 354.05	122.7 (CTAF) L





CATEGORY	A	B	C	D
S-ILS 6	8590-3 923 (1000-3)			NA
S-LOC 6	9020-3 1353 (1400-3)			
CIRCLING	9260-3 1580 (1600-3)			
JOREV FIX MINIMUMS				
S-LOC 6	8640-3 973 (1000-3)			
CIRCLING	9260-3 1580 (1600-3)			



HIRL Rwy 6-24
REIL Rwy 24

FAF to MAP 5.1 NM					
Knots	60	90	120	150	180
Min:Sec	5:06	3:24	2:33	2:02	1:42

SW-1, 03 APR 2014 to 01 MAY 2014

GUNNISON, COLORADO
Amdt 5 22OCT09

38°32'N-106°56'W

GUNNISON-CRESTED BUTTE RGNL (GUC)
ILS or LOC RWY 6

GUNNISON, COLORADO | AL-517 (FAA) | 11181

RNAV (RNP) RWY 6

GUNNISON-CRESTED BUTTE RGNL (GUC)

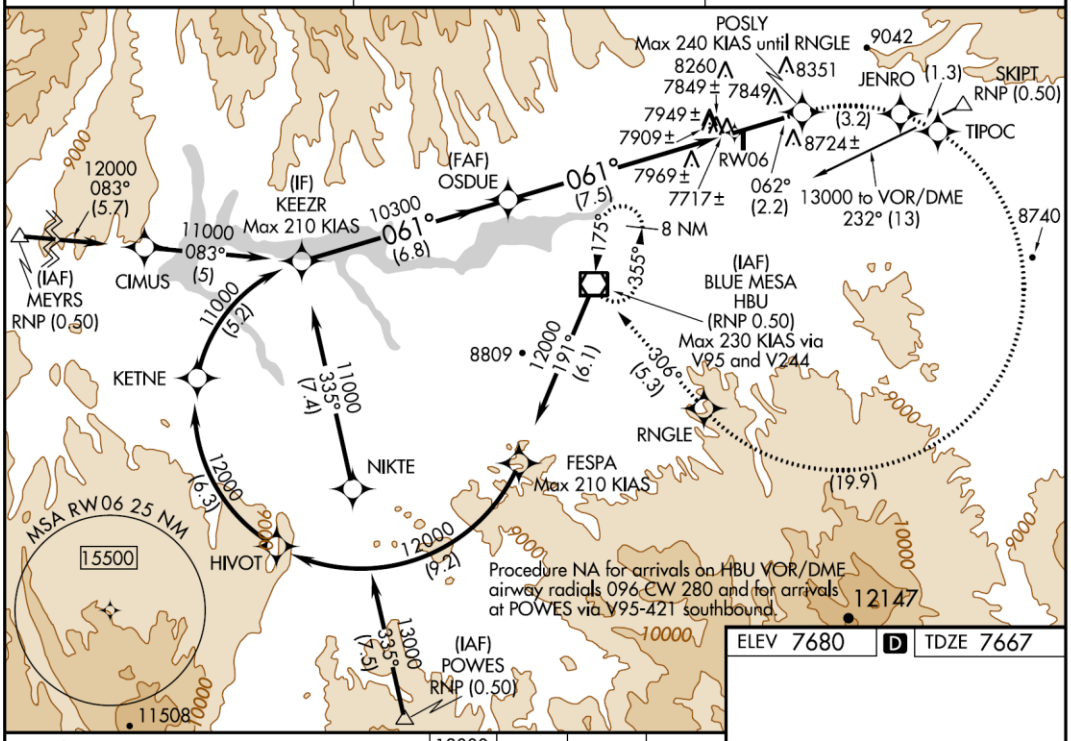
APP CRS	Rwy Idg	9400
061°	TDZE	7667
	Apt Elev	7680

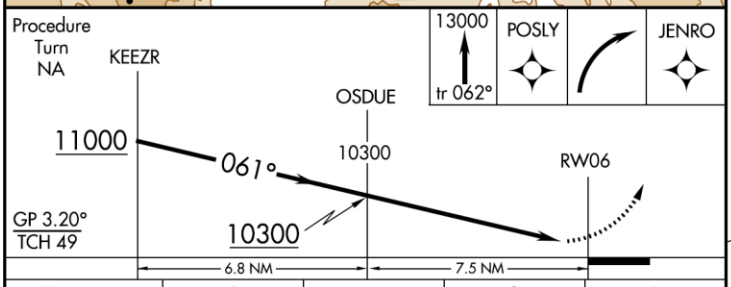
RF and GPS required. When local altimeter setting not received, procedure NA. For uncompensated Baro-VNAV systems, procedure NA below -29°C (-20°F) or above 54°C (130°F). When VGSI inoperative, procedure NA at night. Visibility reduction by helicopters NA. Missed approach requires RNP less than 1.0.
* Missed approach requires minimum climb of 310 feet per NM to 9000.
** Missed approach requires minimum climb of 260 feet per NM to 9000.
*** Missed approach requires minimum climb of 230 feet per NM to 9000.
For inoperative MALSF, increase RNP 0.11* visibility to 1½, RNP 0.20** to 1¾ , RNP 0.26*** to 2, and RNP 0.30 to 2¼.

MALSF

MISSED APPROACH: (Do not exceed 240 KIAS until RNGLE) Climb to 13000 via track 062° to POSLY, and via right turn to JENRO, and via right turn to TIPOC, and via right turn to RNGLE, and via track 306° to HBU VOR/DME and hold.

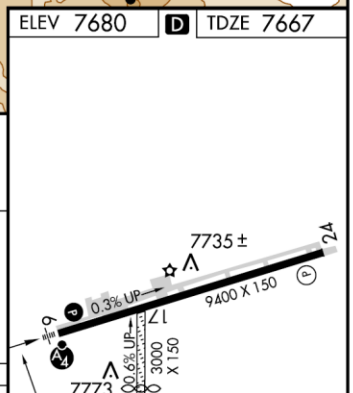
AWOS-3	DENVER CENTER	UNICOM
135.075	125.35 354.05	122.7 (CTAF)





CATEGORY	A	B	C	D
RNP 0.11 DA*	NA	8125-1¼	458 (500-1¼)	NA
RNP 0.20 DA**	NA	8219-1½	552 (600-1½)	NA
RNP 0.26 DA***	NA	8294-1¾	627 (700-1¾)	NA
RNP 0.30 DA	NA	8354-2	687 (700-2)	NA

AUTHORIZATION REQUIRED



GUNNISON, COLORADO
Orig-A 30JUN11

38°32'N-106°56'W

GUNNISON-CRESTED BUTTE RGNL (GUC)

RNAV (RNP) RWY 6

SW-1, 03 APR 2014 to 01 MAY 2014

SW-1, 03 APR 2014 to 01 MAY 2014

GUNNISON, COLORADO | AL-517 (FAA) | 11181

RNAV (RNP) RWY 24

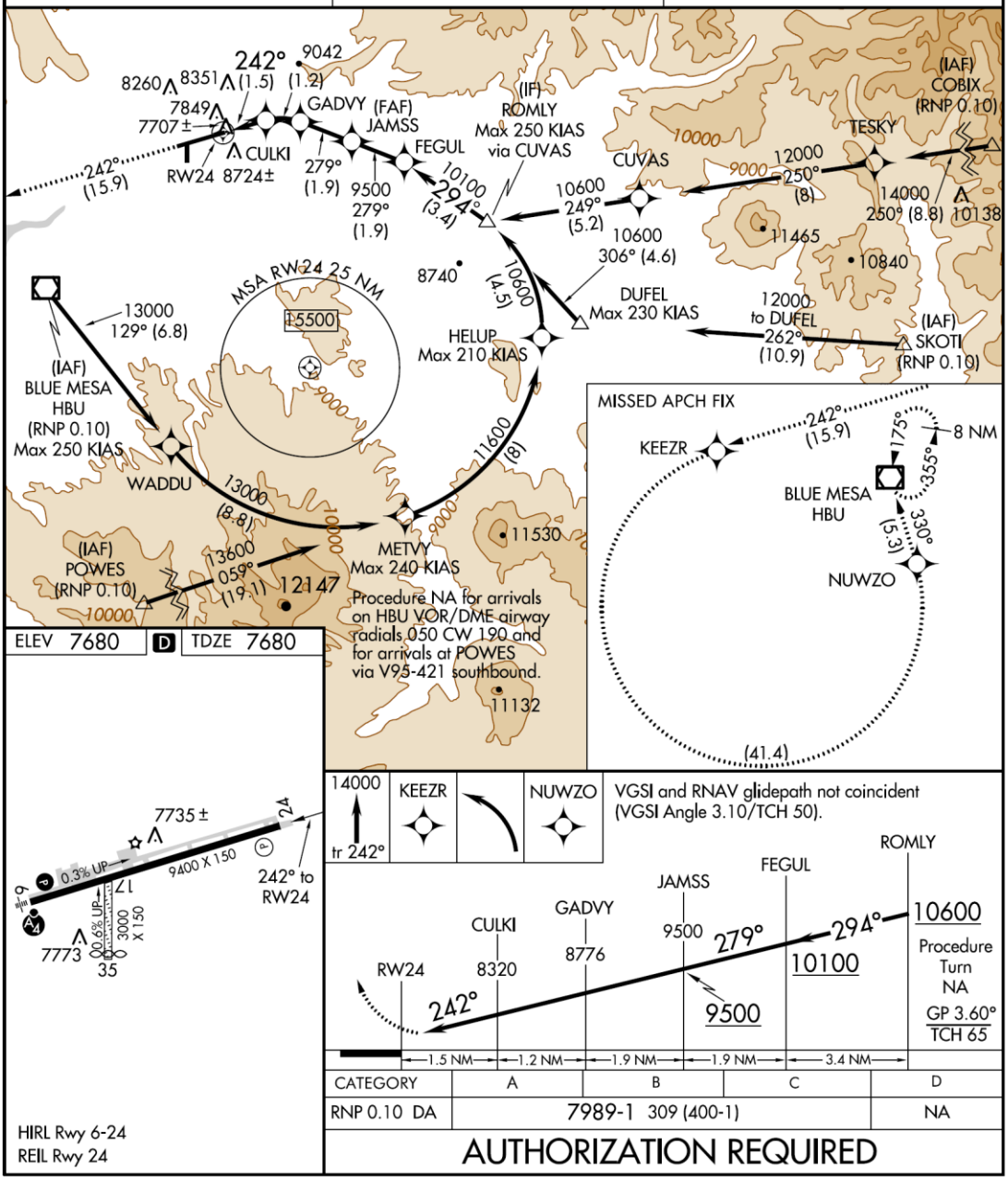
GUNNISON-CRESTED BUTTE RGNL (GUC)

APP CRS	Rwy Idg	9400
242°	TDZE	7680
	Apt Elev	7680

RF and GPS required.
When local altimeter setting not received, procedure NA.
Procedure NA for aircraft with wingspan greater than 136 feet.
For uncompensated Baro-VNAV systems, procedure NA below -29°C (-20°F) or above 24°C (75°F).
When VGSI inoperative, procedure NA at night.
Missed approach requires minimum climb of 425 feet per NM to 9000.

MISSED APPROACH: Climb to 14000 on track 242° to KEEZR, and left turn to NUWZO, and on track 330° to HBU VOR/DME and hold.

AWOS-3	DENVER CENTER	UNICOM
135.075	125.35 354.05	122.7 (CTAF) L



ELEV 7680 D TDZE 7680

HIRL Rwy 6-24
REIL Rwy 24

CATEGORY	A	B	C	D
RNP 0.10 DA	7989-1 309 (400-1)			NA

AUTHORIZATION REQUIRED

GUNNISON, COLORADO
Orig-A 30JUN11

38°32'N-106°56'W

GUNNISON-CRESTED BUTTE RGNL (GUC)
RNAV (RNP) RWY 24

SW-1, 03 APR 2014 to 01 MAY 2014

SW-1, 03 APR 2014 to 01 MAY 2014

GUNNISON, COLORADO

AL-517 (FAA)

APP CRS	Rwy Idg	N/A
245°	TDZE	N/A
	Apt Elev	7680

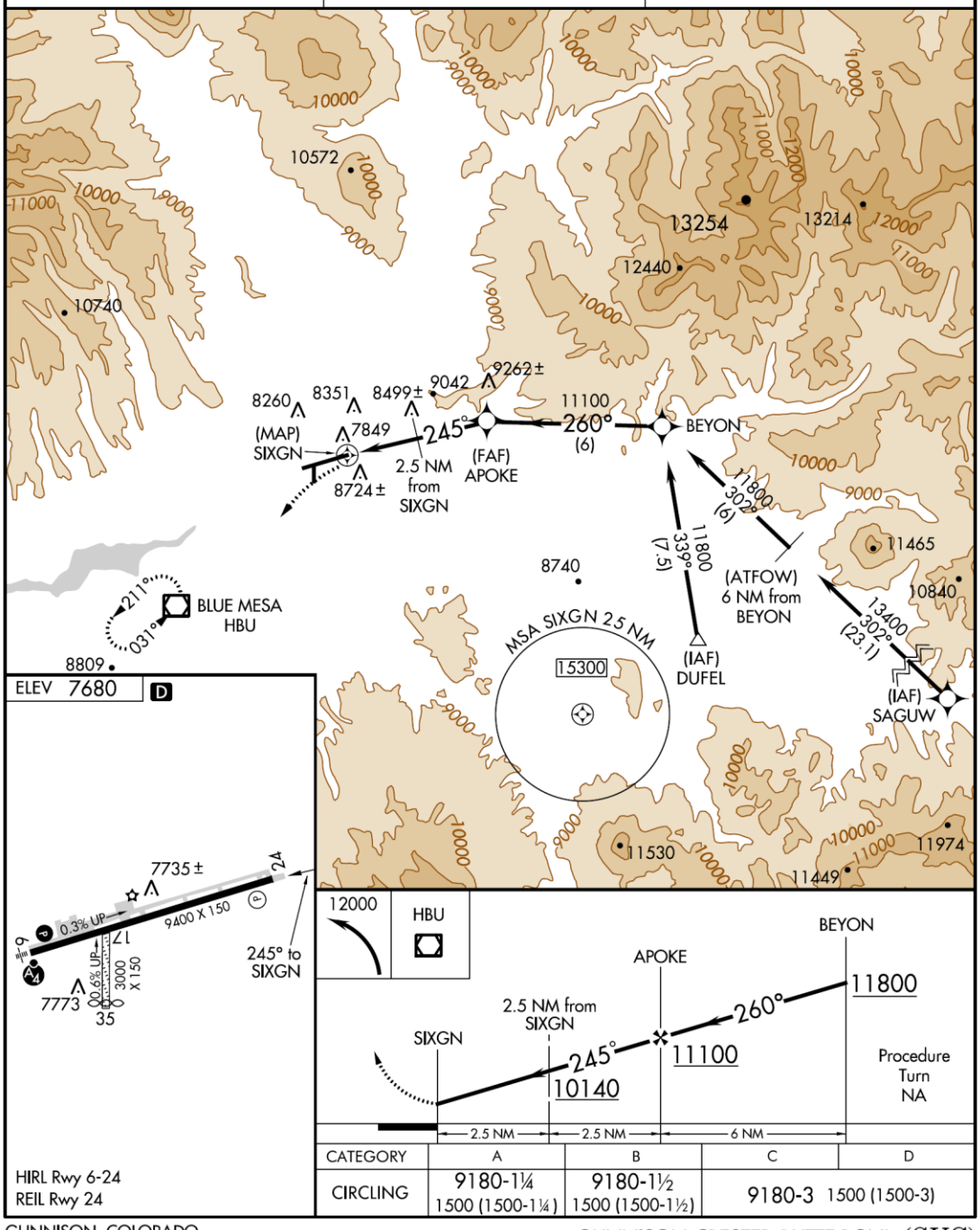
GPS-B

GUNNISON-CRESTED BUTTE RGNL (GUC)

T NA — Procedure not authorized when airport closed except by prior arrangement.
DME/DME RNP- 0.3 NA.

MISSED APPROACH: Climbing left turn to 12000 direct HBU VOR/DME and hold.

AWOS-3	DENVER CENTER	UNICOM
135.075	125.35 354.05	122.7 (CTAF) L



CATEGORY	A	B	C	D
CIRCLING	9180-1¼ 1500 (1500-1¼)	9180-1½ 1500 (1500-1½)	9180-3 1500 (1500-3)	

HIRL Rwy 6-24
REIL Rwy 24

SW-1. 11 DEC 2014 to 08 JAN 2015

GUNNISON, COLORADO
Orig-A 10266

38°32'N-106°56'W

GUNNISON-CRESTED BUTTE RGNL (GUC)
GPS-B

GUNNISON, COLORADO

AL-517 (FAA)

VOR or GPS-A

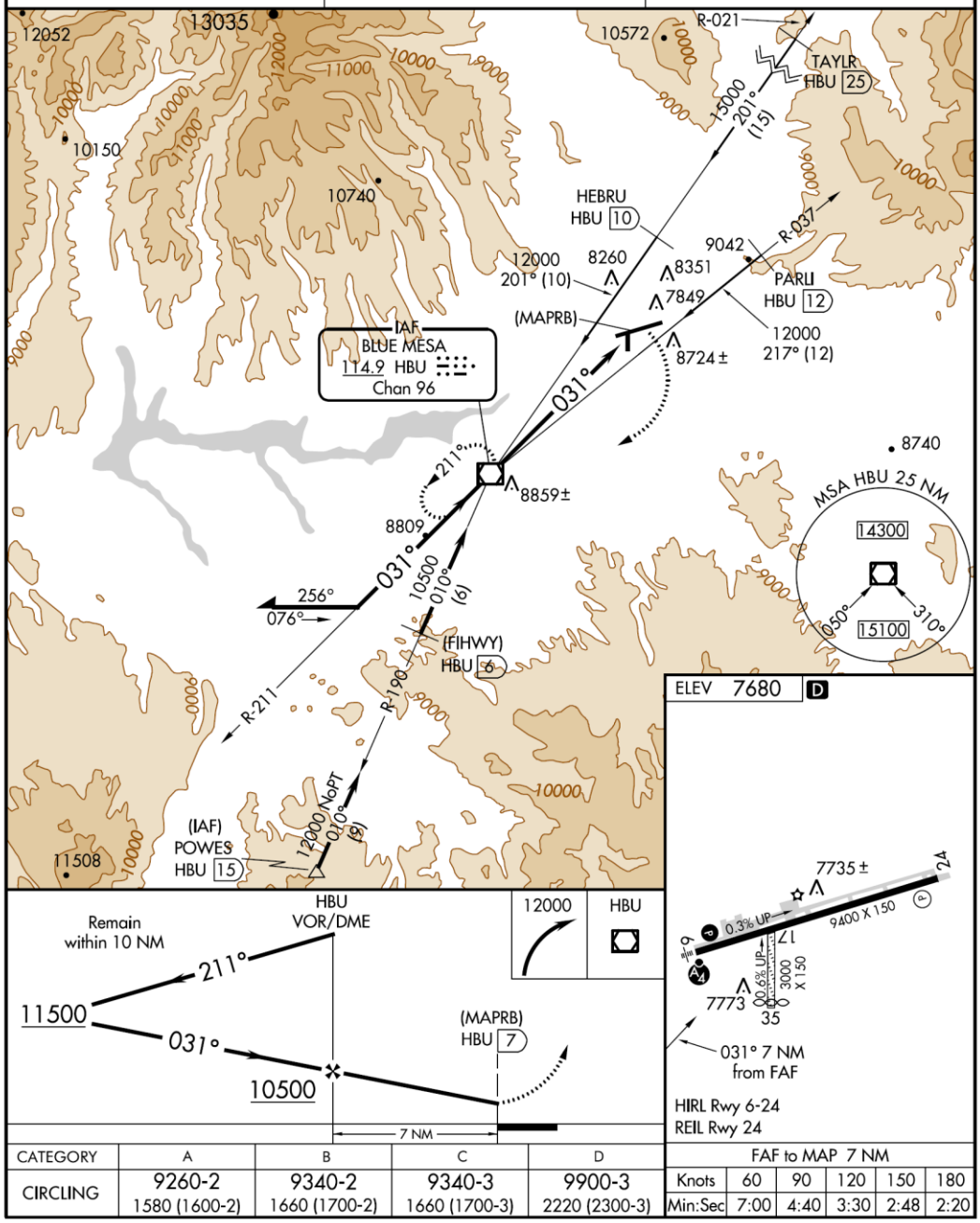
GUNNISON-CRESTED BUTTE RGNL (GUC)

VOR/DME HBU	APP CRS	Rwy Idg	N/A
114.9	031°	TDZE	N/A
Chan 96		Apt Elev	7680

Procedure NA when airport closed except by prior arrangement.
Obtain local altimeter setting on CTAF; when not received, procedure NA.

MISSED APPROACH: Climbing right turn to 12000 direct HBU VOR/DME and hold.

AWOS-3	DENVER CENTER	UNICOM
135.075	125.35 354.05	122.7 (CTAF) L



CATEGORY	A	B	C	D
CIRCLING	9260-2 1580 (1600-2)	9340-2 1660 (1700-2)	9340-3 1660 (1700-3)	9900-3 2220 (2300-3)

FAF to MAP 7 NM					
Knots	60	90	120	150	180
Min:Sec	7:00	4:40	3:30	2:48	2:20

GUNNISON, COLORADO
Amdt 7C 14037

38°32'N-106°56'W

GUNNISON-CRESTED BUTTE RGNL (GUC)

VOR or GPS-A

SW-1, 11 DEC 2014 to 08 JAN 2015

SW-1, 11 DEC 2014 to 08 JAN 2015

IFR TAKEOFF MINIMUMS AND (OBSTACLE) DEPARTURE PROCEDURES

Civil Airports and Selected Military Airports

GUNNISON, CO

GUNNISON-CRESTED BUTTE RGNL (GUC)
TAKEOFF MINIMUMS AND (OBSTACLE)
DEPARTURE PROCEDURES
AMDT 7A 13010 (FAA)

TAKEOFF MINIMUMS: **Rwy 6,** std. w/ min. climb of 500' per NM to 9500, or 2000-3 for climb in visual conditions. **Rwy 24,** std. w/ min. climb of 420' per NM to 9300, or 2000-3 for climb in visual conditions. **Rwys 17,35,** NA - Obstacles.

DEPARTURE PROCEDURE: **Rwy 6,** climb heading 077° to 9500 then climbing right turn direct HBU VOR/DME, thence... or, for climb in visual conditions, cross Gunnison-Crested Butte RGNL Airport at or above 9500, then on HBU R-031 to HBU VOR/DME, thence... **Rwy 24,** climb heading 242° to 9300 then climbing left turn direct HBU VOR/DME, thence... or, for climb in visual conditions, cross Gunnison-Crested Butte RGNL Airport at or above 9500, then on HBU R-031 to HBU VOR/DME, thence... ...climb in HBU VOR/DME holding pattern (hold SW, left turns, 031° inbound) to depart HBU VOR/DME at or above MEA for route of flight.

NOTE: **Rwy 6,** vehicles on road 22' from DER, 426' right of centerline, up to 15' AGL/7702' MSL. Obstruction light on DME antenna 555' from DER, 125' right of centerline, 10' AGL/ 7800' MSL. Trees beginning 669' from DER, left and right of runway centerline up to 60' AGL/7736' MSL. Rising terrain beneath the initial departure course beginning 1.0 NM from DER at 7864' MSL extending to 3.2 NM from DER up to 8473' MSL. Pole 1.0 NM from DER, 1950' left of centerline, 31' AGL/7950' MSL. Trees beginning 1.8 NM from DER, 1625' left of centerline, up to 100' AGL/ 8179' MSL. Trees 3.3 NM from DER, 3000' left of centerline, up to 100' AGL/ 8939' MSL. **Rwy 24,** trees beginning 501' from DER, 497' right of centerline, up to 60' AGL/7726' MSL. Trees beginning 1043' from DER, 320' left of centerline, up to 50' AGL/ 7713' MSL. Building 2666' from DER, 704' right of centerline, 52' AGL/7737' MSL. Pole 3069' from DER, 902' right of centerline, 30' AGL/ 7739' MSL. Trees beginning 4680' from DER, 1548' right of centerline, up to 100' AGL/7879' MSL.

Source: FAA Terminal Procedure Charts

APPENDIX 1-3

GUNNISON CRESTED BUTTE REGIONAL AIRPORT

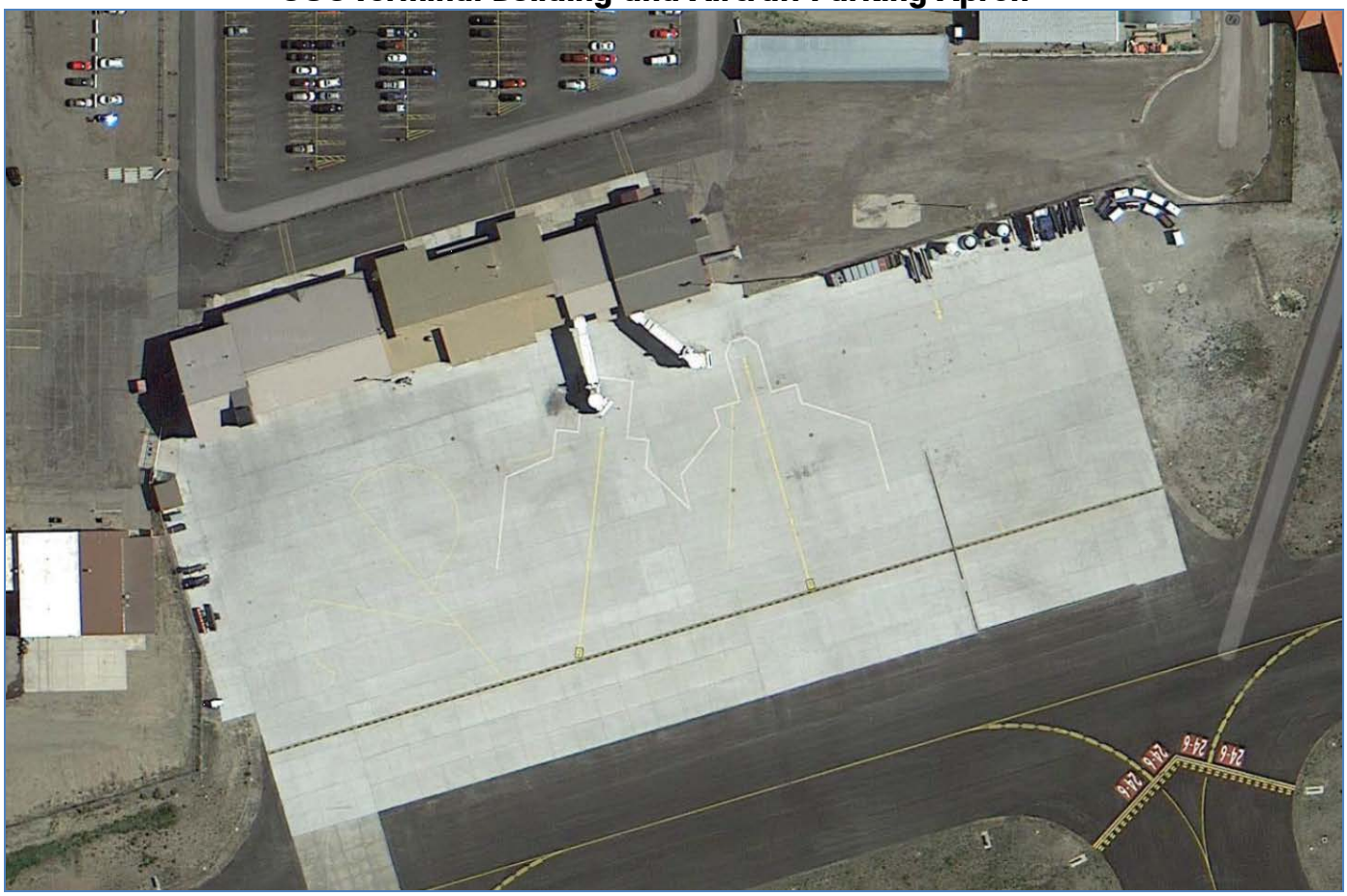
TERMINAL BUILDING, VEHICLE PARKING

AND

GENERAL AVIATION HANGARS

Source: Jviation, April 2014

GUC Terminal Building and Aircraft Parking Apron

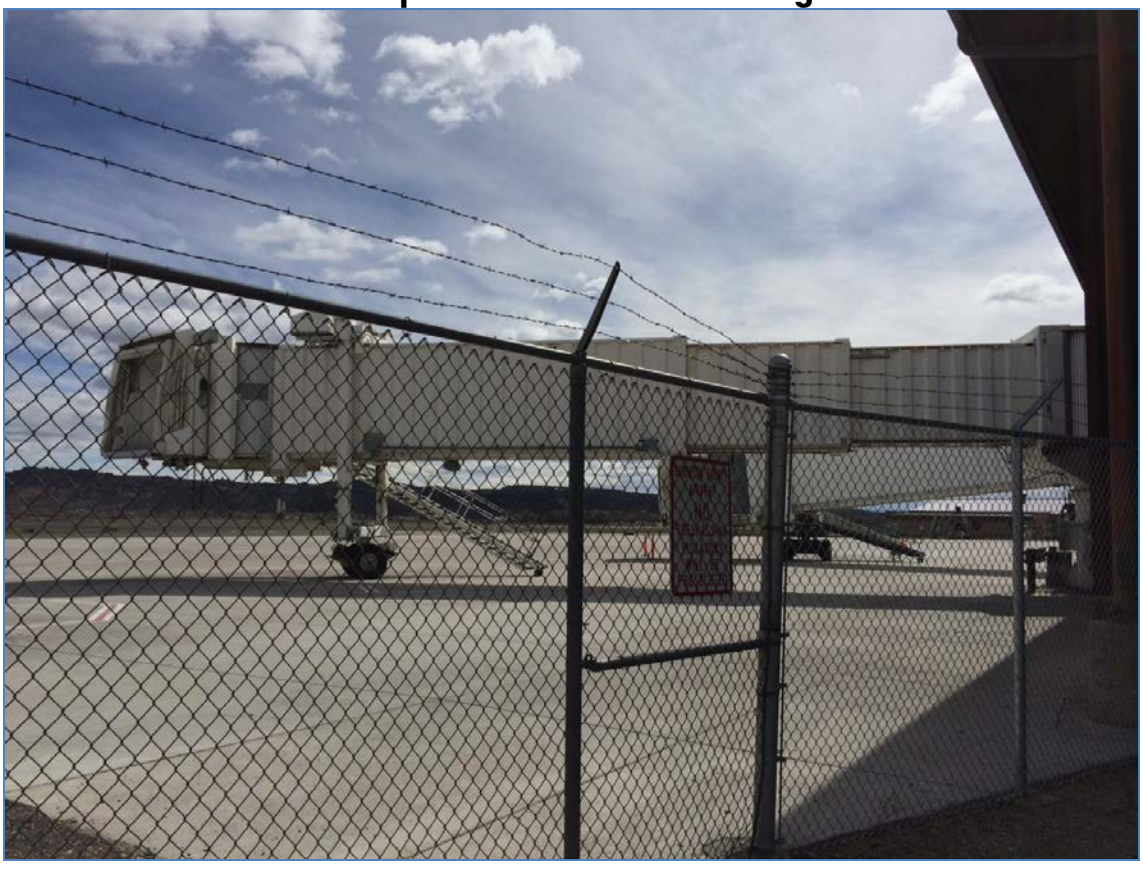


Front of Terminal Building

Ramp Side of Terminal Building

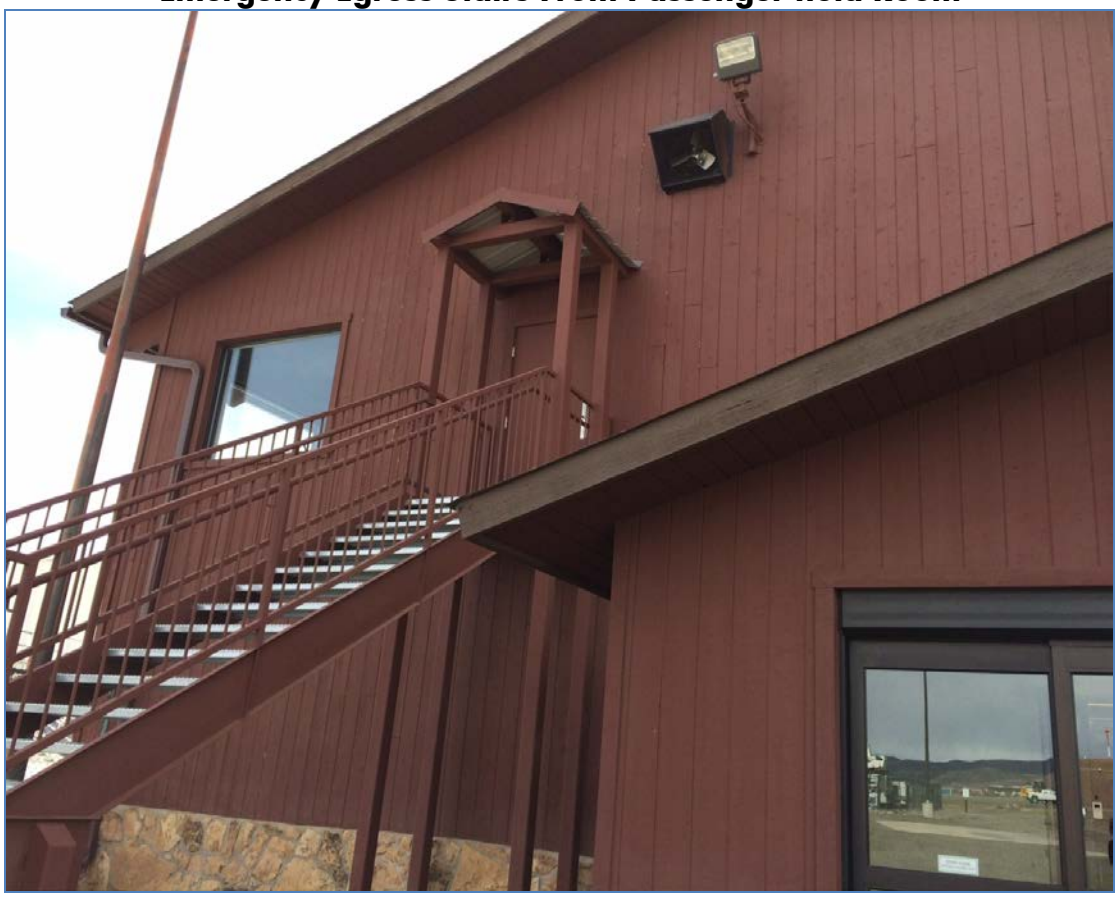
Ramp Side of Terminal Building

Passenger Loading Bridges
Ramp Side of Terminal Building



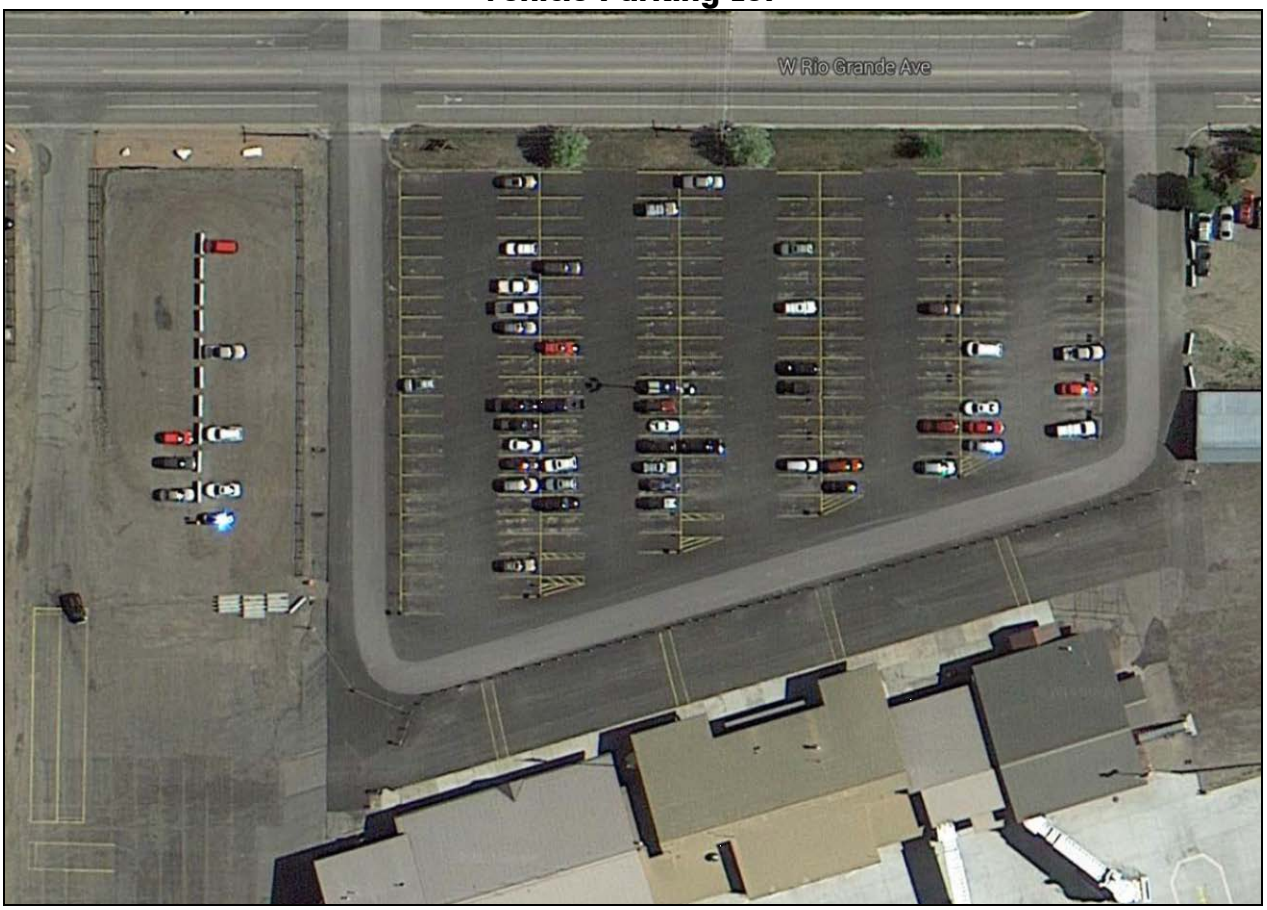
Ramp – South Side of Terminal Building

North Side of Terminal Building
Emergency Egress Stairs From Passenger hold Room

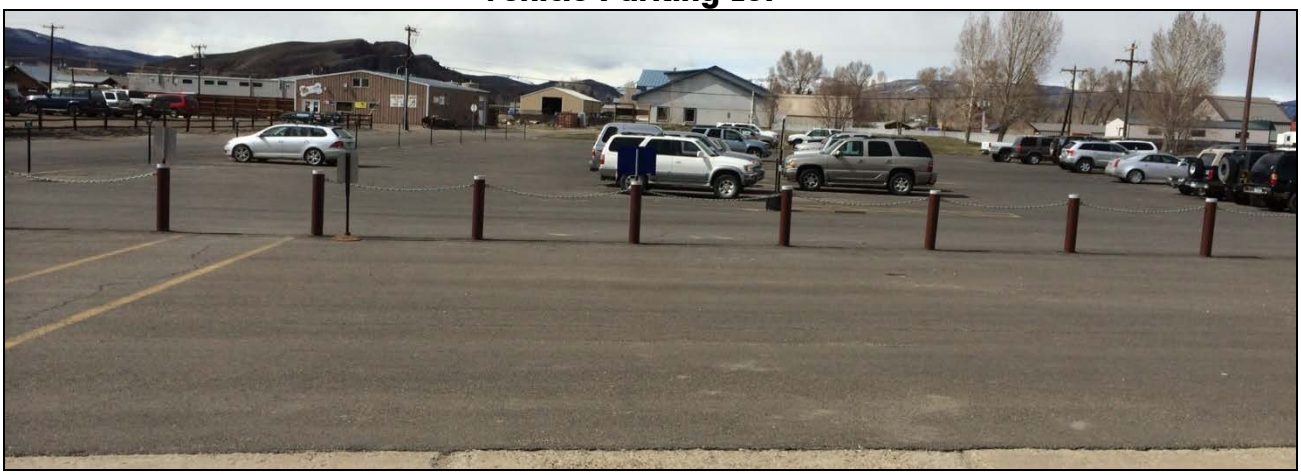


Storage Building and Bus Staging Area – North of Terminal Building

Vehicle Parking Lot



Vehicle Parking Lot



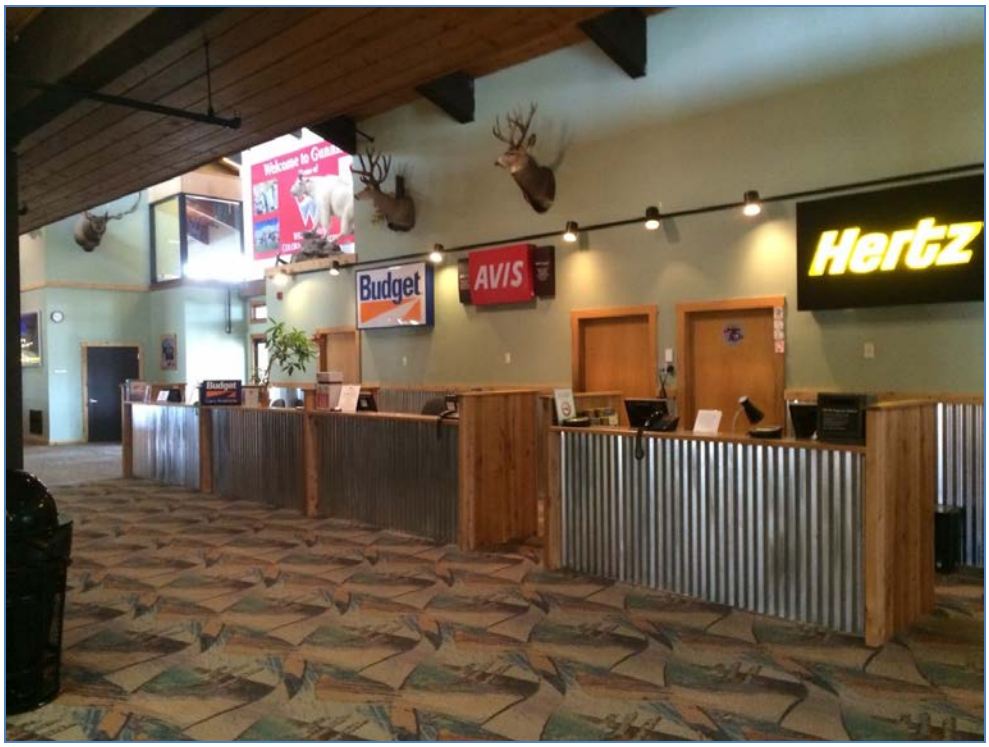
Terminal Curb Front and Vehicle Parking Lot

Vehicle Parking Lot

North from the Terminal Building - Looking Towards SRE Building

Terminal Building - First Floor

Rental Car Desks



Security Screening Area

Terminal Building - First Floor

Ground Level – Gate 1

Terminal Building - Ground Level

Stairs to Former Restaurant

Terminal Building - First Floor

Hallway

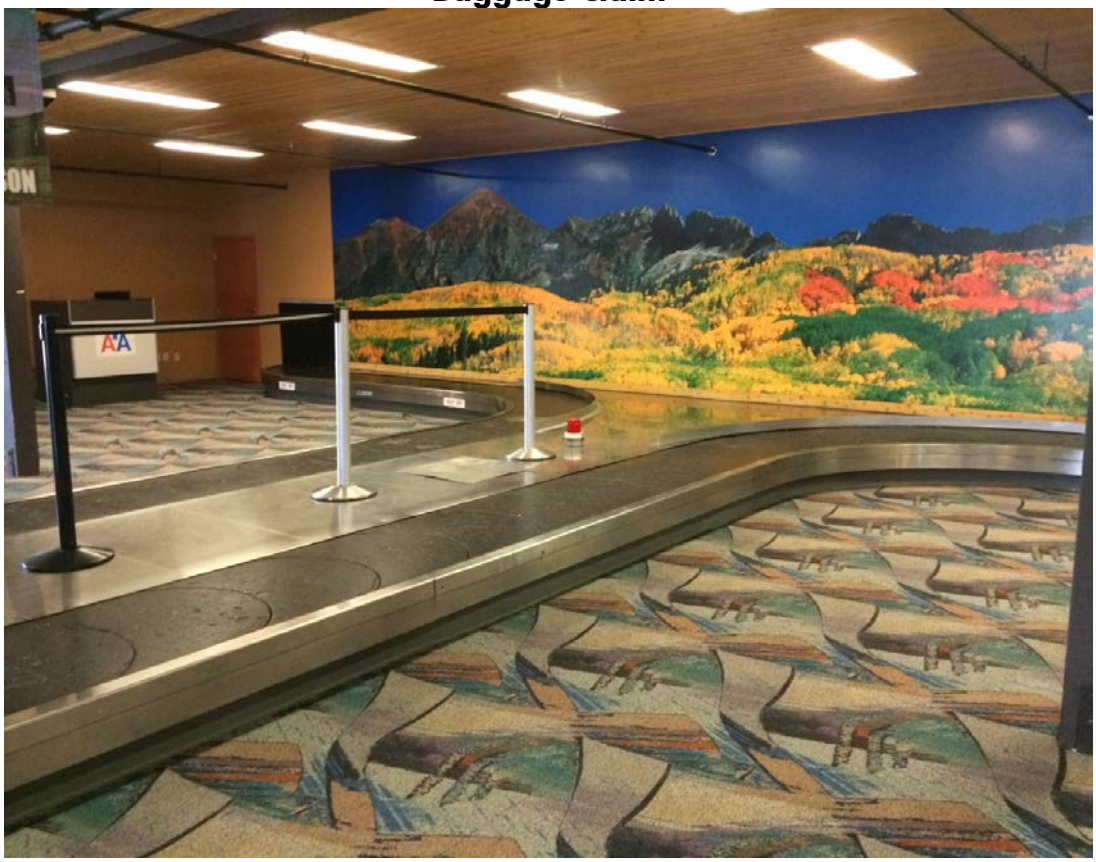
- Security Area to the Right (behind windows)
- Rental Car & Airline Check-In Desks Ahead
- Stairs on right to Restaurant
- Main entrance doors on left

Terminal Building - First Floor

Baggage Claim – Oversized Bags - Skis

Terminal Building - First Floor

Baggage Claim



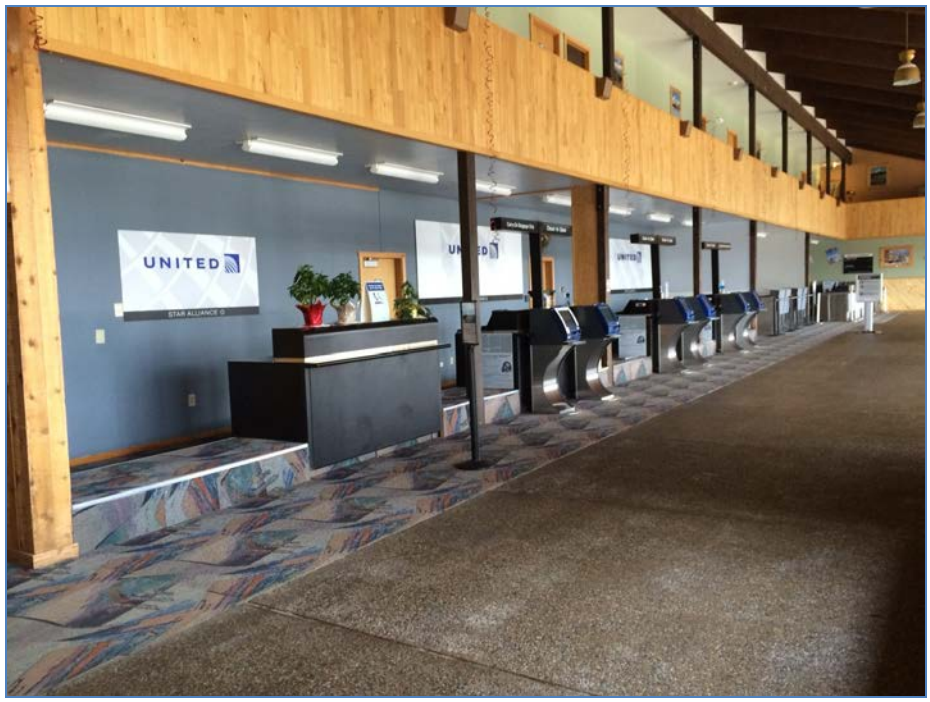
Terminal Building - First Floor

Baggage Claim

Passenger Queuing Area – Airline Ticket Desks

Terminal Building - First Floor

United Ticket Desks and Self-Serve Kiosks



United and American Ticket Desks

Terminal Building - First Floor

United Ticket Desk & Kiosks – Hallway

Terminal Building - Second Floor

Passenger Hold Room

Terminal Building - Second Floor

Passenger Hold Room

Terminal Building - Second Floor

Passenger Hold Room – Winter Traffic

Terminal Building – First Floor
(Photo taken from Second Floor)

Passenger Queue for Security Screening - Winter

First Floor from Passenger Hold Room

Terminal Building - Second Floor
Passenger Hold Room

Passenger Hold Room – Gate 2

Terminal Building - Second Floor

Former Restaurant

General Aviation Terminal Building and Hangars

General Aviation Hangars

General Aviation Hangars

APPENDIX 1-4

GUNNISON CRESTED BUTTE REGIONAL AIRPORT

RUNWAY DATA SHEET

SOURCE: FAA Flight Procedures Division

Airport Details for KGUC - ACTIVE

Chart Date: 09/23/2010

GUNNISON-CRESTED BUTTE RGNL

GUNNISON

AL #: 517

State:	COLORADO	Magnetic Variation/Year:	E12/1990	Weather Station:	YES
Country:	United States	Site Nbr:	02631	Control Tower:	NO
Category:	AERODROME ONLY	Data Source:	405 NGS		
FAR Part 139:	YES	Owner:	NTL	Use:	CIVIL
				Military Type:	

Coordinates		Office		Local Auto Weather	
Latitutde:	N 38° 32' 02.2000"	Flight Inspection:	SAC	Weather Source:	AWOS
Longitude:	W 106° 55' 58.9000"	Procedure Development:	130	Type:	3
Field Elevation:	7679.6	Region Code:	NM	Frequency:	135.075
Ellipsoid Elevation:	7632.8 E	Service Area:	WEST	Service A:	Y
Horizontal Datum:	NAD83	OCC Code:	PAC		
Vertical Datum:	NAVD88	International:	NO		

CONTACTS

Contact Role	Last Name	First Name	Phone Number	E-mail	Remark
OWNER			9706412304		

ALTIMETERS

Type	Primary	Airport ID	Field Alt Source	Latitude	Longitude	Operational Timing
L	YES	KGUC	AWOS	N 38° 32' 02.2000"	W 106° 55' 58.9000"	FULL-TIME

ALTIMETER COMMENTS

RUNWAYS

06 (A) 24 (A) 17 (A) 35 (A)

RUNWAY DETAIL

Landing Strip

Chart Date: 04/13/2006 Publication Status: A

Surface: ASPH GOOD Width: 150 Physical Length: 9400

Rwy Number: 06

Use Category: RUNWAY ONLY

Chart Date: 04/13/2006 Pub. Status: A

Data Source: OTHER 09/14/2000 OTHER

Markings:

Threshold

Latitude:	N 38° 31' 56.7800"
Longitude:	W 106° 56' 42.3060"
Elevation:	7658.0
Ellipsoid Elev:	7611.1 E
Ellipsoid Elev Model:	WGS84
Horz. Datum:	NAD83
Vert. Datum:	NAVD88

Displaced Threshold

Latitude:	
Longitude:	
Elevation:	
Ellipsoid Elev:	
Ellipsoid Elev Model:	
Horz. Datum:	
Vert. Datum:	

Landing Length:	9400
FI RWY Length:	9400
FI RWY Height:	7679.6
Tdz Elevation:	7667.0
True Bearing:	73.55
Ft Disp Th:	
Gradient:	0.2%
RVRTouchdown:	
MidPoint:	
Rollout:	
Rail:	NO
OIS Data Source:	PIR 09/14/2000 NGS_SURVEY
Assoc. Fac.:	GUC ILS (A)

KGUC06

VGSI Lights

VGSI Lights Type:	PAPI-4L
Owner:	NTL
Pilot Cntl Freq:	122.700
Th Cross Ht:	49.0
High Angle:	
Com. Date:	03/22/2006
Com. Angle:	3.20
DWB Elev:	
DWB Thres:	
Ref Pt Lat:	N 38° 31' 59.3900"
Ref Pt Long:	W 106° 56' 31.0400"
Ref Pt Elev:	7654.8
Ref Pt Thres:	934

Lights

Config	Len	Owner	Com Dt	Pilot Cntrl
MALSF		NTL	09/22/2004	122.700
HIRL		STATE	09/21/2004	

Rwy Number: 24

Use Category: RUNWAY ONLY

Chart Date: 04/13/2006 Pub. Status: A

Data Source: OTHER 09/14/2000 OTHER

Markings: G

Threshold

Latitude:	N 38° 32' 23.0700"
Longitude:	W 106° 54' 48.8850"
Elevation:	7679.6
Ellipsoid Elev:	7632.8 E
Ellipsoid Elev Model:	WGS84
Horz. Datum:	NAD83
Vert. Datum:	NAVD88

Displaced Threshold

Latitude:	
Longitude:	
Elevation:	
Ellipsoid Elev:	
Ellipsoid Elev Model:	
Horz. Datum:	
Vert. Datum:	

Landing Length:	9400
FI RWY Length:	9400
FI RWY Height:	7658.0
Tdz Elevation:	7679.6
True Bearing:	253.57
Ft Disp Th:	
Gradient:	-0.2%
RVRTouchdown:	
MidPoint:	
Rollout:	
Rail:	NO
OIS Data Source:	ANAPC 09/14/2000 NGS_SURVEY
Assoc. Fac.:	

KGUC24

VGSI Lights

VGSI Lights Type:	PAPI-4L
Owner:	NTL
Pilot Cntl Freq:	122.700
Th Cross Ht:	50.0
High Angle:	
Com. Date:	
Com. Angle:	3.10
DWB Elev:	
DWB Thres:	
Ref Pt Lat:	
Ref Pt Long:	
Ref Pt Elev:	
Ref Pt Thres:	

Lights

Config	Len	Owner	Com Dt	Pilot Cntrl
HIRL		STATE	09/21/2004	
REIL		NTL	04/12/2005	122.700

RUNWAY DETAIL

Landing Strip

Chart Date: 05/05/2011 | Publication Status: A
Surface: GRAVEL FAIR | Width: 150 | Physical Length: 3000

Rwy Number: 17 KGUC17

Use Category: RUNWAY ONLY
Chart Date: 05/05/2011 Pub. Status: A
Data Source: 405 NGS
Markings:

Threshold

Latitude:	N 38° 31' 57.0495"
Longitude:	W 106° 56' 21.8084"
Elevation:	7660.0
Ellipsoid Elev:	7613.2 S
Ellipsoid Elev Model:	WGS84
Horz. Datum:	NAD83
Vert. Datum:	NAVD88

Displaced Threshold

Latitude:	
Longitude:	
Elevation:	
Ellipsoid Elev:	
Ellipsoid Elev Model:	
Horz. Datum:	
Vert. Datum:	

Landing Length: 3000

Rwy Number: 35 KGUC35

Use Category: RUNWAY ONLY
Chart Date: 05/05/2011 Pub. Status: A
Data Source: 405 NGS
Markings:

Threshold

Latitude:	N 38° 31' 27.4048"
Longitude:	W 106° 56' 21.8162"
Elevation:	7641.0
Ellipsoid Elev:	7594.1 E
Ellipsoid Elev Model:	WGS84
Horz. Datum:	NAD83
Vert. Datum:	NAVD88

Displaced Threshold

Latitude:	N 38° 31' 29.3810"
Longitude:	W 106° 56' 21.8157"
Elevation:	7678.4
Ellipsoid Elev:	7631.5 E
Ellipsoid Elev Model:	WGS84
Horz. Datum:	NAD83
Vert. Datum:	NAVD88

Landing Length: 2800

Rpt Date: 00:16:23 01/09/2014
Rpt User: dso

FI RWY Length:	2800	FI RWY Length:	2800
FI RWY Height:	7678.4	FI RWY Height:	7660.0
Tdz Elevation:		Tdz Elevation:	
True Bearing:	180.00	True Bearing:	360.00
Ft Disp Th:		Ft Disp Th:	200
Gradient:	-0.6%	Gradient:	0.6%
RVRTouchdown:		RVRTouchdown:	
MidPoint:		MidPoint:	
Rollout:		Rollout:	
Rail:	NO	Rail:	NO
OIS Data Source:	NONE	OIS Data Source:	NONE
Assoc. Fac.:		Assoc. Fac.:	

COMMENTS

Topic	Priority	Date	Remark
ADDITIONAL_FLIGHT_DATA	3	07/03/2000	AWOS TEL. 970-641-3240
SURVEY	1	07/20/2001	NGS 405 SURVEY DATED 09/14/00. RY 17/35 THLD ELEV NOT ON SURVEY.
NFDD	4	02/10/2003	AIRPORT NAME CHANGED PER NFDD 020 DATED 01/30/03.
NFDD	6	08/19/2004	PER NFDD #160-8, RWY 06/24, CONDITION CHANGED FROM ASPH-F TO ASPH-G AND LIGHTS FROM MIRL TO HIRL.
GENERAL	5	08/19/2004	PER ANM-473 EMAIL WITH DRAFT MEMO DATED 07/19/04, RWY TH'S HAVE BEEN RELOCATED AT BOTH ENDS & RWY 06 DSPL TH DELETED. FOLLOWING COMMISSIONING OF NEW RWY 24 TH & TDZ ELEV DATA, FIELD ELEVATION MODIFIED
OWNER	7	09/23/2004	PER FICO, CITY OF GUNNISON OWNS RWY 06 HIRL, 09/23/04
GENERAL	8	01/21/2009	CALCULATED ELLIPSOID ENTERED FOR ARP AND RWY 35 THLD. RWY 35 DISPL THLD LAT/LONG CORRECTED TO MATCH NGS SURVEY DATED 9/14/2000 AND NFDD 001 1/02/2001.
GENERAL	9	02/18/2009	RWY 35 DSPLCD THLD ELEV PROVIDED BY NFDC. NFDD 032 2/19/09.
GENERAL	14	03/23/2010	NAME CHANGE FROM GUNNISON-CRESTED BUTTE REGIONAL TO GUNNISON-CRESTED BUTTE RGNL PER CURRENT NAMING CONVENTION.

SIAPS

Nav Ident	Nav Type	Description	FAS	Amendment	Type
GUC	ILS	ILS/DME RWY 6		0	SPCL
		RNAV (RNP) RWY 6		0A	CIVIL
GUC	ILS	ILS OR LOC RWY 6	7773 / POLE / N38°31'55.80" / W106°57'42.17"	5	CIVIL
		RNAV (RNP) RWY 24		0A	CIVIL
		GPS-B	9262 / 100' TREES / N38°34'30.00" / W106°48'49.00"	0A	CIVIL
			8499 / 100' TREES / N38°33'45.00" / W106°52'03.00"		
HBU	VOR_DME	VOR OR GPS-A	8859 / TERRAIN/TREE / N38°26'28.00" / W107°01'27.00"	7C	CIVIL

Federal Aviation Administration

GUNNISON-CRESTED BUTTE RGNL

GUC (KGUC)
GUNNISON, CO
UNITED STATES
Data is effective:
04/03/2014 - 05/29/2014

Latitude:	38-32-2.2 N
Longitude:	106-55-58.9 W
Elevation:	7680 ft.
Variation:	12 E 1990
From city:	1 miles SW of GUNNISON, CO
ARTCC:	ZDV
Section chart:	DENVER
Time Zone:	UTC-7(-6DT)

Airport Operations

Airport Status:	Operational	**Wind Indicator:**	Lighted
Facility use:	Open to the public	**Segmented Circle:**	Yes
Control Tower:	No air traffic control tower at airport	**Lights:**	SEE RMK HIRL RY 06/24 & REIL RY 24 OPER 0600-2230. ACTVT MALSF RY 06 & PAPI RY 06 - CTAF. PAPI RY 24 OPR 24 HRS.
FSS:	DENVER FSS (DEN) Toll Free: 1-800-WX-BRIEF	**Beacon:**	Clear and Green SEE RMK ROTG BCN OPERS SS-2230 & 0600-SR.
NOTAMs Facility:	GUC (GUNNISON-CRESTED BUTTE RGNL)	**Landing Fee:**	No
		Fuel:	100LL, A
Attendance:	0600-2230 ARPT CLOSED 2230-0600 EXCEPT FOR EMERGENCIES .	**Fire and Rescue:**	ARFF Index I B certified on 05/01/1973 CLSD TO UNSKED ACR OPNS WITH MORE THAN 30 PSGR SEATS EXCP PPR. CALL AMGR 970-641-2304.
		Int'l Operations:	Not a Landing Rights Airport Not an Airport of Entry

Airport Contacts

OWNER:
COUNTY OF GUNNISON
519 RIO GRANDE
GUNNISON, CO 81230
UNITED STATES
Phone: 970-641-2304

MANAGER:
RICHARD LAMPORT
519 RIO GRANDE
GUNNISON, CO 81230
UNITED STATES
Phone: 970-641-2304

General Remarks

- <HIGH TERRAIN ALL QUADS.
- RY 17/35 CLSD 1 DEC - 1 MAY.

Airport Communications

UNICOM: 122.7 MHz

ATIS: None

Remarks:

- APCH/DEP SVC PRVDD BY DENVER ARTCC ON FREQS 125.35/354.05 (GUNNISON RCAG).

Radio AIDS To Navigation

ILS/DME:

Rwy End	Type	ID	Frequency	Channel	Remarks
Rwy 06	ILS/DME	I-GUC	110.5 MHz	Chan 042X	• GS UNMON. • LOC UNUSABLE BYD 20 DEG LEFT OF COURSE. • ILS CLASSIFICATION CODE IE

NAVAIDS:

Type	ID	Name	Frequency	Hours	Distance	Bearing	Remarks
VOR/DME	HBU	BLUE MESA	114.9 MHz	24 Hours	7.0 nm	45.6°	• OPERATIONAL RESTRICTED • DME PORTION UNUSBL 315-325 BYD 27 NM BLO 17500 FT.
TACAN	RDY	SARDY		24 Hours	40.9 nm	184.9°	• OPERATIONAL RESTRICTED • USE RSTRD TO IAP.
VOR/DME	MTJ	MONTROSE	117.1 MHz	24 Hours	45.5 nm	87.6°	• OPERATIONAL RESTRICTED • VOR PORTION UNUSBLE 205-230 BYD 30 NM BLO 13,000 FT. • DME UNUSBL 005-090 BYD 33 NM BLO 16,000 FT; 115-120 BYD

							31 NM BLO 17,500 FT; 200-217 BYD 25 NM BLO 15,000 FT; 217-245 BYD 25 NM BLO 14,000 FT.

Weather Data Services

ID	Type	Frequency	Phone	Distance	Remarks
GUC	WX AWOS-3	135.075 MHz	970-641-3240	0.0 nm	
MYP	WX AWOS-3	124.175 MHz	719-539-4436	29.0 nm	• STAND-ALONE FACILITY NOT ASSOCIATED WITH AN ARPT OR NAVAID.
7BM	WX AWOS-3	132.050 MHz	303-512-4919	37.2 nm	• STAND-ALONE FACILITY NOT ASSOCIATED WITH AN ARPT OR NAVAID.
AEJ	WX AWOS-3	132.925 MHz	719-395-2599	41.6 nm	
ANK	WX AWOS-3	133.85 MHz	719-539-5268	41.6 nm	

Runways

06/24

Dimensions:	9400 ft. x 150 ft.	**Weight Limitations**	
Surface Type:	ASPH	**PCN:**	
Surface Condition:	EXCELLENT	**Single Wheel:**	75,000 lbs
Treatment:	GRVD	**Double Wheel:**	160,000 lbs
Runway Edge Lights:	High Intensity	**Double Tandem:**	250,000 lbs
		Dual Double Tandem:	

	Runway 06	Runway 24
True Alignment:	74°	254°
Traffic Pattern:	Right	Left
Markings:	Precision instrument	Non-precision instrument
Markings Condition:	Good	Good
Latitude:	38-31-56.78 N	38-32-23.07 N
Longitude:	106-56-42.306 W	106-54-48.885 W
Elevation:	7658 ft.	7679.6 ft.
Threshold Crossing Height:	49 ft. AGL	50 ft. AGL
Visual Glide Path Angle:	3.2°	3.1°
Visual Slope Indicator:	4-light PAPI on left	4-light PAPI on left
Approach Lights:	MALSF: 1400 feet medium intensity approach light system with sequenced flashers	
Runway End Identifier Lights:	No	Yes

TDZE:	7667 ft.	7679.6 ft.
TORA:	9400 ft.	9400 ft.
TODA:	9400 ft.	9400 ft.
ASDA:	9400 ft.	9400 ft.
LDA:	9400 ft.	9400 ft.

17/35

Dimensions:	3000 ft. x 150 ft.	**Weight Limitations**	
Surface Type:	TURF-GRVL	**PCN:**	
Surface Condition:	GOOD	**Single Wheel:**	
Treatment:		**Double Wheel:**	
Runway Edge Lights:		**Double Tandem:**	
		Dual Double Tandem:	

	Runway 17	**Runway 35**
True Alignment:	180°	0°
Traffic Pattern:	Right	Left
Latitude:	38-31-57.0495 N	38-31-27.4048 N
Longitude:	106-56-21.8084 W	106-56-21.8162 W
Elevation:	7660 ft.	7641 ft.
Runway End Identifier Lights:	No	No
Displaced Threshold:		199.9 ft.
DT Latitude:		38-31-29.381 N
DT Longitude:		106-56-21.8157 W
DT Elevation:		7678.4 ft.
TORA:	3000 ft.	3000 ft.
TODA:	3000 ft.	3000 ft.
ASDA:	3000 ft.	3000 ft.
LDA:	3000 ft.	3000 ft.

Heliports

None

APPENDIX 1-5

GUNNISON CRESTED BUTTE REGIONAL AIRPORT

RUNWAY 6-24 SAFETY AREA REPORT

Sources: FAA and Jviation

U.S. Department of Transportation
Federal Aviation Administration

Federal Aviation Administration
Northwest Mountain Region

Airports Division, Safety & Standards Branch
1601 Lind Ave, S.W., Suite 315
Renton, WA 98057-3356

July 05, 2011

EIR Number: 2011NM800049

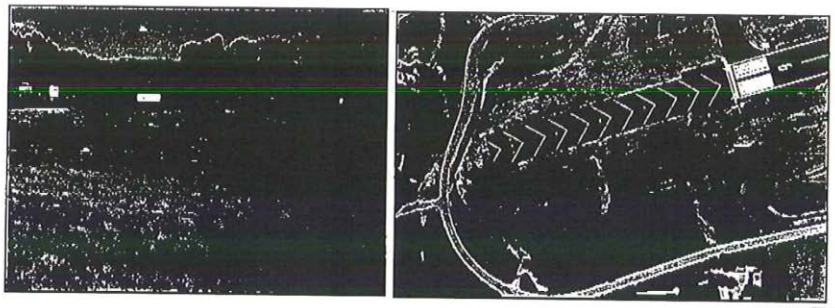
John Devore
Airport Manager
Gunnison-Crested Butte Rgnl
519 Rio Grande
Gunnison, CO 81230

Dear John Devore:

Letter of Correction

The periodic airport certification inspection of Gunnison-Crested Butte Rgnl was concluded on 6/22/2011. The inspection was conducted to determine compliance with 14 CFR Part 139, the Airport Certification Manual, and the Airport Operating Certificate. Despite the good airport condition, the inspection revealed the airport was not in compliance with all of the requirements of Part 139. The following discrepancies to Part 139 were noted during the inspection, and those that are unresolved must be corrected by the dates indicated:

139.309B1-Operations: Safety Areas. Large hump at outer edge of RSA, southwest corner. (See next page).



Correction Date: 6/1/2013

139.311C1-Operations: Marking, Signs, and Lighting. Now that RWY 24 has a non-precision approach [RNAV (RNP) RWY 24], 2000' of Caution Zone Lighting is required.

Correction Date: 10/1/2011

Please advise in writing when the unresolved discrepancies are corrected, but no later than 15 days after the correction date. If you are unable to meet these dates, please notify me as soon as possible.

Sincerely,

Rick Schoder
Airport Certification and Safety Inspector
Federal Aviation Administration
1601 Lind Avenue, S.W., Suite 315
Renton, WA 98057-3356
Voice: (425) 227-2619
Cell: (219) 798-2036
Fax: (425) 227-1600

JVIATION®
900 S. Broadway, Suite 350, Denver, CO 80209
Main 303.524.3030 Fax 303.524.3031
JVIATION.COM

FAA CRITERIA REVIEW FOR RUNWAY 6/24 SAFETY AREA

Introduction

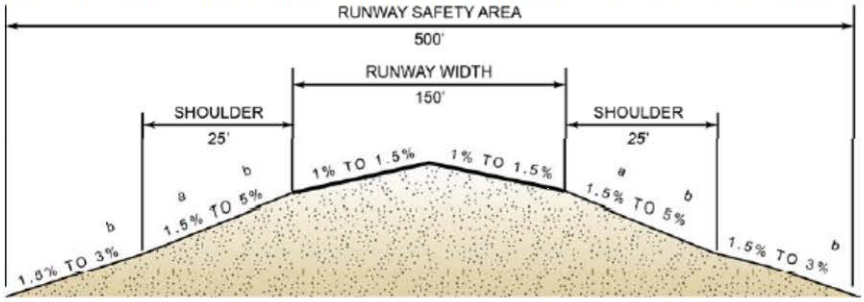
Jviation, Inc. has conducted an evaluation of the runway safety areas for Runway 6/24 at Gunnison-Crested Butte Regional Airport per AIP project number 3-08-0030-46 Jviation Scope of Work, Task Item 2.14. There were two areas of concern within the runway safety area of Runway 6/24 which were evaluated: the safety area south of Runway 6/24 from station 3+50 to station 7+00 (Area 1), and the extended safety area of Runway 24 (Area 2). Both existing safety area grades in Area 1 and Area 2 currently exceed the maximum allowable slope per Federal Aviation Administration (FAA) gradient standards. Both areas will need to be repaired as part of a future project. The evaluation process involved isolated topographical surveys of the aforementioned locations within the existing Runway 6/24 safety areas, and validation of the survey against current FAA criteria. Subsequently, exhibits of Area 1 and Area 2 were created to depict the results of the runway safety area grade evaluation as noted within the scope of work. This narrative provides a summary of the irregularities of the existing safety area gradients.

Runway 6/24 is currently designed as an Airport Reference Code (ARC) C-III

Transverse Gradient (Area 1)

Per FAA criteria the transverse gradient for aircraft approach categories C and D must be 1% to 1.5% on the runway surface, 1.5% to 5% on paved runway shoulders, and 1.5% to 3% for the area beyond the runway shoulder to the edge of the runway safety area (RSA). In addition to the slope requirement, the FAA's criteria requires that the runway safety area is to be 'cleared and graded and have no potential hazardous ruts, humps, depressions, or other surface variations'. The transverse gradient standards are shown in Figure 1.

FIGURE 1 - TRANSVERSE GRADE LIMITATIONS FOR APPROACH CATEGORIES C AND D



a. 3% minimum required for turf

b. A slope of 5% is recommended for a 10-foot (3m) width adjacent to the pavement edges to promote drainage.

Source: AC 150/5300-13A; Image: Jviation, Inc.

JVIATION

The transverse grades within the runway safety area do not meet current FAA criteria in Area 1. The first issue is the excessive slope gradients with the 500' foot width of the runway safety area. There is a slope of 6.9% that exists within the runway safety area as shown on the attached exhibit. This slope exceeds the FAA maximum allowable gradient of 3% within the safety area beyond the edge of the runway shoulder. The second issue is the 'humps, depressions, and surface variations' within the runway safety area. A defined depression exists approximately 150' from the centerline of Runway 6/24 as shown on the attached Area 1 exhibit.

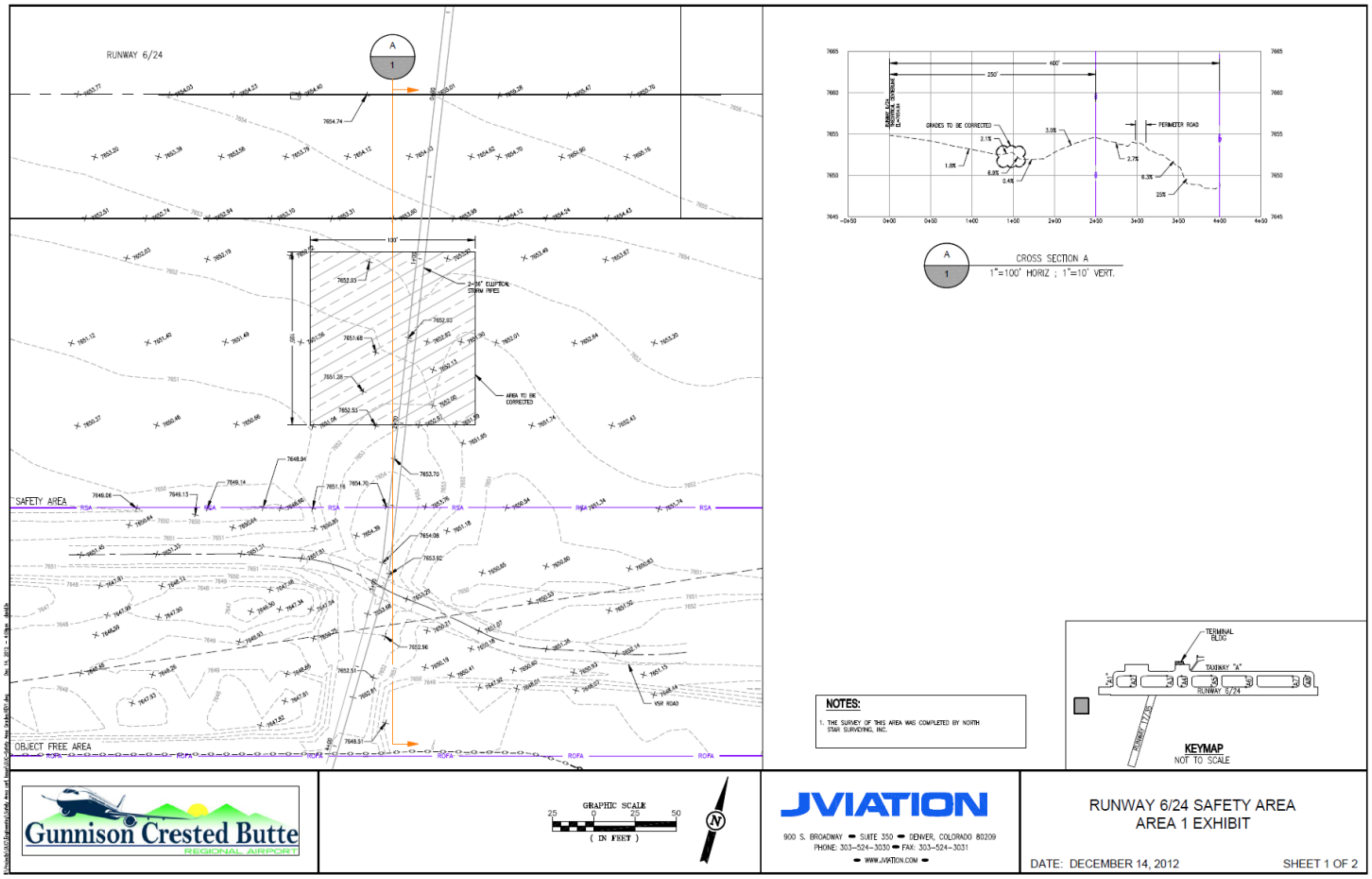
Extended Safety Area Gradient (Area 2)

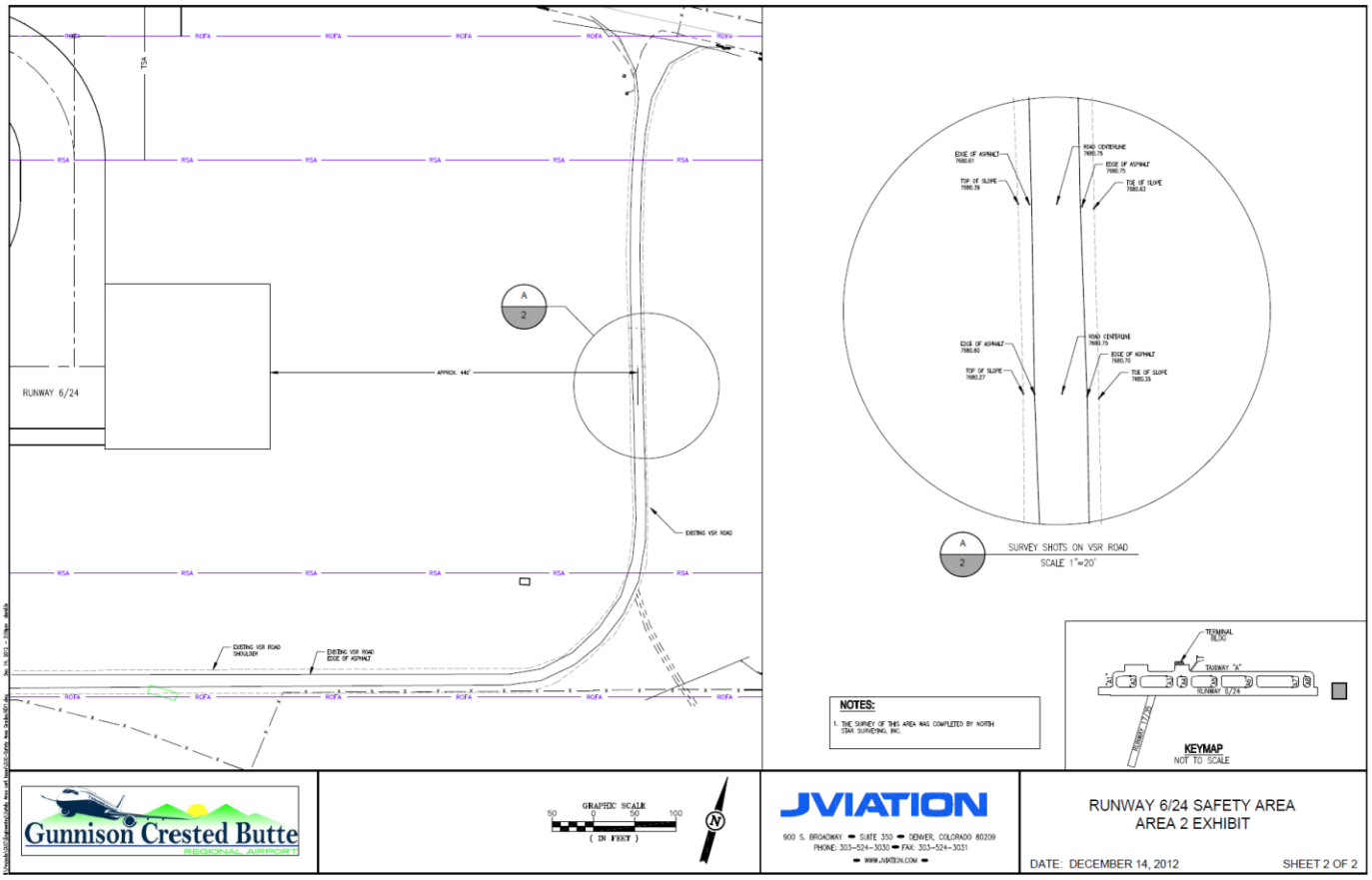
Per FAA criteria, objects within the safety area must have a maximum height of three inches or must be frangible. The geometry of the Vehicle Service Road (VSR) currently exists within the 1000 foot extended safety area of Runway 24. This road consists of asphalt millings and is crowned. In general, the height of the road (from toe of slope to crown) is approximately 6 inches based on topographical survey. The attached Area 2 exhibit shows the survey that was taken of the VSR. The VSR is temporarily closed in this area for traffic due to this violation.

Recommendations

Jviation recommends that corrective action is needed to improve the non-standard transverse gradient along the safety area of Runway 6/24 (Area 1). Although the existing gradients do allow for proper drainage, the safety area of Runway 6/24 (Area 1) will need to be re-graded to remove the depression within the safety area and reduce gradients to standard criteria. In regard to Area 2, re-grading the current VSR that exists within the extended safety area of Runway 24 would be a temporary, minimum cost solution to the issue. It is recommended, however, that the VSR road should ultimately be relocated to a different location outside of the runway safety area. Attached to this letter are two exhibits that detail which areas need to be corrected.

The corrective actions for Area 1 should be completed within a future construction project at the Gunnison-Crested Butte Regional Airport. The corrective action for Area 2, which requires a relocation of the airport VSR road, will be completed in 2013 by the Gunnison-Crested Butte Regional Airport.


RUNWAY 6/24
SAFETY AREA
OBJECT FREE AREA
AREA TO BE CORRECTED
2-36" ELLIPTICAL STORM PIPES
VSW ROAD
GRADES TO BE CORRECTED
PERIMETER ROAD
CROSS SECTION A
1"=100' HORIZ ; 1"=10' VERT.
NOTES:
1. THE SURVEY OF THIS AREA WAS COMPLETED BY NORTH STAR SURVEYING, INC.
TERMINAL BLDG
TAXIWAY "A"
RUNWAY 6/24
KEYMAP
NOT TO SCALE
Gunnison Crested Butte
REGIONAL AIRPORT
GRAPHIC SCALE
(IN FEET)
JVIATION
900 S. BROADWAY • SUITE 350 • DENVER, COLORADO 80209
PHONE: 303-524-3030 • FAX: 303-524-3031
• WWW.JVIATION.COM •
RUNWAY 6/24 SAFETY AREA
AREA 1 EXHIBIT
DATE: DECEMBER 14, 2012
SHEET 1 OF 2


ROFA
RSA
TSA
RUNWAY 6/24
APPROX. 440'
A
2
EXISTING VSR ROAD
EXISTING VSR ROAD SHOULDER
EXISTING VSR ROAD EDGE OF ASPHALT
EDGE OF ASPHALT
TOP OF SLOPE
ROAD CENTERLINE
TOE OF SLOPE
SURVEY SHOTS ON VSR ROAD
SCALE 1"=20'
NOTES:
1. THE SURVEY OF THIS AREA WAS COMPLETED BY NORTH STAR SURVEYING, INC.
TERMINAL BLDG
TAXIWAY "A"
RUNWAY 6/24
RUNWAY 17/35
KEYMAP
NOT TO SCALE
Gunnison Crested Butte
REGIONAL AIRPORT
GRAPHIC SCALE
50 0 50 100
(IN FEET)
JVIATION
900 S. BROADWAY ➡ SUITE 350 ➡ DENVER, COLORADO 80209
PHONE: 303-524-3030 ➡ FAX: 303-524-3031
➡ WWW.JVIATION.COM ➡
RUNWAY 6/24 SAFETY AREA
AREA 2 EXHIBIT
DATE: DECEMBER 14, 2012
SHEET 2 OF 2

APPENDIX 1-5A

GUNNISON CRESTED BUTTE REGIONAL AIRPORT

RUNWAY 6 PROTECTION ZONE – FAA DETERMINATION

Source: FAA

Mr. Chris Schaffer, P.E.
Federal Aviation Administration
Denver Airports District Office
26805 East 68th Ave., Suite 224
Denver, CO 80249-6361

June 20, 2003

Subject: Gunnison – Crested Butte Regional Airport
Gunnison, Colorado
Gunnison River Water Park

Dear Mr. Schaffer:
Carter & Burgess is working with Gunnison County in establishing and locating the future Water Park facilities location on the airport. Per our previous meeting with you on May 22, 2003, we have submitted a drawing identifying the future location of the Water Park improvements. The drawing was overlaid with the current Exhibit A for your review.

Per our conversation on June 19, 2003 we are offering the following information as clarifications to our original submittal:

1) Parking for Picnic area 1A will be located north of the Runway 6 RPZ.
2) Restroom (RR 1) will be located north of Runway 6 RPZ.
3) The Multi-Purpose Building will not be considered for this site at this time.
4) Picnic area 1B and Picnic area 2 will be located inside the Runway 6 RPZ, but below the approach surface.
5) Restroom (RR2) will be located inside Runway 6 RPZ, but below the approach surface.
6) Public utilizing Picnic area 1B and Picnic area 2 will park vehicles north of Runway RPZ. Access to these areas will be via walking path.
7) Occasional vehicles will utilize the walking path for maintenance equipment (i.e. mowers, restroom cleaning equipment).
8) It is estimated that not more than 50 people will utilize the facilities at one time.

Per our conversation on June 19, 2003, it would appear that yours or Mr. Fredericksen's reviews have identified no objection. We ask that with this additional information that the need for a formal submittal of a 7460 will not be necessary for approval to begin final design and construction of the Water Park improvements.

Should you have any questions or need any addition information, please do not hesitate to call myself or Mr. John DeVore, Gunnison County Chief Executive Offer.

Carter & Burgess, Inc

James W. Fluhr, P.E.
Senior Project Manager

cc: Mr. John DeVore, County Manager

DENVER AIRPORTS DISTRICT OFFICE
26805 EAST 68th AVENUE, SUITE 224
DENVER, COLORADO 80249-6361
(303) 342-1250

FEDERAL AVIATION
ADMINISTRATION

September 16, 2003

Mr. John DeVore
Gunnison County CEO
711 West Rio Grande
Gunnison, Colorado 81230

Dear Mr. DeVore:

Gunnison-Crested Butte Regional Airport
Gunnison, Colorado
Gunnison River Water Park

We have reviewed the site layout for the proposed water park facilities adjacent to the Gunnison-Crested Butte Regional Airport. We have no objection to the proposal, subject to the uses and limitations outlined in the Carter Burgess letter dated June 20, 2003.

Our review took into consideration any effects the proposal would have upon imaginary airport surfaces defined in Federal Aviation Regulation (FAR), Part 77, as well as its compatibility with future airport development plans.

If you have any questions or comments, please feel free to contact me at the number shown above.

Sincerely,

Original Signed By
Christopher Schaffer

Christopher J. Schaffer, P.E.
Project Manager

cc: Carter Burgess, Inc.

APPENDIX 2-1

GUNNISON LAND USE AGREEMENT

2003

Guidelines for Reviewing Land Use Change Permit Applications within the Gunnison Three-Mile Area

PREPARED BY:

GUNNISON COUNTY PLANNING DEPARTMENT and

CITY OF GUNNISON
COMMUNITY DEVELOPMENT DEPARTMENT

July, 2003

TABLE OF CONTENTS

Questions about this process, or the individual City and County land use regulations and review processes may be answered by calling 970-641-8152 (City of Gunnison Community Development Department), or 970-641-0360 (Gunnison County Planning Department).

STATUTORY AUTHORITY FOR SHARED LAND USE PERMITTING REVIEW:

The State of Colorado specifically allows cities and counties to enter into intergovernmental agreements to encourage cooperative land use planning between the two. It also requires municipalities to plan for land uses, utilities and roads within the area three miles outside of their boundaries, so that if those lands are annexed, the infrastructure and land uses are compatible with those already in the City. The County has jurisdiction over permitting land uses in that area, until they are annexed into the City.

The City of Gunnison and Gunnison County adopted the *Three Mile Plan/Urban Growth Boundary Intergovernmental Agreement* July 3, 2001. As part of that *Agreement,* the entities agreed to jointly review Land Use Change Permit applications for projects proposed within the Three Mile Plan area and Urban Growth Boundary outside the City limits. The *Agreement* directed that processes be designed to review projects that are located in the Area and outlined different requirements for review in the Urban Growth Boundary and outside it.

These *Guidelines for reviewing Land Use Change Permit Applications Within the Gunnison Three-Mile Are*, describe the County's general Land Use Change Permit application review process, and outline the review processes required by the IGA including flow charts that illustrate the timelines and key actions of the City's review.

CITY/COUNTY LAND USE REGULATIONS DIFFER:

Though the processes of land use permit reviews are similar between the City and County, there are some differences. The County classifies proposed land uses on the basis of their impacts to the community and environment; the City regulates uses by zoning and within its development code. Both generally consider the Planning Commission as an advisory body that makes recommendations to its City Council or County Board of Commissioners; in some specific cases, the Planning Commission is the decision-making body.

Gunnison County assigns a proposed land use as one of the following:

- **Administrative Review projects** are reviewed only by staff, and require no public hearings or meetings. The IGA does not require review of Administrative Review Projects by the City.

- **Minor Impact projects** involve "smaller projects. If the project is not a subdivision, the application requires at least one work session and a public hearing with the Planning Commission, who makes the final decision; no action by the Board of Commissioners is required. The Board may conduct its own public hearing for a Minor Impact project that is a subdivision, and the Board, not makes the final decision to approve or deny it.

- **Major Impact projects** involve "larger projects," and review includes three phases: Sketch Plan, Preliminary Plan and Final Plan.

    - **Sketch Plan review** provides an opportunity for the County, the applicant, and the public to engage in an exploratory discussion of a proposed land use change, to examine alternative approaches to development of the property, to participate in a process of joint planning and negotiation between the County and the applicant. To encourage the consideration of alternatives and to allow the Sketch Plan to evolve, detailed engineering plans and other overly

detailed information are not required or accepted by the County at this stage.

- **Preliminary Plan review** is the time when the applicant is required to formulate detailed, properly designed/engineered solutions to the issues and concerns identified during Sketch Plan review, and to address, in a site-specific manner, all other issues that are relevant to the Preliminary Plan. The burden at the Preliminary Plan stage is on the applicant to provide detailed information and mitigation proposals for evaluation.

- **Final plan review** provides a permanent and accurate public record of the development plan: exact size, shape and location of lots, blocks, streets, easements and other parcels of land within the development, together with all applicable covenants, conditions, use restrictions and design and development criteria. A final plan or plat must conform to the preliminary plan or plat previously reviewed and approved by the Board and must incorporate all modifications and special conditions required by the Board.

- **The Preliminary Plan and Final Plan** may be combined and processed together based upon consideration of the design, size, public concern, public facilities and services.

All projects, no matter their classification, generally must comply with locational and improvement standards.

KEY ELEMENTS OF JOINT REVIEW PROCESS:

"INITIAL ACTION" MEETINGS are dates of public hearing for which city will submit review comments: The County specifically separates out "possible action"—i.e. a meeting in which the decision-body will take action on an application—from a work session or a public hearing in describing agenda items. Therefore, in normal business on Land Use Change Permits, the date on which a work session or a public hearing is conducted would not be considered an "initial action date" as referenced within the IGA.

The City wants its formal comment to be available for the public hearing; so, only for purposes of review of projects under the IGA (i.e., the language will continue to appear on agenda items clear differentiating work sessions and public hearings from "action" or "possible action" items) the "initial action" referenced by the IGA will mean the public hearing for which the City submits its official comments.

The "first scheduled hearing" for a Major Impact Project is the Sketch Plan public hearing conducted jointly by the Board of Commissioners and Planning Commission. (The Board has the option of scheduling a second public hearing.)

However, because the Preliminary Plan includes engineering design and a more formalized and detailed set of plans, the City prefers to present its formal review comments position in response to the Preliminary Plan of a Major Impact project, rather than at the Sketch Plan stage.

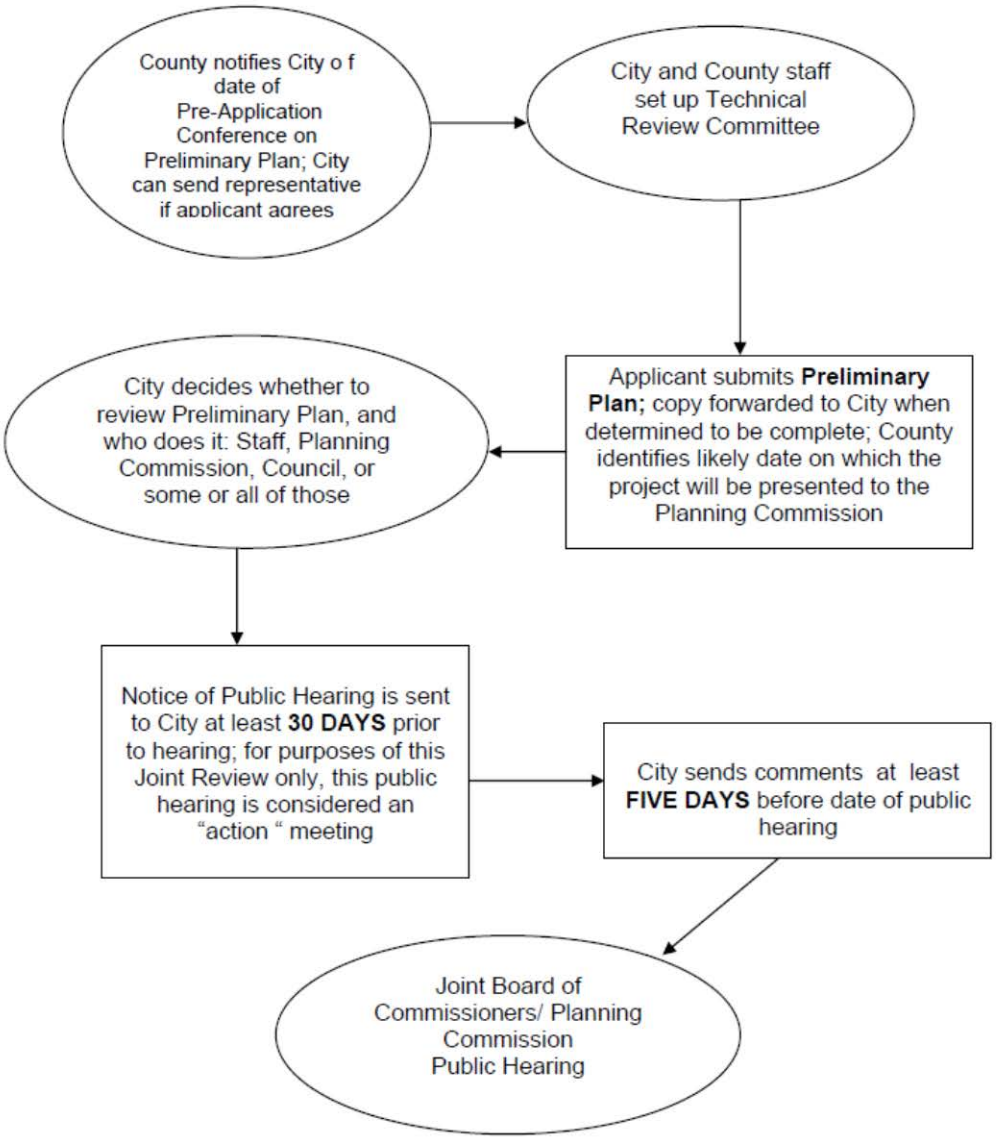
Of course, the City may offer additional comments, or pose questions about a project, at any time during the County's overall review process

TECHNICAL REVIEW COMMITTEE: A Technical Review committee is required to review all Major Impact Projects; whether or not a Technical Review Committee reviews Minor Impact Projects is at the discretion of the City and County staffs. The Committee includes members of each of the County's Planning Department and the City's Community Development Department, and representatives of any review agencies (such as Colorado Division of Wildlife, Colorado Division of Water Resources, etc.) whose expertise may be relevant to the specific application.

The Technical Review Committee is advisory only.

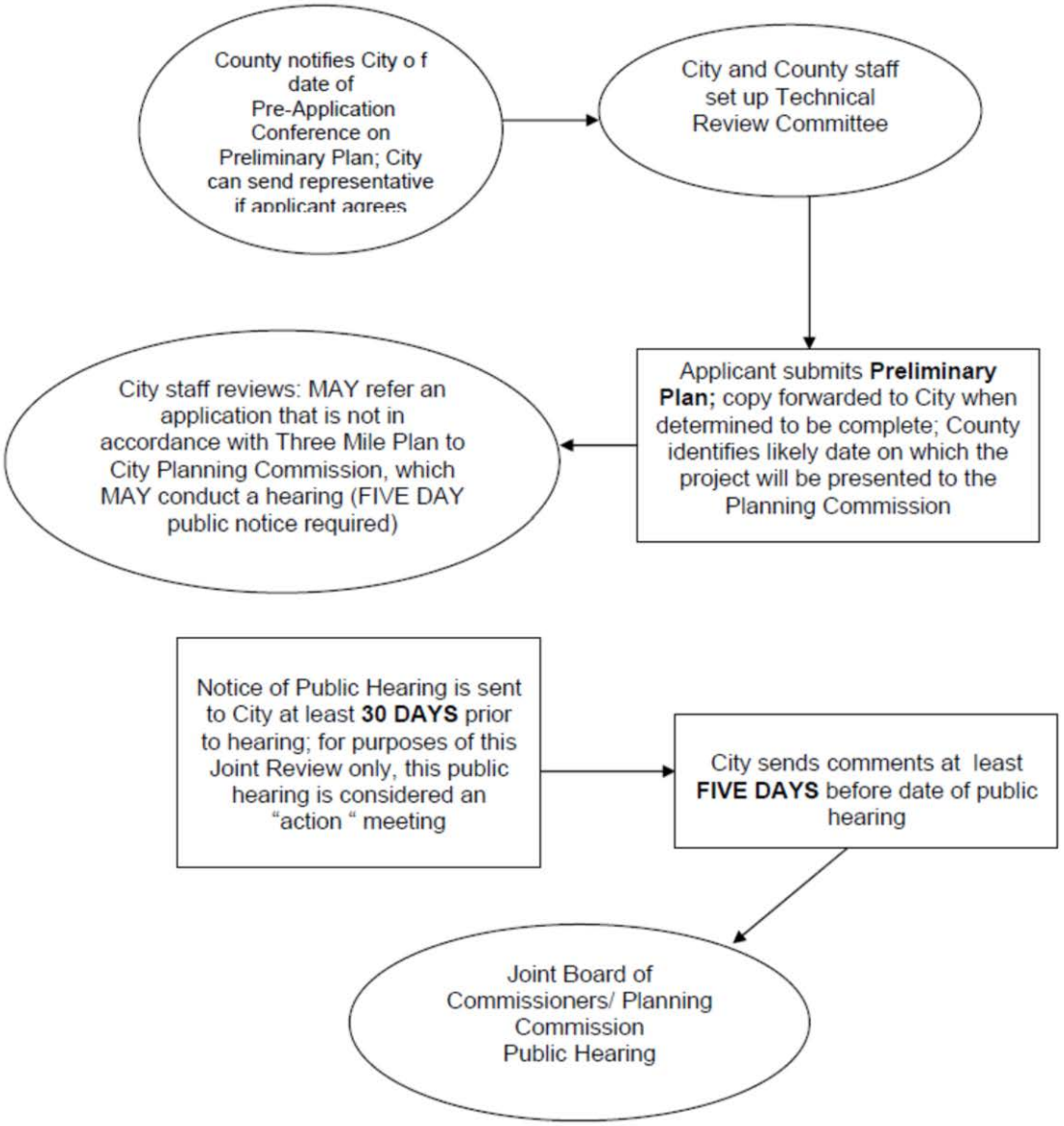
CITY/COUNTY OF GUNNISON JOINT REVIEW PROCESS FOR MAJOR IMPACT PROJECTS WITHIN THE URBAN GROWTH BOUNDARY

(City conducts its formal review of the proposed project during the Preliminary Plan review process)

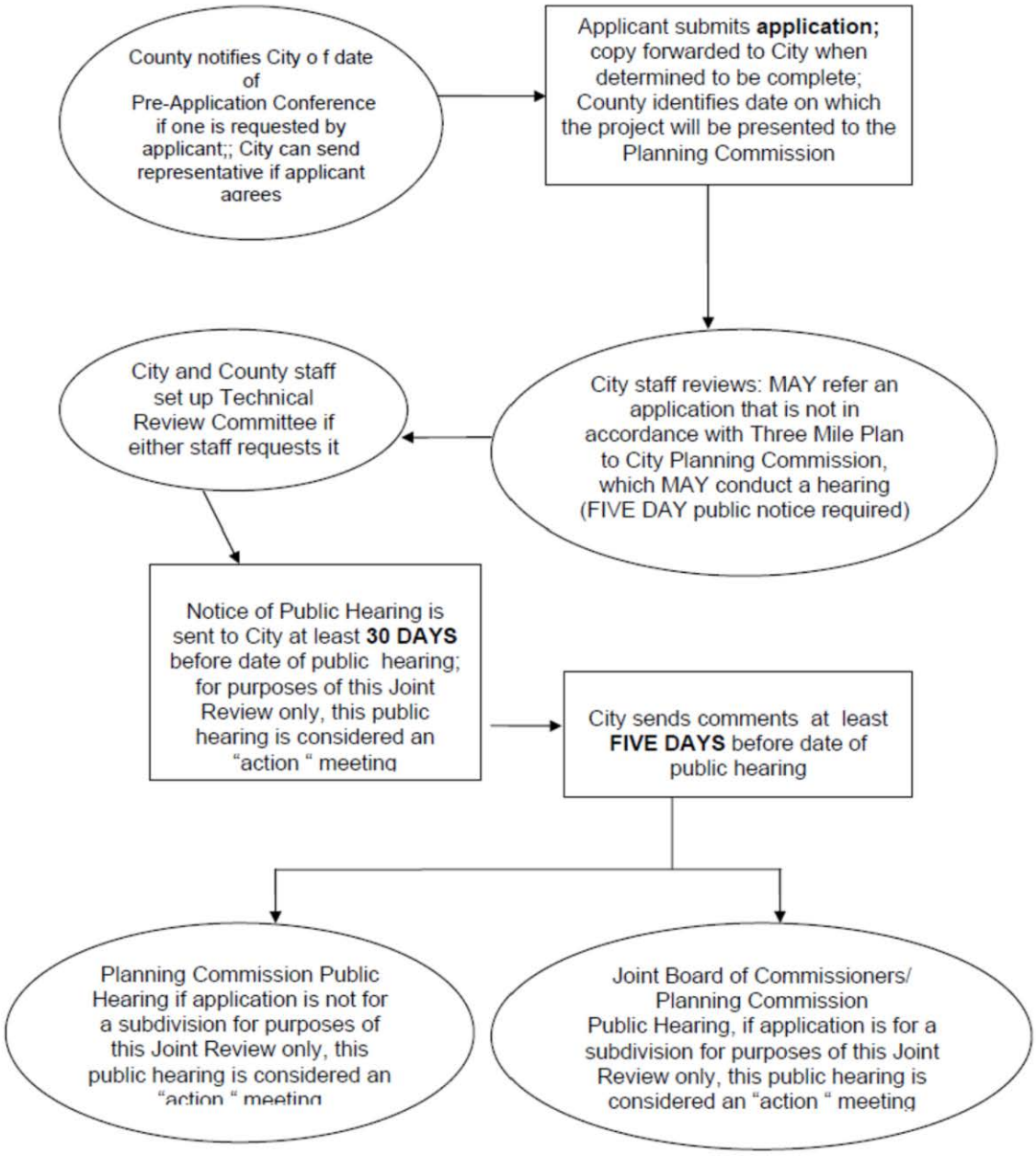


CITY/COUNTY OF GUNNISON JOINT REVIEW PROCESS FOR MAJOR IMPACT PROJECTS WITHIN THE THREE-MILE AREA, OUTSIDE URBAN GROWTH BOUNDARY

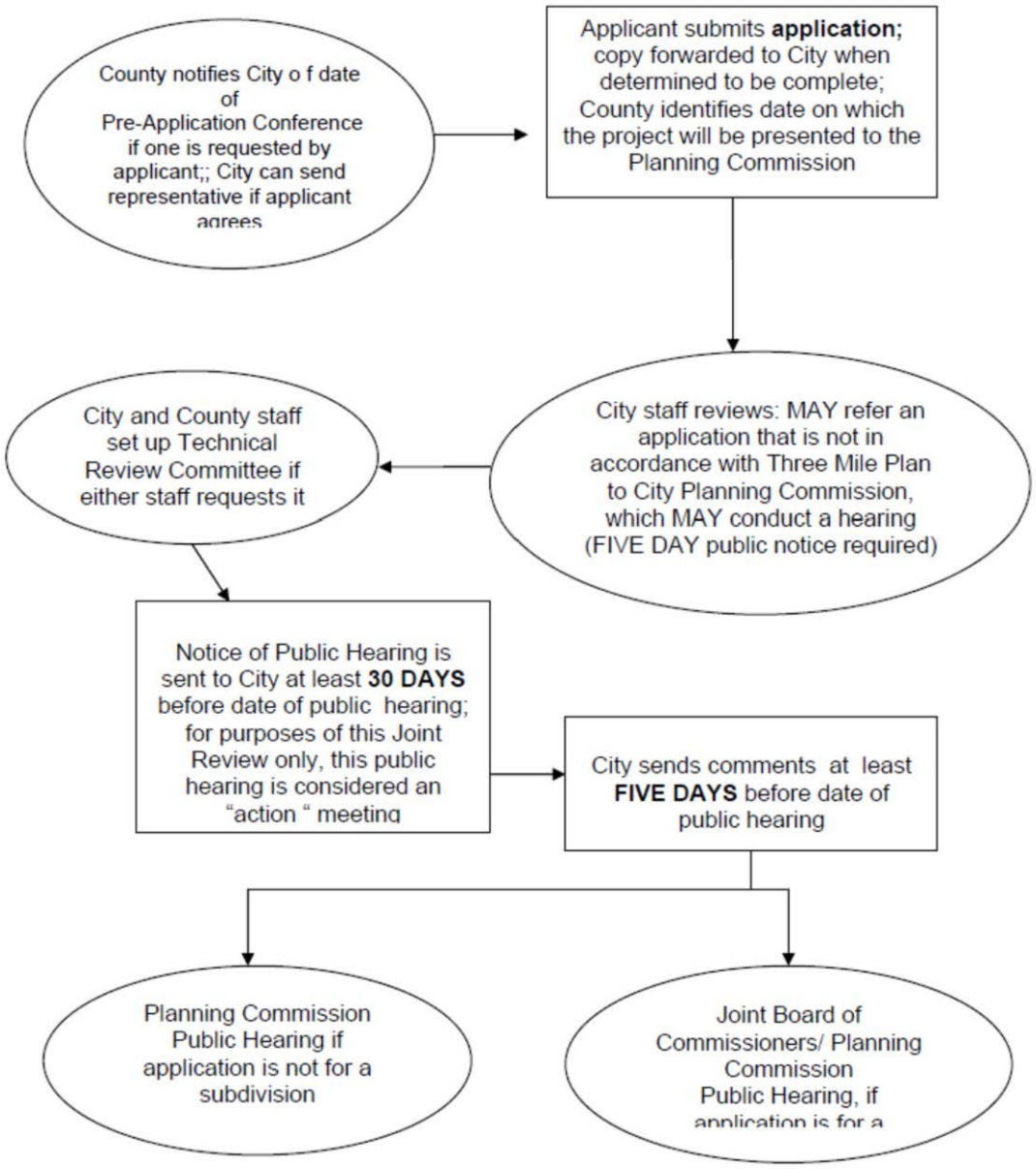
(City conducts its formal review of the proposed project during the Preliminary Plan review process)



CITY/COUNTY OF GUNNISON JOINT REVIEW PROCESS FOR MINOR IMPACT PROJECTS WITHIN THE URBAN GROWTH BOUNDARY



CITY/COUNTY OF GUNNISON JOINT REVIEW PROCESS FOR MINOR IMPACT PROJECTS WITHIN THE THREE-MILE AREA, OUTSIDE URBAN GROWTH BOUNDARY



APPENDIX 2-2

FAA TERMINAL AREA FORECAST (TAF) SUMMARY REPORT

FY 2013-2040

FAA TERMINAL AREA FORECAST - Gunnison-Crested Butte Airport (GUC)

Forecast Issued February 2014

	Pass. Enplanements			AIRCRAFT OPERATIONS									
				Itinerant Operations					Local Operations				
Fiscal Year	Air Carrier	Commuter	Total	Air Carrier	Air Taxi & Commuter	GA	Military	Total	Civil	Military	Total	Total Ops	Based Aircraft
1990	32,105	16,773	48,878	3,350	1,156	7,000	50	11,556	3,000	0	3,000	14,556	28
1991	23,953	21,597	45,550	2,607	528	9,132	100	12,367	6,000	0	6,000	18,367	18
1992	32,935	25,754	58,689	2,607	638	9,132	100	12,477	6,000	0	6,000	18,477	18
1993	35,530	30,102	65,632	600	2,607	9,132	100	12,439	6,000	0	6,000	18,439	18
1994	31,094	33,538	64,632	300	6,660	9,132	150	16,242	14,716	0	14,716	30,958	33
1995	28,694	24,184	52,878	300	6,660	9,132	150	16,242	14,716	0	14,716	30,958	40
1996	30,306	19,370	49,676	810	4,950	14,000	150	19,910	6,780	0	6,780	26,690	29
1997	28,556	23,882	52,438	838	5,211	14,231	150	20,430	6,892	0	6,892	27,322	29
1998	40,727	17,011	57,738	865	5,469	14,473	150	20,957	7,009	0	7,009	27,966	29
1999	55,539	4,666	60,205	872	5,487	14,728	150	21,237	7,132	0	7,132	28,369	32
2000	48,981	4,302	53,283	883	5,509	14,982	150	21,524	7,255	0	7,255	28,779	32
2001	24,925	21,744	46,669	894	5,531	14,939	150	21,514	7,234	0	7,234	28,748	28
2002	20,673	19,181	39,854	905	5,553	15,203	150	21,811	7,362	0	7,362	29,173	30
2003	12,817	24,267	37,084	917	5,576	15,468	150	22,111	7,490	0	7,490	29,601	30
2004	12,324	25,851	38,175	928	5,599	15,730	150	22,407	7,617	0	7,617	30,024	29
2005	15,307	27,943	43,250	939	5,339	15,995	150	22,423	7,745	0	7,745	30,168	27
2006	23,271	25,504	48,775	950	5,360	16,231	150	22,691	7,859	0	7,859	30,550	31
2007	18,078	24,849	42,927	961	5,381	16,471	150	22,963	7,976	0	7,976	30,939	30
2008	18,838	18,904	37,742	2,426	0	8,215	0	10,641	1,165	0	1,165	11,806	30
2009	14,081	27,021	41,102	1,263	581	5,163	50	7,057	931	0	931	7,988	30
2010	14,432	22,703	37,135	2,336	0	4,148	400	6,884	1,516	0	1,516	8,400	23
2011	6,644	30,086	36,730	845	0	5,168	98	6,111	514	0	514	6,625	25
2012	14,238	17,990	32,228	837	0	6,194	50	7,081	551	0	551	7,632	25
2013	13,444	17,548	30,992	846	0	6,285	50	7,181	558	0	558	7,739	26
2014	13,696	17,816	31,512	855	0	6,378	50	7,283	566	0	566	7,849	27
2015	13,949	18,090	32,039	864	0	6,472	50	7,386	574	0	574	7,960	27
2016	14,209	18,369	32,578	874	0	6,568	50	7,492	582	0	582	8,074	28
2017	14,474	18,650	33,124	883	0	6,665	50	7,598	590	0	590	8,188	29
2018	14,743	18,935	33,678	893	0	6,762	50	7,705	599	0	599	8,304	29
2019	15,018	19,225	34,243	903	0	6,862	50	7,815	608	0	608	8,423	31
2020	15,297	19,520	34,817	913	0	6,964	50	7,927	617	0	617	8,544	32
2021	15,582	19,819	35,401	923	0	7,066	50	8,039	626	0	626	8,665	33
2022	15,870	20,124	35,994	933	0	7,170	50	8,153	635	0	635	8,788	33
2023	16,167	20,433	36,600	945	0	7,276	50	8,271	644	0	644	8,915	34
2024	16,467	20,744	37,211	955	0	7,383	50	8,388	653	0	653	9,041	35
2025	16,774	21,064	37,838	965	0	7,492	50	8,507	662	0	662	9,169	36
2026	17,086	21,388	38,474	975	0	7,602	50	8,627	671	0	671	9,298	37
2027	17,406	21,717	39,123	986	0	7,715	50	8,751	681	0	681	9,432	38
2028	17,730	22,049	39,779	997	0	7,828	50	8,875	691	0	691	9,566	39
2029	18,059	22,385	40,444	1,008	0	7,943	50	9,001	701	0	701	9,702	40
2030	18,395	22,727	41,122	1,019	0	8,060	50	9,129	711	0	711	9,840	41
2031	18,736	23,074	41,810	1,030	0	8,179	50	9,259	721	0	721	9,980	42
2032	19,085	23,427	42,512	1,041	0	8,299	50	9,390	731	0	731	10,121	43
2033	19,442	23,785	43,227	1,052	0	8,422	50	9,524	741	0	741	10,265	44
2034	19,803	24,148	43,951	1,063	0	8,547	50	9,660	752	0	752	10,412	45
2035	20,172	24,518	44,690	1,075	0	8,673	50	9,798	763	0	763	10,561	46
2036	20,548	24,893	45,441	1,087	0	8,801	50	9,938	774	0	774	10,712	47
2037	20,931	25,274	46,205	1,099	0	8,932	50	10,081	785	0	785	10,866	48
2038	21,320	25,661	46,981	1,111	0	9,064	50	10,225	796	0	796	11,021	49
2039	21,716	26,054	47,770	1,123	0	9,197	50	10,370	807	0	807	11,177	50
2040	22,120	26,453	48,573	1,135	0	9,333	50	10,518	819	0	819	11,337	51

The TAF is prepared to assist the FAA in meeting its planning, budgeting, and staffing requirements. In addition, state aviation authorities and other aviation planners use the TAF as a basis for planning airport improvements.

The TAF assumes a demand driven forecast for aviation services based upon local and national economic conditions as well as conditions within the aviation industry. In other words, an airport's forecast is developed independent of the ability of the airport and the air traffic control system to furnish the capacity required to meet demand. However, if the airport historically functions under constrained conditions, the FAA forecast may reflect those constraints since they are embedded in historical data. In statistical terms, the relationships between economic growth data and data representing growth in aviation activity reflect those constraints.

The forecasts of passenger enplanements at non-hub FAA facilities are based on analysis of historic trends. The commercial operations forecasts are based on the enplanement forecasts, trend analysis, and enplanements per operation. In addition the commercial forecasts for these airports may be prorated in comparison to national forecast trends by category.

Because military operations forecasts have national security implications, the Department of Defense (DOD) provides only limited information on future aviation activity. Hence, the TAF projects military activity at its present level except when FAA has specific knowledge of a change. For instance, DOD may announce a base closing or may shift an Air Force wing from one base to another.

For non-FAA facilities, historic operations in the TAF are from the Form 5010 data. These operations levels are held constant for the forecast unless otherwise specified by a local or regional FAA official.

Trends at individual airports reflect to varying degrees national aviation trends as well as the dynamics at individual airports. The national forecasts for FAA and contract towered airports in *FAA Aerospace Forecasts, Fiscal Years 2014 – 2034* show aircraft operations growing at an average annual rate of 1.0 percent over the 21-year forecast period. Average annual growth rates for this period by user group are as follows: air carrier, 2.6 percent; air taxi/commuter, -0.1 percent; itinerant general aviation, 0.5 percent; and local civil 0.5 percent. The projected average annual rate of increase for enplanements on U.S. mainline and regional carriers from the national forecast is 2.1 percent over the 21-year forecast period.

APPENDIX 2-3

GUNNISON AIRPORT TENANT SURVEY

BLANK FORM

Gunnison Crested Butte Airport - Terminal Tenant Survey

Page One

1. Company Name *

2. Contact Name, Email, Phone Number

3. Describe all of the service(s) that your company provides at Gunnison Airport (e.g. rental car, passenger airline, restaurant, etc.)

4. How long (number of years) has your company been operating at Gunnison Airport?

5. Airlines, please provide the following for the past two years (2012 & 2013), and also for the upcoming season (2014-2015): Schedule by season (no. of flights, to/from); Equipment flown; Passenger enplanements & load factor by market.

6. Rental car companies, please provide number of parking spaces currently dedicated/leased to your company, and number of additional parking spaces would like to have/need (if different from what you currently lease). Please note parking needs for peak and off-peak season. If you need additional maintenance or QTA facilities at Gunnison Airport, please describe what facilities you would need.

7. How much space (in square feet) does your company currently lease in and adjacent to the Terminal Building? (if lease more than one contiguous space/area, please specify/describe the different leaseholds in and adjacent to the Terminal Building)

8. How many employees does your company employ at Gunnison Airport?

Part time and Seasonal

Full Time - Year round

9. What time of year (from what month to what month) do you typically generate the most business? (in terms of your customers served/revenue generated)

10. Approximately what percent of your annual business is generated during that peak period?

16. Apart from your specific leasehold area, what improvements to the Terminal Building, parking lot, and road access would enhance your business? (please be specific)

17. Based on your experience at Gunnison, do you have any general comments about how the airport operates and the space available for aviation and passenger services?

APPENDIX 2-4

DESIGNATED HISTORIC PROPERTIES AND SITES

GUNNISON COUNTY

National Regiser of Historic Places
Gunnison County, CO

Alpine Tunnel Historic District (added 1996 - - #80004632)
Also known as **5CF838/5GN2599**
Along the Denver, South Park and Pacific RR tracks from Quartz to Hancock , Pitkin

Historic Significance:	Event, Architecture/Engineering, Information Potential
Architect, builder, or engineer:	et al., Evans, James A., et al.
Architectural Style:	Late 19th And Early 20th Century American Movements
Area of Significance:	Engineering, Transportation, Historic - Non-Aboriginal
Cultural Affiliation:	Euro-American
Period of Significance:	1900-1924, 1875-1899
Owner:	**Federal** , **Private**
Historic Function:	Industry/Processing/Extraction, Transportation
Historic Sub-function:	Communications Facility, Rail-Related
Current Function:	Recreation And Culture
Current Sub-function:	Outdoor Recreation

Chance Gulch Site (added 2006 - - #06001102)
Also known as **3GN817**
Address Restricted , Gunnison

Historic Significance:	Information Potential
Area of Significance:	Exploration/Settlement, Social History, Industry, Economics, Prehistoric
Cultural Affiliation:	Late Paleoindian, Middle Archaic, Late Prehistoric (Fremont)
Period of Significance:	9000-10999 BC, 6000-6499 BC, 5500-5999 BC, 499-0 AD
Owner:	**Federal**
Historic Function:	Domestic
Historic Sub-function:	Camp
Current Function:	Agriculture/Subsistence, Landscape
Current Sub-function:	Animal Facility, Irrigation Facility, Unoccupied Land

Crested Butte Denver and Rio Grande Railroad Depot (added 2001 - - #01000444)
Also known as **5GN3112**
716 Elk Ave. , Crested Butte

Historic Significance:	Event, Architecture/Engineering
Architectural Style:	Queen Anne
Area of Significance:	Transportation, Architecture
Period of Significance:	1950-1974, 1925-1949, 1900-1924, 1875-1899
Owner:	**Private**

Historic Function:	Transportation
Historic Sub-function:	Rail-Related
Current Function:	Social
Current Sub-function:	Civic

Crystal Mill (added 1985 - - #85001493)
Also known as **Sheep Mountain Tunnel Mill**
Cty. Rd. 3, 7 mi. SE of Marble , Crystal

Historic Significance:	Event
Area of Significance:	Engineering
Period of Significance:	1900-1924, 1875-1899
Owner:	**Private**
Historic Function:	Industry/Processing/Extraction
Historic Sub-function:	Energy Facility
Current Function:	Vacant/Not In Use

Curecanti Archeological District (added 1984 - - #84000852)
Also known as **5GN1,10,14,41,42,50,51,130,131,132,133,134,135,136,137,138,1**
Address Restricted , Gunnison

Historic Significance:	Information Potential
Area of Significance:	Prehistoric
Cultural Affiliation:	Archaic
Period of Significance:	9000-10999 BC, 7000-8999 BC, 5000-6999 BC, 3000-4999 BC, 1749-1500 AD, 1499-1000 AD, 1000-500 AD, 1000-2999 BC, 1000 AD-999 BC
Owner:	**Federal**
Historic Function:	Domestic
Historic Sub-function:	Village Site
Current Function:	Landscape
Current Sub-function:	Park

Edgerton House (added 1998 - - #98000293)
Also known as **Teachout Building;5GN1500**
514 W. Gunnison Ave. , Gunnison

Historic Significance:	Event, Architecture/Engineering
Architect, builder, or engineer:	Teachout, Harlow
Architectural Style:	Other
Area of Significance:	Commerce, Architecture
Period of Significance:	1925-1949, 1900-1924, 1875-1899

Owner:	**Private**
Historic Function:	Commerce/Trade, Domestic
Historic Sub-function:	Hotel, Restaurant
Current Function:	Domestic
Current Sub-function:	Single Dwelling

Fisher-Zugelder House and Smith Cottage (added 1984 - - #84000853)
601 N. Wisconsin St. , Gunnison

Historic Significance:	Architecture/Engineering
Architect, builder, or engineer:	Zugelder,Fredrick
Architectural Style:	Other
Area of Significance:	Architecture
Period of Significance:	1875-1899
Owner:	**Private**
Historic Function:	Domestic
Historic Sub-function:	Single Dwelling
Current Function:	Domestic
Current Sub-function:	Single Dwelling

Gunnison River Bridge I (added 2002 - - #02001152)
Also known as **CDOT No. J-09-C**
US 50 Service Rd. at milepost 155.41 , Gunnison

Historic Significance:	Event, Architecture/Engineering
Architect, builder, or engineer:	Colorado Department of Highways, et.al.
Architectural Style:	Other
Area of Significance:	Engineering, Transportation
Period of Significance:	1950-1974, 1925-1949
Owner:	**State**
Historic Function:	Transportation
Historic Sub-function:	Road-Related
Current Function:	Transportation
Current Sub-function:	Road-Related

Gunnison River Bridge II (added 2002 - - #02001151)
Also known as **5GN3322**
US-50 Service Rd. at milepost 155.59 , Gunnison

Historic Significance:	Event, Architecture/Engineering
Architect, builder, or engineer:	Colorado Department of Highways, et.al.
Architectural Style:	Other

Area of Significance:	Engineering, Transportation
Period of Significance:	1950-1974, 1925-1949
Owner:	**State**
Historic Function:	Transportation
Historic Sub-function:	Road-Related
Current Function:	Transportation
Current Sub-function:	Road-Related

Haxby House (added 1996 - - #96000355)
Also known as **5GN2557**
101 W. Silver , Marble

Historic Significance:	Event, Architecture/Engineering
Architectural Style:	Queen Anne
Area of Significance:	Architecture, Exploration/Settlement
Period of Significance:	1900-1924
Owner:	**Private**
Historic Function:	Domestic
Historic Sub-function:	Secondary Structure, Single Dwelling
Current Function:	Domestic
Current Sub-function:	Secondary Structure, Single Dwelling

Marble City State Bank Building (added 1999 - - #99001146)
Also known as **5GN2872**
105 W. Main St. , Marble

Historic Significance:	Architecture/Engineering, Event
Area of Significance:	Commerce, Architecture
Period of Significance:	1900-1924
Owner:	**Local**
Historic Function:	Commerce/Trade
Historic Sub-function:	Financial Institution, Specialty Store
Current Function:	Vacant/Not In Use

Marble High School (added 1989 - - #89000989)
412 Main St. , Marble

Historic Significance:	Event, Architecture/Engineering
Architect, builder, or engineer:	Marble School District
Architectural Style:	Bungalow/Craftsman
Area of Significance:	Architecture, Community Planning And Development
Period of Significance:	1900-1924

Owner:	**Private**
Historic Function:	Education
Historic Sub-function:	School
Current Function:	Recreation And Culture
Current Sub-function:	Museum

Marble Mill Site (added 1979 - - #79000610)
Also known as **Colorado Yule Marble Company**
Park and W. 3rd Sts. , Marble

Historic Significance:	Event
Area of Significance:	Industry
Period of Significance:	1925-1949, 1900-1924, 1875-1899
Owner:	**Federal**
Historic Function:	Industry/Processing/Extraction
Historic Sub-function:	Manufacturing Facility
Current Function:	Landscape
Current Sub-function:	Park

Marble Town Hall (added 1989 - - #89000988)
407 Main St. , Marble

Historic Significance:	Event, Architecture/Engineering
Architect, builder, or engineer:	Colorado-Yule Marble Co.
Architectural Style:	Other, Colonial Revival
Area of Significance:	Architecture, Community Planning And Development
Period of Significance:	1900-1924
Owner:	**Local**
Historic Function:	Domestic
Historic Sub-function:	Single Dwelling
Current Function:	Government
Current Sub-function:	City Hall

Parry, William D., House (added 1989 - - #89000987)
115 Main St. , Marble

Historic Significance:	Event, Architecture/Engineering
Architect, builder, or engineer:	Parry,William D.
Architectural Style:	No Style Listed
Area of Significance:	Exploration/Settlement, Architecture
Period of Significance:	1900-1924, 1875-1899

Owner: **Private**
Historic Function: Domestic
Historic Sub-function: Secondary Structure, Single Dwelling
Current Function: Domestic
Current Sub-function: Secondary Structure, Single Dwelling

Rimrock School (added 2000 - - #00001195)
Also known as **Redtop School**
Cty. Rd. 24 , Sapinero

Historic Significance: Architecture/Engineering, Event
Area of Significance: Architecture, Social History, Education
Period of Significance: 1925-1949, 1900-1924
Owner: **Private**
Historic Function: Education, Social
Historic Sub-function: Meeting Hall, School
Current Function: Vacant/Not In Use

St. Paul's Church (added 1989 - - #89000990)
Also known as **Marble Community Church;5GN1355**
123 State St. , Marble

Historic Significance: Event, Architecture/Engineering
Architect, builder, or engineer: Episcopal Missions Western Colorado
Architectural Style: Gothic
Area of Significance: Architecture, Community Planning And Development
Period of Significance: 1900-1924
Owner: **Private**
Historic Function: Religion
Historic Sub-function: Religious Structure
Current Function: Religion
Current Sub-function: Religious Structure

Town of Crested Butte (added 1974 - - #74002279)
Roughly bounded by Maroon Ave., Eighth St., White Rock Ave., and First St. , Crested Butte

Historic Significance: Architecture/Engineering
Architect, builder, or engineer: Unknown
Architectural Style: Late Victorian
Area of Significance: Architecture
Period of Significance: 1900-1924, 1875-1899
Owner: **Local** , **Private**

Historic Function: Commerce/Trade, Education, Government, Government, Religion
Historic Sub-function: Business, City Hall, Post Office, Restaurant, Specialty Store
Current Function: Commerce/Trade, Education, Government, Government, Religion
Current Sub-function: Business, City Hall, Restaurant, Specialty Store

Town of Crested Butte (Boundary Increase and Boundary Decrease) (added 2002 - - #01000738)
Roughly bounded by Gothic Ave., 6th St., White Rock Ave., and First St. , Crested Butte

Vienna Bakery--Johnson Restaurant (added 2005 - - #04001425)
Also known as **Johnson Building Gallery**
122-124 N. Main St. , Gunnison

Historic Significance: Event
Area of Significance: Commerce
Period of Significance: 1950-1974, 1925-1949, 1900-1924, 1875-1899
Owner: **Private**
Historic Function: Commerce/Trade
Historic Sub-function: Restaurant, Specialty Store
Current Function: Commerce/Trade
Current Sub-function: Specialty Store

Webster Building (added 1984 - - #84000857)
Also known as **Gunnison Hotel**
229 N. Main St. , Gunnison

Historic Significance: Event, Architecture/Engineering
Architectural Style: Italianate
Area of Significance: Architecture, Commerce
Period of Significance: 1875-1899
Owner: **Private**
Historic Function: Commerce/Trade, Domestic, Social
Historic Sub-function: Business, Meeting Hall, Single Dwelling, Warehouse
Current Function: Commerce/Trade, Domestic
Current Sub-function: Business, Hotel

Gunnison County Historic Preservation Commission

NAME	ADDRESS	CURRENT USE
GUNNISON COUNTY HISTORIC SITES		
Ohio City Town Hall	8502 CR 76, Ohio City	Community Center
Aberdeen Quarry	14 miles SW of Gunnison	Museum Tours
Sewell's Gulch Gravesite	10 miles E. of Gunnison	Cemetery/no entry
Spencer School	21 miles SW of Gunnison	Tourist site/no entry
Great Wall	23 miles N. of Gunnison	Tourist site
Rock Culverts & Railbed Trail	23 miles N. of Gunnison	Tourist site
Fairview School House	4514 CR 730, Ohio Creek	Community Center
Bomber Crash Site	21 miles NE of Gunnison	Tourist site
Narrow Gauge Railroad Exhibit	803 W. Tomichi	Museum Exhibit
Dorchester Guard Station	Taylor Park	Tourist site
Bon Ton Hotel	329 Main St., Pitkin	Rustic Hotel
Smith Opera House	114 N. Blvd., Gunnison	Office building
Chance Gulch Site	2.5 miles SE of Gunnison	Grazing
Mountaineer Site	Top of Tenderfoot Mountain	Radio Transmitters
Ohio City Jail	Miners Avenue, Ohio City	Storage & Mailboxes
Ohio City School	Miners Avenue, Ohio City	Community Building
Gothic Townsite Buildings	Gothic	Tourist site
Star Mine	Taylor Park	Tourist site/no entry
Johnson Building Gallery	124 N. Main St. Gunnison	Art Gallery
Water Tank at Gothic Mill	Gothic	Tourist site
8th Street School	101 N. 8th St., Gunnison	Restoration/No entry New school on site
Fairview Peak Fire Lookout	Fairview Peak, Pitkin	Forest Service/Tourist site
Alpine Guard Station	7 miles from Lake Fork Highway Turnoff	Forest Service Use
COLORADO STATE HISTORIC SITES		
CF&I Superintendant House	721 Maroon Ave., Crested Butte	
Tays House	Crystal	
Doyleville Schoolhouse	Pioneer Museum, Doyleville	
Gunnison Hardware (GAC)	102 S. Main, Gunnison	
Haystack Cave	Gunnison	
Leslie J. Savage Library	Western State College, Gunnison	

Municipal Building	201 Virginia Ave., Gunnison	
Murray House	211 S. Main, Gunnison	
Tenderfoot Archaelogical Site	Gunnison	
Marble St. Bank Building	105 W. Main, Marble	
Alpine Tunnel Historic District	Pitkin	
Bon Ton Hotel	329 Main St., Pitkin	Rustic Hotel
Pitkin Schoolhouse	800 Main St., Pitkin	
Pitkin Town Hall	400 4th St., Pitkin	
Rimrock School	Co Rd 24, Sapinero	
Spencer School	21 miles SW of Gunnison	Tourist site/no entry
Star Mine	Taylor Park	Tourist site/no entry
NATIONAL HISTORIC SITES		
D&RG RR Depot	716 Elk Ave., Crested Butte	
Historic District	Crested Butte	
Crystal Mill	Crystal	
Curecanti Archaelogical District	West of Gunnison	
Edgerton House	514 Gunnison Ave., Gunnison	
Fisher-Zugelder & Smith Cottage	601 N. Wisconsin, Gunnison	
Gunnison RR Bridges I	Hwy. 50 Frontage, Gunnison	
Gunnison RR Bridges II	Hwy. 50 Frontage, Gunnison	
Johnson Building Gallery	124 N. Main St. Gunnison	Art Gallery
Webster Building	229 N. Main, Gunnison	Interiors Furniture Store
Haxby House	101 W. Silver, Marble	
Marble High School	412 Main, Marble	
Marble Mill Site / CO Yule Co.	Park & W. 3rd, Marble	
Marble St. Bank Building	105 W. Main, Marble	
Marble Town Hall	407 Main St., Marble	
St. Paul's Church	123 State St., Marble	
Wm. D. Parry House	115 Main St., Marble	
Alpine Tunnel Historic District	Pitkin	
Rimrock School	Co Rd 24, Sapinero	

APPENDIX 2-5

BOARD OF COUNTY COMMISSIONERS OF GUNNISON COUNTY

RESOLUTION NO. 2001 – 21

A Resolution Concerning the Use of Runway Lights at the Gunnison County Airport

WHEREAS, the Board of County Commissioners of Gunnison County (the Board) is the operator and proprietor of the Gunnison County Airport (the Airport);

WHEREAS, as proprietor, the Board is responsible for the Airport's safe and economic operation, its compatibility with surrounding residential land uses, including established residential neighborhoods; for observance of applicable law and regulations; and for compliance with grant assurances entered into with the Federal Aviation Administration;

WHEREAS, between the hours of 10:30 p.m. and 6:00 a.m. no aircraft rescue or fire fighting services are available at the Airport; the terminal building, airport offices and FBO are closed; the runway is not plowed of snow; wildlife patrols are not available; and runway conditions are not reported;

WHEREAS, since their installation in 1984, the runway lights at the Airport have neither been available for use nor in operation from the hours of 10:30 p.m. to 6:00 a.m. except in emergency situations;

WHEREAS, Resolution No. 88-12, which was adopted by the Board on May 24, 1988, provides that, "no take-off or landing utilizing runway lights shall be permitted later than 10:30 p.m., or earlier than 6:00 a.m. local time," provides for exceptions, and specifies procedures for use of runway lights at the Airport by air carrier and general aviation aircraft;

WHEREAS, Resolution No. 92-19, which was adopted by the Board on April 7, 1992, imposed penalties for violation of Resolution 88-12;

WHEREAS, Resolution No.95-38, which was adopted by the Board on July 25, 1995, amended Resolution 88-12, to provide that no take-off or landing would be permitted at the Airport between the hours of 10:30 p.m. and 6:00 a.m., regardless of whether the landing lights were utilized; provided for night general aviation operations, under either IFR or VFR conditions; amended the penalty provision of Board Resolution No. 92-19; and, adopted a form of night operations application;

WHEREAS, as proprietor of the Airport, the Board may adopt and maintain reasonable, non-arbitrary and non-discriminatory policies and regulations designed to address the safe operation of the Airport as well as local environmental concerns, such as protection of local residents from undesirable noise and light impacts during normal sleeping hours;

WHEREAS, the Board is mindful of the Airport Noise and Capacity Act of 1990 (ANCA), and of 14 C.F.R. Part 161 which was adopted by the Federal Aviation Administration pursuant to ANCA, and that they may be triggered by an airport proprietor's subsequent amendment to an

airport aircraft noise or access restriction, which was in effect on November 5, 1990, where such amendment reduces or limits aircraft operations, other than those necessary for aircraft safety;

WHEREAS, the Board wishes to further amend, supplement and partially repeal the above referenced Resolutions relating to runway lights at the Airport, to ensure they do not reduce or limit aircraft operations to an extent greater than that which existed and were effective on November 5, 1990, and thereby remove any doubt as to full compliance with ANCA;

WHEREAS, the effect of this Resolution is, among other things, to (1) repeal the requirement for general aviation operators to first appear at the Airport during daylight hours and submit an application, acknowledgement and waiver prior to conducting night operations at the Airport, (2) repeal any provision reducing or limiting aircraft operations which was adopted after May 24, 1988, (3) repeal any penalty for violation of such provision which was adopted after May 24, 1988, and (4) remove any distinction between general aviation and air carrier aircraft, in the use of runway lights at the Airport; and

WHEREAS, Sections 1 and 2 of Resolution No. 88-12, which provide that no take-off or landing utilizing runway lights shall be permitted later than 10:30 p.m. or earlier than 6:00 a.m. local time, and providing exceptions, continue to be in the public interest, and are necessary to protect the health, safety and welfare of the citizens of Gunnison County, particularly those residing near the Airport, in that they (a) reduce adverse noise impacts on nearby residential neighborhoods associated with single-event intrusions during normal sleeping hours, (b) reduce adverse light glaring impacts on nearby residential neighborhoods during normal sleeping hours, and (c) eliminate costs to the County which would otherwise be associated with Airport operations during these low-traffic, nightime hours.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Gunnison County, Colorado:

Section 1: **Repeal.** Board Resolutions Nos.92-19 and 95-38, and Sections 3, 4 and 5, and the second clause of Section 2 of Board Resolution No. 88-12, are hereby repealed, and declared to be of no further force or effect. This repeal shall void such Resolutions and Sections, and revive and restore, by operation of law, the provisions of the preexisting Resolution.

Section 2: **Adoption of Non-Restrictive and Clarifying Amendments.** The Board's Resolution on the use of runway lights at the Airport is hereby amended by adoption of the following additional provisions, which neither reduce nor limit aircraft operations at the Airport:

Section 1: Hours of Operation.

1.2 A voluntary curfew is hereby adopted on take-offs or landings at the Airport between the hours of 10:30 p.m. and 6:00 a.m. local time. This curfew is adopted in recognition of adverse noise and light glare effects on residential neighborhoods, and that no runway lights, snow plowing, wildlife patrols, runway condition reports, ARFF or other services are available at the Airport during these hours. The Airport Manager is directed to take reasonable measures to inform pilots of the existence of this voluntary curfew and to encourage compliance.

Section 2: Exceptions.

2.2 For purposes of this Section 2, "emergency situations" are defined as either (a) an emergency declared by the pilot in command to the Federal Aviation Administration, or (b) medical evacuation or other flights necessary to protect life or health, as authorized by the Airport Director, Gunnison County Sheriff, City of Gunnison Chief of Police, Administrator of the Gunnison County Hospital, or their authorized representatives.

Section 3: Use of Runway Lights. Aircraft shall be permitted to use the runway lights at the Airport for landing or take-off upon the following conditions:

3.1 Runway lights at the Airport shall be turned on by authorized personnel as needed and until 10:30 p.m., after 6:00 a.m. and until no longer needed, and when needed for emergency situations as defined in Section 2.2 above.

3.2 If any aircraft lands or takes-off at the Airport, utilizing the runway lights between the hours of 10:30 p.m. and 6:00 a.m., that operation shall be reported by the pilot, the applicable airline station manager or the authorizing governmental authority, in writing to the Airport Manager within 24 hours of such operation.

Section 4: Advisements: The Airport Manager is directed to provide appropriate advisements to pilots regarding the hours of availability of runway lights at the Airport, and the conditions which exist at the Airport during the hours that runway lights are not available. Nothing in this Resolution shall in any way limit the authority of the Airport Manager to report violations of applicable law or FAA Regulations as appropriate, including but not limited to the careless or reckless operation of aircraft.

Section 3: Restatement of Resolution 88-12, As Amended. This Section 3 neither adopts, repeals nor amends any provision of any Board Resolution. Rather, it restates the provisions of Sections 1 and 2 of Board Resolution 88-12 which shall remain in effect, together with additional Sections adopted by this Resolution, to provide in one document all provisions of the Board's Resolution regarding the use of runway lights at the Airport. That restatement is as follows:

Section 1: Hours of Operation.

1.1 Except as otherwise permitted in this Resolution, no take-off or landing utilizing runway lights shall be permitted later than 10:30 p.m. or earlier than 6:00 a.m. local time. (Source: Resolution 88-12, adopted May 24, 1988)

1.2 A voluntary curfew is hereby adopted on take-offs or landings at the Airport between the hours of 10:30 p.m. and 6:00 a.m. local time. This curfew is adopted in recognition of adverse noise and light glare effects on residential neighborhoods, and that no runway lights, snow plowing, wildlife patrols, runway condition reports, ARFF or the services are available at the Airport during these hours. The Airport Manager is directed to take reasonable measures to inform pilots of the existence of this voluntary curfew and to encourage compliance. (Source: Resolution 2001-21, adopted June 5, 2001).

Section 2: Exceptions.

2.1 The prohibition contained in Section 1.1 above shall not apply to emergency situations involving a threat of life or health. (Source: Resolution 88-12, adopted May 24, 1988)

2.2 For purposes of Section 2.1, "emergency situations" are defined as either (a) an emergency declared by the pilot in command to the Federal Aviation Administration, or (b) medical evacuation or other flights necessary to protect life or health, as authorized by the Gunnison County Sheriff, City of Gunnison Chief of Police, Administrator of the Gunnison County Hospital, or their authorized representatives. (Source: Resolution 2001-21, adopted June 5, 2001)

Section 3: Use of Runway Lights. Aircraft shall be permitted to use the runway lights at the Airport for landing or take-off upon the following conditions:

3.1 Runway lights at the Airport shall be turned on by authorized personnel as needed and until 10:30 p.m., between 6:00 a.m. and until no longer needed, and when needed for emergency situations as defined in Section 2.2 above.

3.2 If any aircraft lands or takes-off at the Airport, utilizing the runway lights between the hours of 10:30 p.m. and 6:00 a.m., that operation shall be reported by the pilot, the applicable airline station manager or the

authorizing governmental authority, in writing to the Airport Manager within 24 hours of such operation.

(Source: Resolution 2001-21, adopted June 5, 2001).

Section 4: Advisements: The Airport Manager is directed to provide appropriate advisements to pilots regarding the hours of availability of runway lights at the Airport, and the conditions which exist at the Airport during the hours that runway lights are not available. Nothing in this Resolution shall in any way limit the authority of the Airport Manager to report violations of applicable law or FAA Regulations as appropriate, including but not limited to the careless or reckless operation of aircraft. (Source: Resolution 2001-21, adopted June 5, 2001).

Section 4: Savings Clause. If any provision of this Resolution is declared by a court or administrative tribunal having jurisdiction to be void, unlawful or in violation of grant assurances the Board has given to the Federal Aviation Administration, then the Resolutions repealed herein shall be revived and reinstated in full force and effect.

Section 5: Effective Date. This Resolution shall be effective immediately upon adoption by the Board.

INTRODUCED by Commissioner Starr, seconded by Commissioner Anderson, and adopted this 5th day of June, 2001.

BOARD OF COUNTY COMMISSIONERS OF GUNNISON COUNTY, COLORADO

_____

Fred R. Field, Chairperson

_____

Jim Starr, Vice-Chairperson

_____

Perry Anderson, Commissioner

Attest:

_____

Deputy County Clerk

CHAPTER 3 APPENDIX

GUNNISON-CRESTED BUTTE REGIONAL AIRPORT

PASSENGER DEMAND ANALYSIS

YEAR ENDED
JUNE 30, 2014

Mead & Hunt
AirService@meadhunt.com
360-600-6112

TABLE OF CONTENTS

INTRODUCTION

Air transportation and the airline industry are constantly in flux, with the change in the past decade even more pronounced. Through consolidation, fleet renewal and capacity discipline the airlines are making progress in their search for consistent profitability but challenges remain. Foremost among the challenges are the volatility of fuel prices and the variable strength of the global economy. The industry is dependent on long lead time resources such as facility and aircraft availability and a workforce whose rules inherently impact the ability for airlines to react quickly.

Capacity restraint has become a keyword in the airline industry and leaves communities in the position of competing for increasingly scarce resources. Since the number of providers has become more limited through consolidation, in many cases there may be only one potentially viable service provider. With airlines primarily focused on major markets, smaller markets are generally in the position of having to being more aggressive to maintain/improve existing service or attain new service.

This places the responsibility on airports to monitor their market and be proactive with their ongoing air service development efforts, especially when performance issues are noted. When service improvements or new service is sought, it is important that airports and communities know and understand their market. The *Passenger Demand Analysis* is one aspect of knowing your market which provides objective air traveler data that is compiled from industry accepted sources using standard methodologies. Accordingly, airlines accept data included in the *Passenger Demand Analysis* as credible base information for air service forecasts. This report reviews scheduled commercial air service potential and does not include information on general aviation activity.

OBJECTIVES

The objective of the *Passenger Demand Analysis* is to develop information on the travel patterns of local airline passengers who reside in the Gunnison-Crested Butte Regional Airport (GUC) catchment area. The report provides an understanding of the GUC situation, formulates strategies for improvement, and includes:

- The originating airports used by air travelers
- Diversion of airline passenger traffic to competing airports
- An estimate of total airline passengers in the catchment area and related destinations
- Airlines used by local air travelers
- Average airfares by origin and destination airport
- Service levels at GUC and competing airports
- An assessment of the air service situation at GUC

METHODOLOGY

The *Passenger Demand Analysis* combines Airline Reporting Corporation (ARC) ticketed data and U.S. Department of Transportation (DOT) airline data to provide a comprehensive overview of the air travel market. For the purposes of this study, ARC data includes tickets purchased through travel agencies in the GUC catchment area (**Exhibit 3.1**, page 5) as well as tickets purchased via online travel agencies by passengers in the GUC catchment area. It does not capture tickets issued directly by airline Web sites (e.g., www.aa.com, www.united.com) or through airline reservation offices. The data used include tickets for the zip codes in the catchment area, NOT all tickets. As a result, ARC data represents a sample to measure the air travel habits of catchment area air travelers.

Data for travel agencies located within the catchment area is reported by the zip code of the travel agency. Online travel agency data (e.g. Expedia, Orbitz, and Travelocity) is reported by the customer zip code used to purchase the ticket. Although limitations exist, ARC data accurately portrays the airline ticket purchasing habits of a large cross-section of catchment area travelers, making the data useful to both airports and airlines.

A total of 4,781 ARC tickets for the 24 months ended June 30, 2014, were used in this analysis. Adjustments were made to account for Southwest Airlines and Allegiant since they do not process tickets through ARC.

EXECUTIVE SUMMARY

SOURCE DATA/ CATCHMENT AREA

The *Passenger Demand Analysis* includes 4,781 ARC tickets from the GUC catchment area for the 24 months ended June 30, 2014. The catchment area has an estimated population of 15,640 in 10 zip codes. In addition to ARC data, Diio Mi origin and destination and schedule data are used throughout the report.

DEPARTURES

American Airlines and United Airlines served GUC for the year ended June 30, 2014. American provided seasonal, winter service to Dallas/Ft. Worth International Airport (DFW). United offered year round service to Denver International Airport (DEN), and seasonal service to both Chicago O'Hare International Airport (ORD) and Houston's George Bush Intercontinental Airport (IAH).

TRUE MARKET

GUC's true market is estimated at 245,457 annual origin and destination passengers. Domestic travelers accounted for 228,911 of the total true market (93 percent). International travelers made up the remaining 16,546 passengers (7 percent).

AIRPORT USE

Twenty-three percent of catchment area travelers used GUC, while the majority of passengers (64 percent) diverted to DEN. Five percent diverted to Grand Junction Regional Airport (GJT), 4 percent to Montrose Regional Airport (MTJ) and 4 percent to Colorado Springs Airport (COS). GUC's domestic retention was significantly higher (25 percent) compared to their international retention (7 percent).

DESTINATIONS

Fifty-nine percent of domestic travelers, or 144,218 passengers, were destined to or from one of the top 25 markets. IAH was the number one destination with 6.1 percent of passengers. GUC retained 42 percent of passengers to IAH. The next largest markets were DFW, Boston, Austin, and New York LaGuardia with retentions of 75, 14, 31, and 27 percent, respectively. Three markets had retention of 40 percent or greater, while four markets had retention of 10 percent or less.

REGIONAL DISTRIBUTION OF TRAVEL

Twenty-eight percent of travelers were traveling to the Southwest region, a total of 68,056 travelers, followed by the Southeast region with 16 percent. The highest retention occurred in the Southwest, Great Lakes and Northwest regions. The lowest retention occurred in the International region. Of the international travelers, the top three international regions were Europe, Mexico and Central America, and Canada.

AIRLINES USED

United carried the highest share of passengers at GUC, with 65 percent. American had the second highest share with 32 percent, while all other airlines, primarily through codeshares, carried 3 percent. Shares of diverting passengers were estimated using an approximation of carrier share with ARC data. Carrier shares of GUC catchment area diverting passengers were: United 32 percent, Southwest Airlines 20 percent, Frontier Airlines 17 percent, US Airways 10 percent, American 9 percent, and Delta Air Lines 7 percent. All other carriers combined for the remaining 5 percent of passengers.

PASSENGER ACTIVITY

From the year ended June 30, 2005, through the year ended June 30, 2014, GUC origin and destination passengers (as reported by the airlines to the U.S. DOT) decreased at a compounded annual growth rate (CAGR) of 3.1 percent. Comparatively, passengers increased at DEN by 3.6 percent, at GJT by 5.3 percent and at MTJ by 2.5 percent. Passengers decreased at a CAGR of 5.2 percent at COS.

DOMESTIC AIRFARES

For the year ended June 30, 2014, the one-way average domestic airfare for GUC was $252, which was $96 higher than DEN, $37 higher than GJT, $9 higher than MTJ and $48 higher than COS. In individual markets, GUC had the highest fare in all 25 of the top domestic markets compared to DEN, with 15 markets having difference of $100 or more one-way.

AVERAGE FARE TREND

From the year ended June 30, 2005 through the year ended June 30, 2014, the average airfare for GUC passengers increased at a CAGR of 4.7 percent while DEN, GJT, MTJ, and COS average fares increased at CAGRs of 2.0, 3.0, 4.6, and 3.8 percent, respectively.

NONSTOP SERVICE

In March 2014, GUC offered nonstop service to IAH, DFW, ORD and DEN. DEN offered service to all of the top 25 true market destinations, while GJT offered service to six, MTJ to eight and COS to 11 destinations.

AIR SERVICE OPPORTUNITIES

With GUC's proximity to the Crested Butte Mountain Resort (CBMR), it is not surprising that the air service is highly seasonal, with peaks in the winter and a second smaller peak in the summer. The service to DFW, IAH and ORD are all supported by local groups through incentives and revenue guarantees. DEN is the only service that is operating without support.

Due to the small catchment area population, it is unlikely that service beyond DEN could be supported without financial assistance on a year-round basis. The high elevation and mountainous terrain surrounding GUC also poses challenges for certain aircraft, which impacts potential service for GUC.

For service to existing hubs, the changing aircraft fleets at United and American could have an impact on future service. Both airlines are moving away from smaller regional jets and adding more large regional jets, seating 76 passengers. While these aircraft could give flexibility to add frequency for American to DFW while keeping capacity neutral, the long term impact of eliminating 50-seat regional jets could impact GUC's ability to have year round service to DEN without financial support.

New hub opportunities are closely tied to financial subsidies from the local community, and will have a significant impact on an airline's decision to add service. Options for additional service on American include Los Angeles or Phoenix Sky Harbor. Delta Air Lines, which served the market until 2010, could potentially re-instate Salt Lake City or Atlanta service. Salt Lake City had very low load factors in the past (approximately 30 percent) which would likely be viewed negatively to restart service. United service to San Francisco is another opportunity; however, the relatively small local market size would have to be developed further. It is unlikely that any low-cost carriers such as Allegiant or Frontier would enter the GUC market due to proximity to other service (Allegiant at MTJ and GJT) and population size of the catchment area.

AIRPORT USE

To understand airport use, it is important to understand the relative size of the catchment area, current air service, and enplanement activity. GUC's use was determined using the 24 months ended June 30, 2014, ARC data for the zip codes from the catchment area.

EXHIBIT 3.1 GUC CATCHMENT AREA

AIRPORT CATCHMENT AREA

An airport catchment area, or service area, is a geographic area surrounding an airport where it can reasonably expect to draw passenger traffic and is representative of the local market. The catchment area contains the population of travelers who should use GUC considering the drive time from the catchment area to competing airports. This population of travelers is GUC's focus market for air service improvements and represents the majority of travelers using the local airport.

Exhibit 3.1 identifies the GUC catchment area. It is comprised of 10 zip codes within the U.S. with an estimated population of 15,640 in 2014 (source: U.S. Census Bureau, Woods & Poole Economics, Inc.).

AIR SERVICE

Catchment area airport use is affected by a variety of factors including: destinations offered, flight frequency, available seats, type of aircraft, airfares, and distance to a competing airport. **Table 3.1** provides GUC's total departures and seats by month for the year ended June 30, 2014. During this time, GUC had service from American Airlines and United Airlines. American operated seasonally to DFW from December through March. United operated the only year round service, with daily service to DEN. United also provided seasonal service to ORD and IAH.

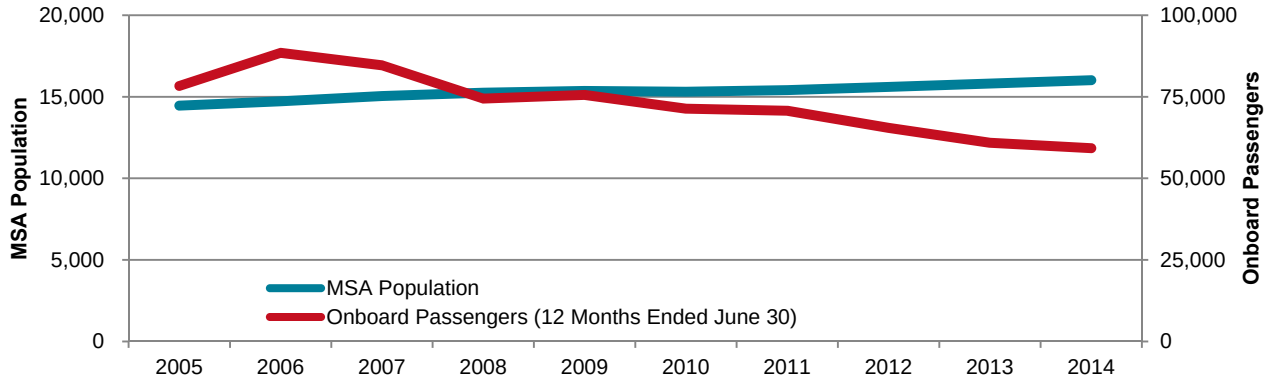
TABLE 3.1 MONTHLY DEPARTURES

DESTINATION AIRPORT	MARKETING CARRIER	MONTHLY DEPARTURES											
		2013						2014					
		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Chicago, IL (ORD)	United	0	0	0	0	0	2	1	2	5	0	0	0
Dallas/Ft. Worth, TX (DFW)	American	0	0	0	0	0	13	31	28	31	0	0	0
Denver, CO	United	61	58	33	31	30	44	37	39	58	31	31	30
Houston, TX (IAH)	United	0	0	0	0	0	13	6	2	5	0	0	3
		61	**58**	**33**	**31**	**30**	**72**	**75**	**71**	**99**	**31**	**31**	**33**

PASSENGERS AND POPULATION TREND

Exhibit 3.2 plots GUC's onboard passengers and population trends from the year ended June 30, 2005, to the year ended June 30, 2014. The Gunnison County population was used as a surrogate for the growth trend of the GUC catchment area population. Over the 10-year period, the population grew from 14,456 to 16,018; increasing at a CAGR of 1.1 percent. At the same time, onboard passengers decreased from 78,324 in 2005 to 59,257 in 2014, at a CAGR of 3.1 percent.

EXHIBIT 3.2 PASSENGERS AND POPULATION TREND



Source: Diio Mi; Woods & Poole Economics, Inc.

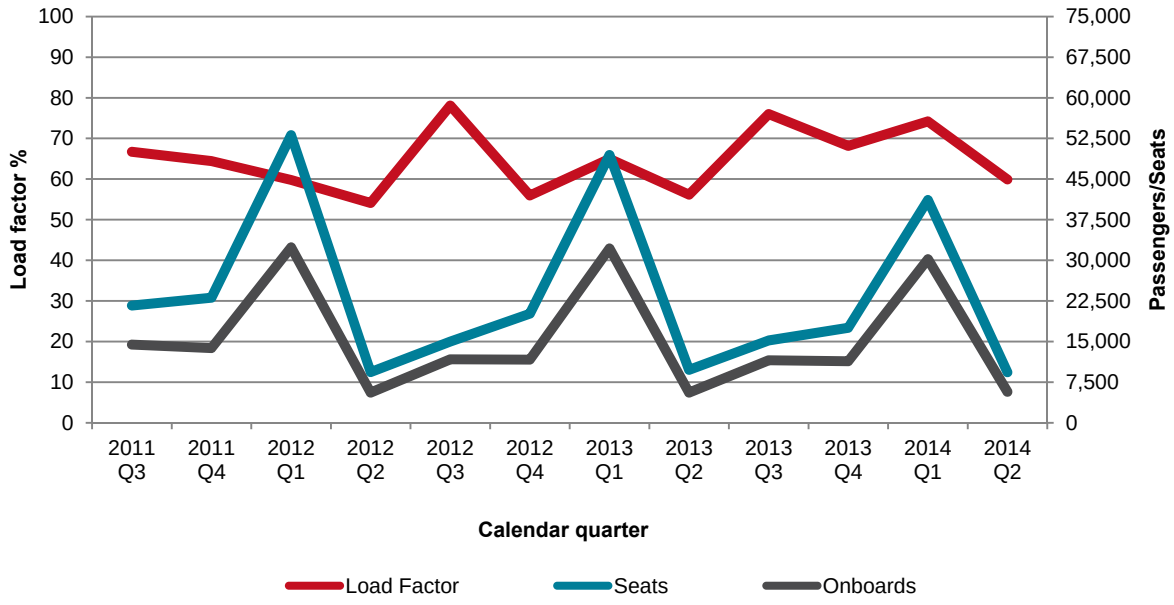
Highly Seasonal Market
Capacity and onboard passengers are highly seasonal, fluctuating more than six fold between the second quarter and first quarter.

LOAD FACTOR, AVAILABLE SEATS, AND PASSENGERS

Exhibit 3.3 shows GUC's available seats, onboard passengers, and load factors for arrivals and departures by quarter from third quarter 2011 through second quarter 2014. Load factors have varied from a low of 54 percent in the second quarter of 2012 to a high of 78 percent in the third quarter of 2012.

Over the three-year period, available seats have ranged from a low of 9,328 in the second quarter of 2014 to a high of 53,114 in the first quarter of 2012. The low for onboard passengers at GUC through the three-year span was in the second quarter of 2012 at 5,559, and the high for onboard passengers was 32,396 in the first quarter of 2012. Passengers in the first quarter 2014 were 6 percent lower than the first quarter 2013. The GUC market, similar to many ski destination markets, is highly seasonal, with passengers increasing more than six fold from low season (second quarter) to high season (first quarter).

EXHIBIT 3.3 LOAD FACTOR, AVAILABLE SEATS, AND ONBOARD PASSENGERS



AIRPORT USE

Exhibit 3.4 shows the airports used by GUC catchment area travelers. An estimated 23 percent of the catchment area's air travelers used GUC for their trips; 64 percent diverted to DEN, 5 percent to GJT, and 4 percent to both MTJ and COS.

DOMESTIC AND INTERNATIONAL ITINERARIES

Table 3.2 shows passengers by domestic and international itineraries. Twenty-five percent, or 56,267 domestic travelers, and 7 percent, or 1,104 international travelers, used GUC.

For diverting domestic travelers, DEN carried the highest share at 62 percent followed by GJT at 5 percent, and MTJ and COS both with 4 percent. For international diverting travelers, DEN carried the highest share as well, garnering 82 percent, or 13,562 annual passengers, followed by GJT with 5 percent, COS with 4 percent and MTJ with 3 percent.

EXHIBIT 3.4 AIRPORT USE

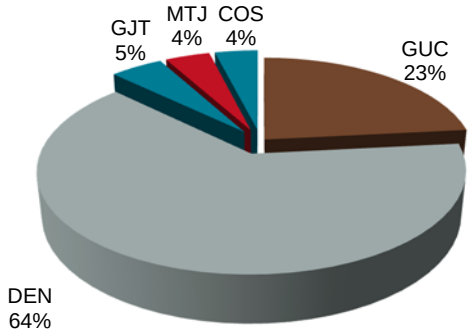


TABLE 3.2 AIRPORT USE - DOMESTIC & INTERNATIONAL COMPARISON

RANK	ORIGINATING AIRPORT	AIRPORT USE	
		PAX	%
Domestic			
1	DEN	142,936	62
2	GUC	56,267	25
3	GJT	11,109	5
4	MTJ	9,647	4
5	COS	8,953	4
Subtotal		**228,911**	**100**
International			
1	DEN	13,562	82
2	GUC	1,104	7
3	GJT	745	5
4	COS	710	4
5	MTJ	426	3
Subtotal		**16,546**	**100**
Domestic and international			
1	DEN	156,497	64
2	GUC	57,371	23
3	GJT	11,853	5
4	MTJ	10,073	4
5	COS	9,663	4
Total		**245,457**	**100**

AIRPORT USE BY COMMUNITY

Airport retention rates by community are an important aspect to understanding the overall GUC catchment area. **Table 3.3** shows how retention varies among the local communities within it. ARC includes local travel agency data (reported by travel agency zip code) and online travel agency data (reported by the passenger zip code).

Air travelers from Crested Butte utilized GUC 30 percent of the time, while diverting to DEN 62 percent of the time. For residents of Gunnison, they utilized the GUC airport 18 percent of the time, and DEN 70 percent. Although the relative sample sizes were small, travelers from Ohio City and Somerset did not use GUC for their air travels.

TABLE 3.3 AIRPORT USE BY COMMUNITY

COMMUNITY	% AIRPORT USE					TRUE MARKET PASSENGERS
	GUC	DEN	GJT	MTJ	COS	
Crested Butte	30	62	3	4	2	136,498
Gunnison	18	70	5	4	4	103,282
Almont	13	82	4	0	0	2,114
Pitkin	7	86	4	0	3	1,431
Parlin	54	37	4	5	0	896
Ohio City	0	99	1	0	0	758
Powderhorn	14	77	10	0	0	261
Somerset	0	52	48	0	0	218
Total	**23**	**64**	**5**	**4**	**4**	**245,457**

TRUE MARKET

The true market portion of the *Passenger Demand Analysis* provides the total number of passengers in the catchment area; specifically, it analyzes the portion of passengers diverting from the GUC catchment area. This section investigates destinations associated with travel to and from the catchment area. In addition, destinations are grouped into geographic regions to further understand the regional flows of catchment area air travelers.

TRUE MARKET ESTIMATE

The airport catchment area (**Exhibit 3.1,** page 5) represents the geographic area from which the airport primarily attracts air travelers. Domestic airlines report origin and destination traffic statistics to the U.S. DOT on a quarterly basis. Used by itself, these traffic statistics do not quantify the total size of an air service market. By combining ARC tickets with passenger data contained in the U.S. DOT airline reports, an estimate of the total air travel market by destination was calculated. The total air travel market is also referred to as the “true market”. Passengers are estimated for domestic and international markets on a destination basis. Adjustments were made to account for Southwest Airlines, since they are not represented in ARC data.

The ARC data used in this report includes information on initiated passengers ticketed by local or online travel agencies. This enables the identification of passenger retention and diversion. According to U.S. DOT airline reports for the year ended June 30, 2014, 19 percent of GUC origin and destination passengers initiated air travel from GUC, and the other 81 percent began their trip from another city (e.g. New York, Dallas, and Phoenix). For the purposes of this analysis, it is assumed that travel patterns for GUC visitors mirror catchment area passengers.

TOP 25 TRUE MARKET DESTINATIONS

The top 25 destinations for GUC accounted for 59 percent of the travel to/from the GUC catchment area. IAH was the largest market with 14,955 annual passengers (20.5 passengers daily each way (PDEW)) and accounted for 6.1 percent of all catchment area travel. DFW, Boston, Austin and New York LaGuardia made up the remaining top five markets. GUC had nonstop service to three markets in the top 10 during the year ended June 30, 2014: IAH, DFW, and ORD.

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TABLE 4.1 TRUE MARKET ESTIMATE - TOP 25 DESTINATIONS

RANK	DESTINATION	GUC REPORTED PAX	DIVERTED PAX	TRUE MARKET	PDEW
1	Houston, TX (IAH)	6,212	8,743	14,955	20.5
2	Dallas, TX (DFW)	9,544	3,251	12,795	17.5
3	Boston, MA	1,709	10,128	11,837	16.2
4	Austin, TX	2,598	5,913	8,511	11.7
5	New York, NY (LGA)	2,192	5,905	8,097	11.1
6	Philadelphia, PA	656	6,153	6,810	9.3
7	Chicago, IL (ORD)	2,421	3,320	5,741	7.9
8	Los Angeles, CA	1,010	4,535	5,545	7.6
9	Tulsa, OK	740	4,708	5,448	7.5
10	San Antonio, TX	1,104	3,998	5,102	7.0
11	Seattle, WA	444	4,643	5,087	7.0
12	Atlanta, GA	1,408	3,426	4,834	6.6
13	Tampa, FL	1,042	3,679	4,721	6.5
14	Baltimore, MD	568	3,830	4,399	6.0
15	New Orleans, LA	666	3,584	4,250	5.8
16	San Francisco, CA	999	3,199	4,199	5.8
17	Nashville, TN	451	3,701	4,151	5.7
18	Pittsburgh, PA	486	3,595	4,081	5.6
19	Fort Lauderdale, FL	845	3,195	4,040	5.5
20	St. Louis, MO	565	3,186	3,751	5.1
21	Phoenix, AZ (PHX)	256	3,091	3,347	4.6
22	Newark, NJ	642	2,589	3,231	4.4
23	San Diego, CA	270	2,903	3,173	4.3
24	Minneapolis, MN	593	2,512	3,104	4.3
25	Detroit, MI	398	2,610	3,008	4.1
Top 25 destinations		**37,820**	**106,398**	**144,218**	**197.6**
Total domestic		**56,267**	**172,644**	**228,911**	**313.6**
Total international		**1,104**	**15,443**	**16,546**	**22.7**
All markets		**57,371**	**188,086**	**245,457**	**336.2**

Nonstop Markets had High Retention
The three markets with nonstop service from GUC had the highest retention levels, with retention above 40 percent each.

ORIGINATING AIRPORT FOR THE TOP 25 DOMESTIC DESTINATIONS

Table 4.2 shows the percentage of passengers by market and originating airport. Twenty-six percent of passengers used GUC for travel to the top 25 markets. Three markets had retention of 40 percent or greater including: IAH, DFW, and ORD. Four markets had retention of 10 percent or less: Philadelphia, Seattle, Phoenix Sky Harbor, and San Diego.

TABLE 4.2 TOP 25 DOMESTIC DESTINATIONS BY ORIGINATING AIRPORT

RANK	DESTINATION	ORIGIN AIRPORT %					TOTAL PAX	PDEW
		GUC	DEN	GJT	MTJ	COS		
1	Houston, TX (IAH)	42	49	0	3	6	14,955	20.5
2	Dallas, TX (DFW)	75	17	4	2	2	12,795	17.5
3	Boston, MA	14	78	2	3	3	11,837	16.2
4	Austin, TX	31	65	0	5	0	8,511	11.7
5	New York, NY (LGA)	27	65	1	7	0	8,097	11.1
6	Philadelphia, PA	10	80	4	4	3	6,810	9.3
7	Chicago, IL (ORD)	42	47	5	5	1	5,741	7.9
8	Los Angeles, CA	18	65	4	10	2	5,545	7.6
9	Tulsa, OK	14	75	4	2	4	5,448	7.5
10	San Antonio, TX	22	65	0	10	4	5,102	7.0
11	Seattle, WA	9	76	12	2	1	5,087	7.0
12	Atlanta, GA	29	61	1	8	1	4,834	6.6
13	Tampa, FL	22	68	0	6	4	4,721	6.5
14	Baltimore, MD	13	76	4	2	4	4,399	6.0
15	New Orleans, LA	16	66	2	4	11	4,250	5.8
16	San Francisco, CA	24	68	4	4	1	4,199	5.8
17	Nashville, TN	11	73	3	11	3	4,151	5.7
18	Pittsburgh, PA	12	74	2	0	12	4,081	5.6
19	Fort Lauderdale, FL	21	62	7	4	7	4,040	5.5
20	St. Louis, MO	15	80	5	0	0	3,751	5.1
21	Phoenix, AZ (PHX)	8	47	43	1	2	3,347	4.6
22	Newark, NJ	20	77	0	3	0	3,231	4.4
23	San Diego, CA	9	59	21	8	3	3,173	4.3
24	Minneapolis, MN	19	75	3	2	0	3,104	4.3
25	Detroit, MI	13	85	0	0	2	3,008	4.1
Top 25 domestic		**26**	**62**	**4**	**4**	**3**	**144,218**	**197.6**
Total domestic		**25**	**62**	**5**	**4**	**4**	**228,911**	**313.6**

TOP 10 DOMESTIC DESTINATIONS BY ORIGINATING AIRPORT

Table 4.3 shows the top 10 markets when passengers exclusively fly out of GUC as well as the top 10 markets when diverted passengers fly exclusively from DEN, GJT, MTJ or COS. Not surprisingly the highest number of passengers from GUC were to the nonstop markets of DFW and IAH, while the other nonstop market (ORD) had the fourth highest share of passengers. The top markets for DEN were Boston, IAH, Austin and Philadelphia.

TABLE 4.3 TOP 10 DOMESTIC DESTINATIONS BY ORIGINATING AIRPORT

	GUC		DEN		GJT	
RANK	DESTINATION	PAX	DESTINATION	PAX	DESTINATION	PAX
1	Dallas, TX (DFW)	9,544	Boston, MA	9,208	Phoenix, AZ (PHX)	1,441
2	Houston, TX (IAH)	6,212	Houston, TX (IAH)	7,363	Las Vegas, NV	831
3	Austin, TX	2,598	Austin, TX	5,513	San Diego, CA	657
4	Chicago, IL (ORD)	2,421	Philadelphia, PA	5,437	Seattle, WA	606
5	New York, NY (LGA)	2,192	New York, NY (LGA)	5,225	Dallas, TX (DFW)	450
6	Boston, MA	1,709	Tulsa, OK	4,091	Philadelphia, PA	298
7	Denver, CO	1,425	Seattle, WA	3,876	Chicago, IL (ORD)	277
8	Atlanta, GA	1,408	Los Angeles, CA	3,603	Fort Lauderdale, FL	275
9	San Antonio, TX	1,104	Baltimore, MD	3,356	Boston, MA	263
10	Tampa, FL	1,042	San Antonio, TX	3,296	Tulsa, OK	241

	MTJ		COS	
RANK	DESTINATION	PAX	DESTINATION	PAX
1	New York, NY (LGA)	605	Houston, TX (IAH)	920
2	Los Angeles, CA	566	Pittsburgh, PA	486
3	San Antonio, TX	502	New Orleans, LA	476
4	Houston, TX (IAH)	460	Boston, MA	329
5	Phoenix, AZ (AZA)	455	Dallas, TX (DFW)	311
6	Nashville, TN	451	Fort Lauderdale, FL	275
7	Austin, TX	400	Tulsa, OK	241
8	Atlanta, GA	363	San Antonio, TX	201
9	Boston, MA	329	Little Rock, AR	189
10	Dallas, TX (DFW)	311	Baltimore, MD	185

ORIGINATING AIRPORT FOR THE TOP 15 INTERNATIONAL DESTINATIONS

Table 4.4 shows the percentage of passengers for the top 15 international destinations by originating airport. Only the top 15 international destinations are shown due to the smaller market sizes involved with international itineraries and limited available data. Eleven percent of air travelers from the catchment area used GUC for travel to the top 15 international destinations. DEN had the largest share of international passengers from the GUC catchment area, garnering 79 percent of the passengers destined to the top 15 international destinations.

The top three international markets were Toronto, Canada; Calgary, Canada; and London Heathrow, United Kingdom. Monterrey, Mexico and Mexico City, Mexico completed the top five destinations. In the top 15 markets, GUC had the highest retention to London Heathrow (24 percent).

TABLE 4.4 TOP 15 INTERNATIONAL DESTINATIONS BY ORIGINATING AIRPORT

RANK	DESTINATION	ORIGIN AIRPORT %					PASSENGERS	
		GUC	DEN	GJT	COS	MTJ	TOTAL	PDEW
1	Toronto, Canada	10	79	4	4	2	1,281	1.8
2	Calgary, Canada	10	79	4	4	2	843	1.2
3	London, UK (LHR)	24	67	0	0	9	715	1.0
4	Monterrey, Mexico	10	79	4	4	2	660	0.9
5	Mexico City, Mexico	10	79	4	4	2	639	0.9
6	San Jose, Costa Rica	10	86	0	0	4	430	0.6
7	Victoria, Canada	10	79	4	4	2	376	0.5
8	Sao Paulo-Guarulhos, Brazil	10	79	4	4	2	355	0.5
9	Montego Bay, Jamaica	0	88	5	5	2	289	0.4
10	Dublin, Ireland	0	88	5	5	2	285	0.4
11	Geneva, Switzerland	10	79	4	4	2	316	0.4
12	Cancun, Mexico	10	83	2	0	5	286	0.4
13	Paris-De Gaulle, France	0	88	5	5	2	231	0.3
14	Aberdeen, UK	10	79	4	4	2	253	0.3
15	Nice, France	10	79	4	4	2	253	0.3
Top 15 International		**11**	**79**	**4**	**4**	**3**	**7,211**	**9.9**
Total International		**7**	**82**	**5**	**4**	**3**	**16,546**	**22.7**

FEDERAL AVIATION ADMINISTRATION (FAA) GEOGRAPHIC REGIONS

It is important to identify and quantify air travel markets, but it is also important to measure air travel by specific geographic regions. Generally, airlines operate route systems that serve geographic areas. Additionally, most airline hubs are directional and flow passenger traffic to and from geographic regions, not just destinations within the region. Therefore, air service analysis exercises consider the regional flow of passenger traffic as well as passenger traffic to a specific city. Accordingly, this section analyzes the regional distribution of air travelers from the airport catchment area. For this exercise, the FAA geographic breakdown of the U.S. is used (**Exhibit 4.2**).

EXHIBIT 4.2 FAA GEOGRAPHIC REGIONS

Southwest Largest Region
The Southwest region had the highest number of air travelers, garnering 28 percent of GUC catchment area travelers.

REGIONAL DISTRIBUTION OF TRAVELERS

Table 4.5 divide catchment area travel into the FAA's nine geographic regions and one catch-all international region. The Southwest region is the largest traveled region for GUC catchment area passengers with the Southeast region following as the second largest region. The International region was the sixth largest traveled region. Retention was the highest in the Southwest, Great Lakes and Northwest regions at 36, 24 and 24 percent, respectively. The lowest retention was in the International region at 7 percent.

TABLE 4.5 REGIONAL DISTRIBUTION OF TRAVEL BY AIRPORT

AIRPORT		REGION										
		SW	SE	E	W	GL	INTL	NE	NW	C	AK	TOTAL
GUC	Pax	24,792	8,104	7,039	3,910	5,452	1,104	2,302	2,837	1,696	135	57,371
	%	43	14	12	7	10	2	4	5	3	0	100
DEN	Pax	35,673	26,333	24,726	15,382	14,447	13,562	12,772	7,353	5,692	557	156,497
	%	23	17	16	10	9	9	8	5	4	0	100
GJT	Pax	1,783	1,431	1,020	4,125	1,002	745	372	937	387	54	11,853
	%	15	12	9	35	8	6	3	8	3	0	100
MTJ	Pax	2,611	1,926	1,470	1,717	789	426	489	400	238	7	10,073
	%	26	19	15	17	8	4	5	4	2	0	100
COS	Pax	3,197	1,971	1,230	611	838	710	429	446	217	13	9,663
	%	33	20	13	6	9	7	4	5	2	0	100
Total	**Pax**	**68,056**	**39,765**	**35,484**	**25,745**	**22,528**	**16,546**	**16,363**	**11,974**	**8,230**	**766**	**245,457**
	%	**28**	**16**	**14**	**10**	**9**	**7**	**7**	**5**	**3**	**0**	**100**
GUC Retention %		**36**	**20**	**20**	**15**	**24**	**7**	**14**	**24**	**21**	**18**	**23**

DISTRIBUTION OF INTERNATIONAL TRAVEL

Seven percent of catchment area travelers had international itineraries. **Table 4.6** shows international travelers by airport and region. Europe was the most frequented international region with 25 percent, or 4,161 of the total 16,546 catchment area international travelers, followed by Mexico and Central America with 23 percent of the total. The highest GUC retention was to Canada and the Middle East, each with 10 percent. The lowest retention was to the Caribbean and Africa, with 1 percent and 0 percent, respectively.

TABLE 4.6 REGIONAL DISTRIBUTION OF INTERNATIONAL PASSENGERS

REGION	ORIGINATING AIRPORT					TRUE MARKET	GUC % RETENTION
	GUC	DEN	GJT	COS	MTJ		
Europe	305	3,379	166	166	145	4,161	7
Mexico & Central America	321	3,141	177	143	86	3,868	8
Canada	313	2,580	147	147	71	3,258	10
South America	57	1,259	72	72	35	1,494	4
Caribbean	18	1,232	70	70	34	1,423	1
Asia	29	1,076	61	61	30	1,257	2
Middle East	52	396	23	23	11	504	10
Australia & Oceania	10	344	20	20	10	403	3
Africa	0	156	9	9	4	178	0
Total passengers	**1,104**	**13,562**	**745**	**710**	**426**	**16,546**	**7**

AIRLINES

Information in this section identifies airline use by catchment area air travelers. The information is airport and airline specific. The intent is to determine which airlines are used to travel to specific destinations. The airline market share at GUC is based on U.S. DOT airline reported data. Airline market share at other airports is based on ARC data and is an estimation of diverting passenger carrier share.

AIRLINES USED AT GUC

Table 5.1 provides the airline share for the top 25 GUC true markets and total share by airline at GUC. United had the highest share of passengers with 65 percent, followed by American with 32 percent, while all other airlines, mainly through codeshare or interline connections, carried the remaining 3 percent of passengers.

TABLE 5.1 AIRLINES USED AT GUC

RANK	TOP 25 GUC TRUE MARKETS	AIRLINE %			TOTAL PAX
		UA	AA	OTHER	
1	Dallas, TX (DFW)	23	76	2	9,544
2	Houston, TX (IAH)	94	5	0	6,212
3	Austin, TX	67	30	3	2,598
4	Chicago, IL (ORD)	88	12	0	2,421
5	New York, NY (LGA)	82	17	1	2,192
6	Boston, MA	68	30	2	1,709
7	Denver, CO	98	0	2	1,425
8	Atlanta, GA	44	52	4	1,408
9	San Antonio, TX	65	34	2	1,104
10	Tampa, FL	41	58	1	1,042
11	Los Angeles, CA	93	5	2	1,010
12	San Francisco, CA	99	1	0	999
13	Washington, DC (IAD)	96	4	0	947
14	Oklahoma City, OK	73	25	2	869
15	Fort Lauderdale, FL	58	42	0	845
16	Tulsa, OK	71	29	0	740
17	New Orleans, LA	68	29	3	666
18	Philadelphia, PA	62	20	18	656
19	Newark, NJ	92	8	0	642
20	Minneapolis, MN	80	17	3	593
21	Little Rock, AR	46	54	0	580
22	Baltimore, MD	68	30	2	568
23	St. Louis, MO	79	18	3	565
24	Orlando, FL (MCO)	43	57	0	517
25	Shreveport, LA	49	51	0	486
Total top 25		**64**	**34**	**2**	**40,339**
Total all markets		**65**	**32**	**3**	**57,371**

Source: Diio Mi

AIRLINES USED AT DEN

Table 5.2 shows the airlines used when travelers from the catchment area used DEN for the top 25 DEN true markets. United had the largest share of catchment area passengers at DEN carrying 29 percent of diverting passengers. Southwest Airlines carried the second largest share of diverting passengers with 22 percent, followed by Frontier Airlines with 19 percent, US Airways with 9 percent, and American with 8 percent. All other airlines carried 13 percent of DEN passengers.

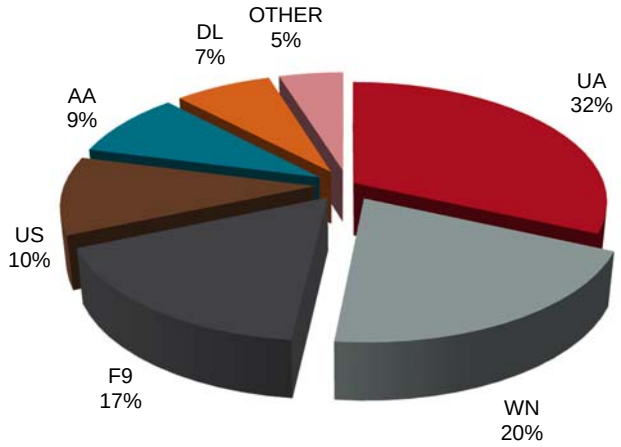
TABLE 5.2 AIRLINES USED AT DEN

RANK	TOP 25 DEN TRUE MARKETS	AIRLINE %						TOTAL DEN PAX	PDEW
		UA	WN	F9	US	AA	OTHER		
1	Boston, MA	42	22	0	9	3	25	9,208	12.6
2	Houston, TX (IAH)	56	0	38	6	0	0	7,363	10.1
3	Austin, TX	29	33	29	5	5	0	5,513	7.6
4	Philadelphia, PA	25	9	5	57	0	5	5,437	7.4
5	New York, NY (LGA)	27	15	35	2	2	21	5,225	7.2
6	Tulsa, OK	56	38	0	6	0	0	4,091	5.6
7	Seattle, WA	19	17	31	2	3	28	3,876	5.3
8	Los Angeles, CA	27	27	17	1	16	12	3,603	4.9
9	Baltimore, MD	16	42	0	33	8	0	3,356	4.6
10	San Antonio, TX	56	39	0	0	5	0	3,296	4.5
11	Tampa, FL	15	9	25	5	33	13	3,216	4.4
12	Pittsburgh, PA	37	26	0	18	9	9	3,028	4.1
13	Nashville, TN	5	36	59	0	0	0	3,025	4.1
14	St. Louis, MO	27	36	35	0	3	0	3,017	4.1
15	Atlanta, GA	12	13	6	5	0	64	2,972	4.1
16	San Francisco, CA	32	18	34	9	0	6	2,836	3.9
17	New Orleans, LA	25	30	21	0	16	8	2,823	3.9
18	Chicago, IL (ORD)	53	0	0	3	45	0	2,697	3.7
19	Detroit, MI	2	16	19	2	2	58	2,553	3.5
20	Newark, NJ	50	19	0	0	31	0	2,497	3.4
21	Fort Lauderdale, FL	23	22	47	8	0	0	2,489	3.4
22	Minneapolis, MN	19	19	43	0	1	18	2,339	3.2
23	Dallas, TX (DFW)	11	0	43	6	32	8	2,179	3.0
24	Fort Myers, FL	13	11	33	7	15	20	2,037	2.8
25	Houston, TX (HOU)	0	100	0	0	0	0	2,005	2.7
Total top 25		**30**	**22**	**20**	**9**	**7**	**12**	**90,677**	**124.2**
Total all markets		**29**	**22**	**19**	**9**	**8**	**13**	**156,497**	**214.4**

AIRLINES USED AT DIVERTING AIRPORTS

Exhibit 5.1 displays the combined market share of airlines serving the GUC catchment area diverting passengers. United had the highest share with 32 percent, followed by Southwest with 20 percent, Frontier with 17 percent, US Airways with 10 percent, American with 9 percent, Delta Air Lines with 7 percent, and all other carriers with 5 percent.

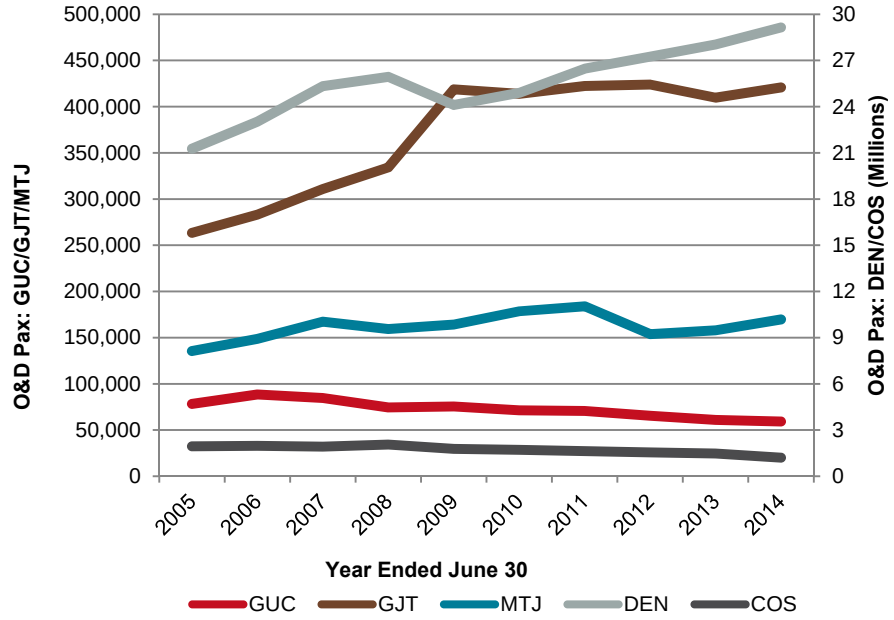
EXHIBIT 5.1 AIRLINE MARKET SHARE OF DIVERTING PASSENGERS



FACTORS AFFECTING AIR SERVICE DEMAND AND RETENTION

This section examines several factors that have affected and will continue to affect air service demand in the Gunnison area and GUC's ability to retain passengers. The factors affecting GUC's ability to retain passengers included in this section are: airfares, travel time from the competing airports compared to GUC, nonstop service availability at GUC and the competing airports, and the quality and capacity of air service offered at GUC and the competing airports.

EXHIBIT 6.1 DOMESTIC PASSENGER TRENDS



PASSENGER ACTIVITY COMPARISON

To better understand the changes in passenger volumes at GUC and the competing airports, **Exhibit 6.1** provides a depiction of origin and destination passengers over the last 10 years for the year ended June 30 as reported to the U.S. DOT. Since the year ended June 30, 2005, the following changes occurred:

- GUC's origin and destination passengers decreased at a compounded annual growth rate (CAGR) of 3.1 percent since 2005.
- DEN's passengers increased at a CAGR of 3.6 percent.
- GJT's passengers increased at a CAGR of 5.3 percent.
- MTJ's passengers increased at a CAGR of 2.5 percent.
- COS's passengers decreased at a CAGR of 5.2 percent.

Significant Fare Discrepancy
GUC had the highest fare in all of the top 25 destinations compared to DEN, with 15 markets being greater than $100 one-way.

AIRFARES

When a traveler decides which airport to access for travel, airfares play a large role. Airfares affect air service demand and an airport's ability to retain passengers. One-way airfares (excluding taxes and Passenger Facility Charges (PFC)) paid by travelers are used to measure the relative fare competitiveness between GUC and the competing airports. Fares listed for competing airports are for all air travelers using these airports and are not reflective of the average fare paid by GUC catchment area travelers diverting to the airports.

Table 6.1 shows one-way average airfares for the top 25 catchment area domestic destinations. Average airfares are a result of many factors including: length of haul, availability of seats, business versus leisure fares, and airline competition. The overall average fare for the year ended June 30, 2014, at GUC was $252, $96 higher than DEN, $37 higher than GJT, $9 higher than MTJ and $48 higher than COS.

Comparing GUC to DEN, which was the primary diverting airport, GUC had the highest fare in all of the top 25 destinations. The differences between GUC and DEN were as large as $196, with 15 markets having an average fare $100 or more one-way.

TABLE 6.1 U.S. DOT AVERAGE DOMESTIC ONE-WAY FARES

RANK	DESTINATION	AVERAGE ONE-WAY FARE					GUC MAX DIFF.
		GUC	DEN	GJT	MTJ	COS	
1	Houston, TX (IAH)	$245	$168	$263	$235	$213	$77
2	Dallas, TX (DFW)	$208	$122	$211	$204	$154	$85
3	Boston, MA	$257	$204	$242	$296	$231	$53
4	Austin, TX	$239	$127	$172	$241	$152	$112
5	New York, NY (LGA)	$292	$178	$239	$306	$230	$114
6	Philadelphia, PA	$303	$209	$271	$281	$195	$108
7	Chicago, IL (ORD)	$230	$172	$226	$240	$240	$58
8	Los Angeles, CA	$230	$132	$138	$138	$184	$99
9	Tulsa, OK	$269	$150	$262	$252	$184	$119
10	San Antonio, TX	$249	$156	$223	$264	$170	$93
11	Seattle, WA	$330	$134	$213	$259	$154	$196
12	Atlanta, GA	$236	$159	$241	$213	$183	$77
13	Tampa, FL	$322	$181	$241	$284	$188	$141
14	Baltimore, MD	$278	$208	$252	$254	$265	$70
15	New Orleans, LA	$321	$147	$249	$273	$203	$174
16	San Francisco, CA	$253	$153	$198	$227	$224	$101
17	Nashville, TN	$280	$153	$240	$263	$171	$127
18	Pittsburgh, PA	$285	$214	$297	$271	$215	$71
19	Fort Lauderdale, FL	$249	$152	$257	$289	$201	$97
20	St. Louis, MO	$277	$136	$229	$251	$164	$142
21	Phoenix, AZ (PHX)	$241	$96	$139	$249	$180	$145
22	Newark, NJ	$346	$211	$237	$330	$245	$134
23	San Diego, CA	$276	$126	$194	$243	$198	$150
24	Minneapolis, MN	$237	$116	$190	$239	$209	$121
25	Detroit, MI	$294	$136	$238	$279	$219	$158
Average domestic fare		**$252**	**$156**	**$214**	**$243**	**$204**	**$96**

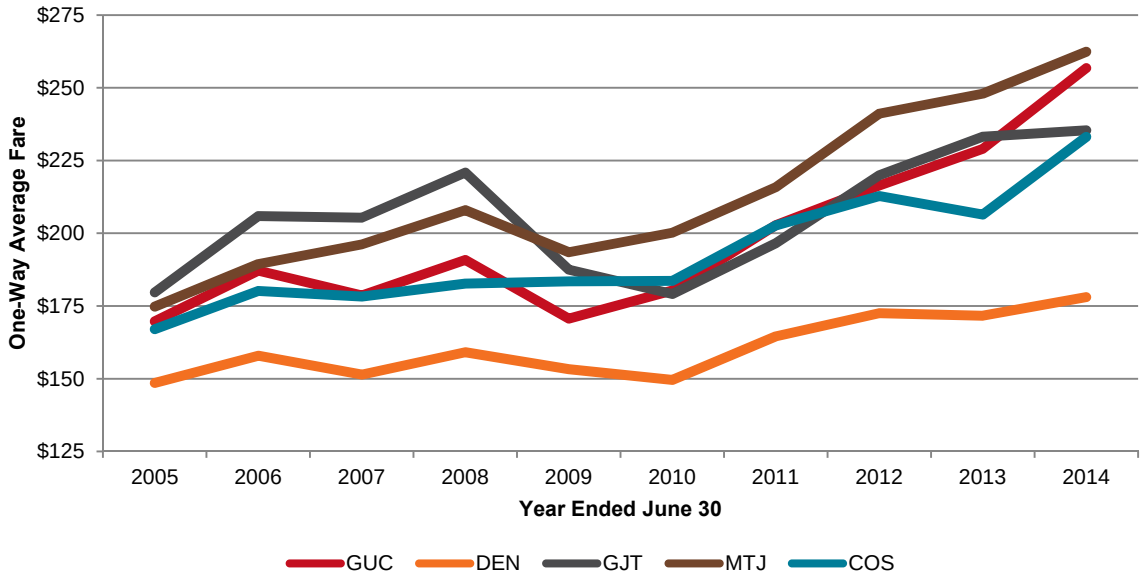
Source: Diio Mi; Note: Year Ended June 30, 2014;
Fares do not include taxes or Passenger Facility Charges

Exhibit 6.2 tracks the average fares at GUC and the competing airports from the year ended June 30, 2005, through the year ended June 30, 2014. Based on U.S. DOT airline data, average fares have fluctuated as follows:

- GUC's fares have ranged from $170 (2005) to $257 (2014) and increased at a CAGR of 4.7 percent.
- The average fare at DEN ranged from $149 (2005) to $178 (2014) and increased at a CAGR of 2.0 percent.
- GJT's fares have ranged from $179 (2010) to $235 (2014) and increased at a CAGR of 3.0 percent.
- MTJ's fares have ranged from $175 (2005) to $262 (2014) and increased at a CAGR of 4.6 percent.
- COS's fares have ranged from $167 (2005) to $233 (2014) and increased at a CAGR of 3.8 percent.

The fares for all of the markets, except for DEN, have remained relatively similar in relation to each other. The increased competition over the past decade in DEN between Frontier, Southwest and United has contributed to a much lower increase in fares compared to the other markets.

EXHIBIT 6.2 10-YEAR AVERAGE DOMESTIC ONE-WAY FARE TREND



TRAVEL TIME COMPARISON

Table 6.2 displays the overall flight time from GUC to the top 10 catchment area destinations that do not have nonstop service and require a connection. A comparison of the travel time from GUC with the amount of time it takes to drive to competing airports and use nonstop service is also provided.

Accessible connecting flights from GUC require a minimum connecting time allowance of 30 minutes to be included in the comparison. Excluding traffic and inclement weather, from the Gunnison community, drive times are estimated at (source: Mapquest.com):

- DEN = 3 hour and 56 minutes
- GJT = 2 hours and 29 minutes
- MTJ = 1 hours and 16 minutes
- COS = 3 hours and 10 minutes

TABLE 6.2 TRAVEL TIME COMPARISON (MINUTES)

RANK	CONNECTING DESTINATIONS	GUC CONNECT	DEN NONSTOP	GJT NONSTOP	MTJ NONSTOP	COS NONSTOP	TIME SAVINGS
1	Boston, MA	384	457	-	-	-	73
2	Austin, TX	225	355	-	-	-	130
3	New York, NY (LGA)	395	446	-	-	-	51
4	Philadelphia, PA	382	442	-	-	-	60
5	Los Angeles, CA	252	378	-	-	341	89
6	Tulsa, OK	201	326	-	-	-	125
7	San Antonio, TX	230	356	-	-	-	126
8	Seattle, WA	321	402	-	-	-	81
9	Atlanta, GA	290	397	-	-	362	72
10	Tampa, FL	310	434	-	-	-	124

Note: Sample day in March 2014

A GUC catchment area air traveler can save overall travel time in addition to the convenience of using the local airport in all of the top 10 markets.

GUC had Nonstop Service to Three of the Top 25 Destinations
GUC offered nonstop service to three of the top 25 catchment area destinations, IAH, DFW and ORD with a total of nine weekly departures in March.

NONSTOP SERVICE AVAILABILITY

Travelers drive to competing airports to access air service for many reasons, one of which is nonstop service availability. **Table 6.3** compares the level of air service offered at GUC with that offered at the competing airports.

In March 2014, GUC offered nonstop service to three of the top 25 catchment area destinations, IAH, DFW and ORD, on 9 weekly departures. DEN had service to all of the top 25 markets with 1,917 weekly departures. GJT had service to three of the top 25 markets, with a total of 41 weekly departures. MTJ offered 31 weekly departures to three of the top 25 markets, while COS offered service to seven top 25 markets with 115 weekly departures.

TABLE 6.3 NONSTOP SERVICE COMPARISON

RANK	DESTINATION	WEEKLY DEPARTURES				
		GUC	DEN	GJT	MTJ	COS
1	Houston, TX (IAH)	1	111	7	7	21
2	Dallas, TX (DFW)	7	137	14	8	33
3	Boston, MA	0	48	0	0	0
4	Austin, TX	0	63	0	0	0
5	New York, NY (LGA)	0	68	0	0	0
6	Philadelphia, PA	0	44	0	0	0
7	Chicago, IL (ORD)	1	100	0	9	21
8	Los Angeles, CA	0	150	0	4	19
9	Tulsa, OK	0	53	0	0	0
10	San Antonio, TX	0	41	0	0	0
11	Seattle, WA	0	106	0	0	7
12	Atlanta, GA	0	107	0	2	7
13	Tampa, FL	0	37	0	0	0
14	Baltimore, MD	0	40	0	0	0
15	New Orleans, LA	0	38	0	0	0
16	San Francisco, CA	0	115	0	0	7
17	Nashville, TN	0	47	0	0	0
18	Pittsburgh, PA	0	21	0	0	0
19	Fort Lauderdale, FL	0	43	0	0	0
20	St. Louis, MO	0	60	0	0	0
21	Phoenix, AZ (PHX)	0	172	20	0	0
22	Newark, NJ	0	50	0	1	0
23	San Diego, CA	0	90	0	0	0
24	Minneapolis, MN	0	117	0	0	0
25	Detroit, MI	0	59	0	0	0
Total top 25 frequencies		**9**	**1,917**	**41**	**31**	**115**
Number of top 25 served		**3**	**25**	**3**	**6**	**7**
Total destinations served		**4**	**167**	**6**	**8**	**11**

Note: Sample week in March 2014

QUALITY OF AIR SERVICE AT COMPETING AIRPORTS

The quality of air service offered by an airport is a factor in a traveler's decision when selecting where to originate or terminate air service. In general, passengers prefer larger aircraft over smaller aircraft and jet aircraft over turboprop aircraft. For the purposes of this section, quality of air service is measured by size of aircraft and jets versus turboprops.

Table 6.4 provides a summary of departures for GUC, as well as the competing airports. GUC offered a total of 22 weekly departures and 1,816 seats. DEN offered 5,172 weekly departures on a mix of turboprops, regional jets, narrow body and wide body jet aircraft with a total of 600,800 weekly seats. GJT offered 91 weekly departures on large turbo prop, regional jet and narrow body jet aircraft, with 5,055 weekly seats. MTJ offered 67 weekly departures and 5,175 weekly seats, while COS offered 206 weekly departures on 15,648 weekly seats.

TABLE 6.4 DEPARTURES BY AIRCRAFT TYPE BY ORIGIN

AIRCRAFT TYPE	SEAT RANGE	WEEKLY DEPARTURES				
		GUC	DEN	GJT	MTJ	COS
Turbo prop	9-29	-	228	-	-	-
	30-50	-	107	-	-	-
	51+	-	260	13	17	16
Regional jet	30-50	9	1,074	76	24	96
	51-70	5	265	-	16	52
	71-100	-	57	-	-	-
Narrow body jet	70-125	-	4	-	-	-
	126-160	8	2,674	-	7	42
	160+	-	475	2	3	-
Wide body jet	160-240	-	14	-	-	-
	241-300	-	7	-	-	-
	301+	-	7	-	-	-
Total departures		**22**	**5,172**	**91**	**67**	**206**
% turboprop departures		**0%**	**6%**	**0%**	**0%**	**0%**
% regional jet departures		**64%**	**27%**	**84%**	**60%**	**72%**
Total seats		**1,816**	**600,800**	**5,055**	**5,175**	**15,648**

Source: Diio Mi; Note: Sample week in March 2014

RETENTION RATE SENSITIVITY

Considering the previous factors of airfares, travel time, nonstop service, and quality of service, a retention rate sensitivity follows in **Table 6.5**. The purpose is to show how small changes in passenger retention can affect passenger volume. Passengers in total and for each of the top 25 markets are calculated using varying degrees of retention. An increase in retention of 10 percentage points would create an estimated additional 24,546 annual passengers (33.6 PDEW) for GUC.

TABLE 6.5 RETENTION RATE SENSITIVITY

RANK	DESTINATION	REPORTED PAX	RETENTION %	RETENTION IMPROVEMENT		
				5%	10%	15%
1	Houston, TX (IAH)	6,212	42	6,960	7,708	8,456
2	Dallas, TX (DFW)	9,544	75	10,184	10,824	11,463
3	Boston, MA	1,709	14	2,301	2,892	3,484
4	Austin, TX	2,598	31	3,023	3,449	3,874
5	New York, NY (LGA)	2,192	27	2,597	3,002	3,407
6	Philadelphia, PA	656	10	997	1,337	1,678
7	Chicago, IL (ORD)	2,421	42	2,708	2,995	3,282
8	Los Angeles, CA	1,010	18	1,287	1,564	1,841
9	Tulsa, OK	740	14	1,012	1,284	1,557
10	San Antonio, TX	1,104	22	1,359	1,614	1,869
11	Seattle, WA	444	9	699	953	1,207
12	Atlanta, GA	1,408	29	1,650	1,891	2,133
13	Tampa, FL	1,042	22	1,278	1,514	1,750
14	Baltimore, MD	568	13	788	1,008	1,228
15	New Orleans, LA	666	16	879	1,091	1,304
16	San Francisco, CA	999	24	1,209	1,419	1,629
17	Nashville, TN	451	11	658	866	1,073
18	Pittsburgh, PA	486	12	690	894	1,098
19	Fort Lauderdale, FL	845	21	1,047	1,249	1,451
20	St. Louis, MO	565	15	753	940	1,128
21	Phoenix, AZ (PHX)	256	8	424	591	758
22	Newark, NJ	642	20	803	965	1,127
23	San Diego, CA	270	9	429	588	746
24	Minneapolis, MN	593	19	748	903	1,058
25	Detroit, MI	398	13	549	699	850
Total top 25		**37,820**	**26**	**45,031**	**52,242**	**59,453**
Total domestic		**56,267**	**25**	**67,713**	**79,158**	**90,604**
Total international		**1,104**	**7**	**1,931**	**2,758**	**3,586**
Total of all markets		**57,371**	**23**	**69,644**	**81,917**	**94,190**

SITUATION ANALYSIS

GUC, located in Central Colorado is approximately four hours from DEN, the primary diverting airport. With a catchment area population of 15,640, the air service at GUC relies heavily upon visitors to the Gunnison area in the summer and winter seasons. The primary draw is the Crested Butte Mountain Resort (CBMR), which is a major ski destination located about 15 miles from GUC.

GUC currently captures 23 percent (57,371) of the estimated 245,457 passenger air service market. The primary diverting airport is DEN, which serves approximately 156,497 annual passengers from the GUC catchment area. The other diverting airports (GJT, MTJ, and COS) accounted for just 13 percent of the catchment area travel. Although DEN is a four-hour drive from GUC, the volume of air service at the hub and significantly lower fares entice passengers to make the drive. Average fares to the top 25 destinations were significantly cheaper from DEN than GUC, with 15 markets being at least $100 more expensive one-way from GUC.

Air service at GUC is closely tied to the tourism industry, with approximately 81 percent of passengers at GUC originating from another airport. The current seasonal service to DFW, IAH, and ORD are supported by incentives from various groups within the Gunnison area, primarily the Rural Transit Authority (RTA) or CBMR. It is likely that without these incentives, the service would not be at the same level or may not continue in the future.

Incentives in highly seasonal, tourist destinations such as ski resorts are very common. In these situations, it is usual for a resort or destination community to financially support new service based on a desire to add more visitors to the local area, increasing hotel occupancies or the number of skiers. Due to these incentives, pure economic projections for potential new service sometimes has little bearing on what is the next best opportunity or route. These incentives will affect everything from the routes flown, frequency of service, length of service (number of months), and type of aircraft flown.

The elevation and mountainous terrain surrounding GUC also has an impact on the service that could potentially operate, since certain aircraft types are unable to operate in the market. The primary restrictions affecting GUC are on smaller, 50-seat regional jets. The only 50-seat regional jet that can operate without payload restrictions is the Embraer ERJ-145XR, which is operated on behalf of United Airlines. The rest of the 50-seat aircraft would likely have payload restrictions, which will force other airlines to operate larger aircraft to GUC.

EXISTING HUB OPPORTUNITIES

Current service on American and United is predominately supported through incentive programs, except for service to DEN. Due to that support, any additional service or increased capacity by larger aircraft would have to be evaluated based on those factors as well. As American and United begin increasing the number of larger regional jets (76-seat aircraft), the option could be to operate those aircraft to GUC in lieu of larger mainline aircraft on a higher frequency, thereby increasing the connecting opportunities beyond the hub, or additional flying during shoulder seasons or during the summer season.

Service to DEN during the shoulder season is on ERJ-145XR aircraft, and as 50-seat regional jets are retired, the larger sized regional jets could impact the ability to operate without subsidies.

NEW HUB OPPORTUNITIES

With nearly 188,086 diverting (leaking) passengers using airports other than GUC for their travel, there is a potential for additional service at GUC beyond the current service. The following summarizes new hub opportunities by airline:

- **American Airlines**: American's merger with US Airways in 2013 has opened up additional hub opportunities for American such as Phoenix Sky Harbor International Airport. Los Angeles International Airport is one of the largest markets for ski destinations, and therefore is another option that has potential.
- **Delta Air Lines**: While Delta left GUC in 2010, Delta is one of the largest airlines in the world, and has multiple hubs that could be potential markets for GUC. Salt Lake City International Airport was the most recent service to GUC, and is the closest hub to GUC for Delta at 310 miles. Service to Salt Lake City would add another airline for GUC; however, the airport does not add many connections not available today over DEN, and the load factors on the SLC service in the past from GUC were in the 30 percent range, well under what would be deemed a successful market. GUC also had past service to Atlanta, which could possibly return depending on support packages.
- **United Airlines**: While United currently operates year-round service to DEN, and seasonally to IAH and ORD, service to San Francisco International Airport is a possibility. The relative market size is small today (5.8 PDEW), but could grow with sufficient time.
- **Low-Cost Carriers:** It is unlikely that any low-cost carriers, such as Allegiant or Frontier Airlines, would enter the GUC market due to the catchment area population. Allegiant currently flies to GJT and MTJ, which impacts the ability for GUC to recruit them, as MTJ is just an hour drive away.

APPENDIX A. TOP 50 TRUE MARKETS

TABLE A.1 TOP 50 TRUE MARKETS

RANK	DESTINATION	REPORTED PAX	RETENTION %	TRUE MARKET	PDEW	ORIGIN AIRPORT OF DIVERTING PAX			
						DEN	GJT	MTJ	COS
1	Houston, TX (IAH)	6,212	42	14,955	20.5	7,363	0	460	920
2	Dallas, TX (DFW)	9,544	75	12,795	17.5	2,179	450	311	311
3	Boston, MA	1,709	14	11,837	16.2	9,208	263	329	329
4	Austin, TX	2,598	31	8,511	11.7	5,513	0	400	0
5	New York, NY (LGA)	2,192	27	8,097	11.1	5,225	76	605	0
6	Philadelphia, PA	656	10	6,810	9.3	5,437	298	239	179
7	Chicago, IL (ORD)	2,421	42	5,741	7.9	2,697	277	277	69
8	Los Angeles, CA	1,010	18	5,545	7.6	3,603	233	566	133
9	Tulsa, OK	740	14	5,448	7.5	4,091	241	136	241
10	San Antonio, TX	1,104	22	5,102	7.0	3,296	0	502	201
11	Seattle, WA	444	9	5,087	7.0	3,876	606	121	40
12	Atlanta, GA	1,408	29	4,834	6.6	2,972	45	363	45
13	Tampa, FL	1,042	22	4,721	6.5	3,216	0	289	174
14	Baltimore, MD	568	13	4,399	6.0	3,356	185	104	185
15	New Orleans, LA	666	16	4,250	5.8	2,823	95	190	476
16	San Francisco, CA	999	24	4,199	5.8	2,836	151	182	30
17	Nashville, TN	451	11	4,151	5.7	3,025	113	451	113
18	Pittsburgh, PA	486	12	4,081	5.6	3,028	81	0	486
19	Fort Lauderdale, FL	845	21	4,040	5.5	2,489	275	155	275
20	St. Louis, MO	565	15	3,751	5.1	3,017	170	0	0
21	Phoenix, AZ (PHX)	256	8	3,347	4.6	1,559	1,441	30	61
22	Newark, NJ	642	20	3,231	4.4	2,497	0	92	0
23	San Diego, CA	270	9	3,173	4.3	1,884	657	263	99
24	Minneapolis, MN	593	19	3,104	4.3	2,339	99	74	0
25	Detroit, MI	398	13	3,008	4.1	2,553	0	0	57
26	Raleigh/Durham, NC	469	17	2,832	3.9	1,972	153	86	153
27	Oklahoma City, OK	869	31	2,819	3.9	1,848	0	51	51
28	Fort Myers, FL	220	9	2,440	3.3	2,037	0	37	147
29	Little Rock, AR	580	24	2,421	3.3	1,356	189	106	189
30	Houston, TX (HOU)	189	8	2,351	3.2	2,005	62	35	62
31	Orlando, FL (MCO)	517	24	2,197	3.0	1,411	21	83	165
32	Birmingham, AL	437	20	2,185	3.0	1,382	143	80	143
33	Hartford, CT	300	15	2,051	2.8	1,580	43	86	43
34	Portland, OR	249	13	1,927	2.6	1,376	124	36	142
35	Shreveport, LA	486	25	1,923	2.6	1,031	158	89	158
36	Washington, DC (DCA)	314	18	1,725	2.4	1,410	0	0	0
37	Indianapolis, IN	296	18	1,687	2.3	1,144	96	54	96

TABLE A.1 TOP 50 TRUE MARKETS

RANK	DESTINATION	REPORTED PAX	RETENTION %	TRUE MARKET	PDEW	ORIGIN AIRPORT OF DIVERTING PAX			
						DEN	GJT	MTJ	COS
38	Milwaukee, WI	119	7	1,651	2.3	1,360	0	86	86
39	Kansas City, MO	465	28	1,637	2.2	1,055	0	116	0
40	Cleveland, OH	387	24	1,632	2.2	922	126	71	126
41	Albany, NY	260	16	1,602	2.2	1,126	85	48	85
42	Denver, CO	1,425	91	1,567	2.1	0	0	142	0
43	Washington, DC (IAD)	947	63	1,501	2.1	470	28	28	28
44	Tucson, AZ	207	14	1,472	2.0	1,093	67	38	67
45	Las Vegas, NV	124	9	1,395	1.9	419	831	7	14
46	Jacksonville, FL	204	16	1,311	1.8	936	67	37	67
47	Charlotte-Douglas, NC	323	25	1,289	1.8	916	50	0	0
48	Toronto, Canada	132	10	1,281	1.8	1,006	57	28	57
49	Baton Rouge, LA	323	25	1,276	1.7	684	105	59	105
50	Columbus, OH	190	17	1,101	1.5	752	62	35	62
Top 50 Destinations		**47,853**	**25**	**189,491**	**259.6**	**119,369**	**8,222**	**7,576**	**6,470**
Total Domestic		**56,267**	**25**	**228,911**	**313.6**	**142,936**	**11,109**	**9,647**	**8,953**
Total International		**1,104**	**7**	**16,546**	**22.7**	**13,562**	**745**	**426**	**710**
Total All Markets		**57,371**	**23**	**245,457**	**336.2**	**156,497**	**11,853**	**10,073**	**9,663**

APPENDIX B. GLOSSARY

Airline codes

AA ..... American Airlines
DL ..... Delta Air Lines
F9 ..... Frontier Airlines
UA ..... United Airlines
US ..... US Airways
WN ..... Southwest Airlines

Airport catchment area (ACA)

The geographic area surrounding an airport from which that airport can reasonably expect to draw passenger traffic. The airport catchment area is sometimes called the service area.

Airport codes

COS ..... Colorado Springs, CO
DCA ..... Washington-National, DC
DEN ..... Denver, CO
DFW ..... Dallas/Ft. Worth, TX
GJT ..... Grand Junction, CO
GUC ..... Gunnison, CO
HOU ..... Houston-Hobby, TX
IAD ..... Washington-Dulles, DC
IAH ..... Houston-Intercontinental, TX
LGA ..... New York-LaGuardia, NY
LHR ..... London-Heathrow, UK
MCO ..... Orlando-International, FL
MTJ ..... Montrose, CO
ORD ..... Chicago-O'Hare, IL
PHX ..... Phoenix-Sky Harbor, AZ

ARC

Acronym for Airline Reporting Corporation.

Average airfare

The average of the airfares reported by the airlines to the U.S. DOT. The average airfare does not include taxes or passenger facility charges and represents one-half of a roundtrip ticket.

CAGR

Abbreviation for compounded annual growth rate, or the average rate of growth per year over a given time period.

Circuity

Circuity is the relative ratio between the nonstop flight mileage and the mileage for the connection.

Destination airport

Any airport where the air traveler spends four hours or more. This is the Federal Aviation Administration definition.

Diversion

Passengers who do not use the local airport for air travel, but instead use a competing airport to originate the air portion of their trip.

Enplanement

A passenger boarding a commercial aircraft.

FAA

Acronym for the Federal Aviation Administration.

Hub

An airport used by an airline as a transfer point to get passengers to their intended destination. It is part of a hub and spoke model, where travelers moving between airports not served by direct flights change planes en route to their destination. Also an airport classification system used by the FAA (e.g., non-hub, small hub, medium hub, and large hub.

Initiated (origin) passengers

Origin and destination passengers who began their trip from within the catchment area.

Load factor

The percentage of airplane capacity that is used by passengers.

Local market

The number of air travelers who travel between two points via nonstop air service.

Narrow-body jet
A jet aircraft with a single aisle designed for seating over 100 passengers.

Nonstop flight
Air travel between two points without stopping at an intermediate airport.

Onboard passengers
The number of passengers transported on one flight segment.

Origin and destination (O&D) passengers
Includes all originating and destination passengers. In the context of this report, it describes the passengers arriving and departing an airport.

Originating airport
The airport used by an air traveler for the first enplanement of a commercial air flight.

Passenger Facility Charge
Fee imposed by airports of $1 to $4.50 on enplaning passengers. The fees are used by airports to fund FAA approved airport improvement projects.

Pax
Abbreviation for passengers.

PDEW
Abbreviation for passengers daily each way.

Point-to-point
Nonstop service that does not stop at an airline's hub and whose primary purpose is to carry local traffic rather than connecting traffic.

Referred passengers
Origin and destination passengers who began their trip from outside the catchment area.

Regional jet
A jet aircraft with a single aisle designed for seating fewer than 100 passengers.

Retained passengers (retention)
Passengers who use the local airport for air travel instead of using a competing airport to originate the air portion of their trip.

True market
Total number of air travelers, including those who are using a competing airport, in the geographic area served by GUC. The true market estimate includes the size of the total market and for specific destinations.

Turboprop aircraft
A type of engine that uses a jet engine to turn a propeller. Turboprops are often used on regional and business aircraft because of their relative efficiency at speeds slower than, and altitudes lower than, those of a typical jet.

U.S. DOT
Acronym for US Department of Transportation.

Wide-body jet
A jet aircraft with two aisles designed for seating greater than 175 passengers.

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GUNNISON/CRESTED BUTTE REGIONAL AIRPORT

AIR SERVICE MARKET RESEARCH

YEAR ENDED
JUNE 30, 2014

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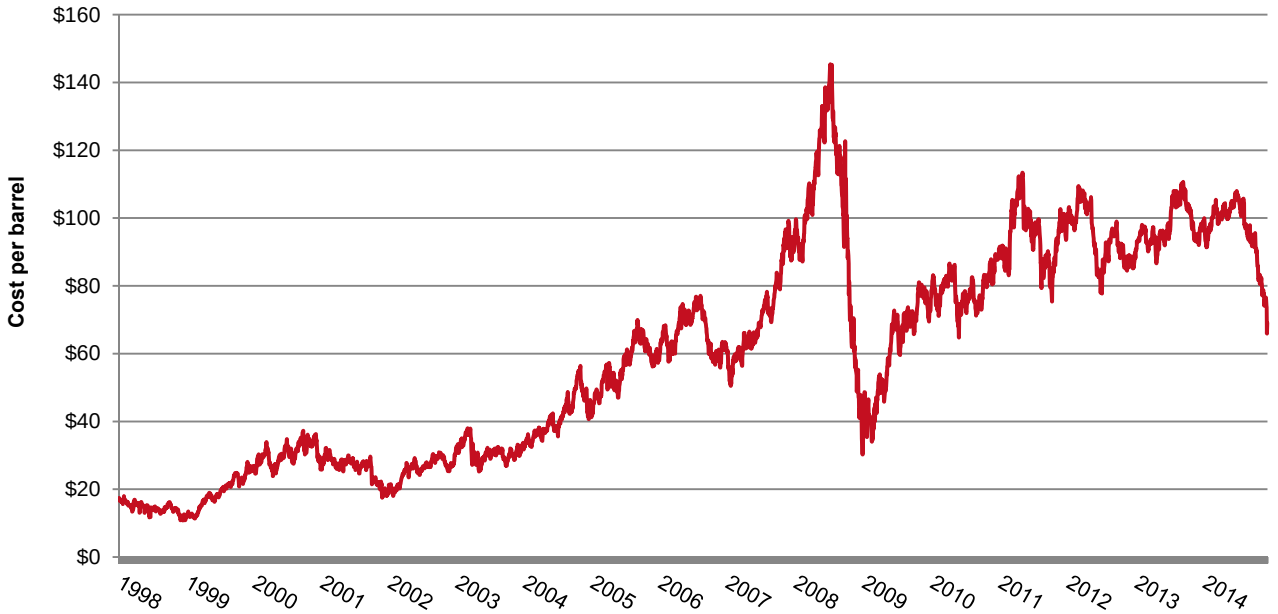
SECTION 1. INTRODUCTION

The constantly changing air transportation needs of communities and the dynamics of the airline industry create an on-going challenge for smaller communities in the United States. Today, communities are faced with intense competition for air service as the industry continues to maintain capacity discipline. Following September 11, 2001, airlines, struggling to remain in business, reduced capacity nationwide and focused on the performance of the high density markets. Small and mid-sized communities experienced dramatic reductions in service; while, at the same time, airlines were phasing lower capacity aircraft out of their fleets. Now, these challenges have been further compounded by bankruptcies, industry consolidation, the fluctuating cost of fuel and uncertainty in the economy, making service retention and/or improvement in markets like Gunnison even more challenging.

This *Air Service Market Research* report is an effort to understand and evaluate Gunnison/Crested Butte Regional Airport's (GUC) air service market, to facilitate actions that counter the threat of air service reductions and improve the odds for service improvements. To that end, this *Air Service Market Research* report provides objective, comparative data compiled from industry sources on the GUC air service market. It is a performance report or "report card", and its purpose is to provide market information used to guide air service retention and development efforts. This outlook can also be useful in assuring that long lead-time airport infrastructure needs are attuned to air service and market demand needs. Airlines take many factors into consideration when making capacity and route decisions, and it is the intent of this report to provide insight into several of those market considerations.

Understanding today's issues within the industry can help a community identify potential risks and opportunities. One of the issues that has a significant impact on airline profitability is fuel prices. **Exhibit 1.1** provides a chart on the fluctuating price of fuel from 1998 to 2014. Fuel typically accounts for approximately 25 percent of airline total expenses, 40 percent for regional airlines. Up until 2011, fuel uncertainty affected how airlines could plan. Since fuel has stabilized, airlines have been able to compensate and have record profits. Recent drops in fuel prices could result in billions of increased profits for airlines.

EXHIBIT 1.1 FLUCTUATING PRICE OF FUEL



Source: US Energy Information Administration WTI Spot Price January 2, 1998, through December 1, 2014

The price of fuel ties directly to industry profitability. Calendar year 2009 was challenging for the airlines (reference airline earnings/losses **Table 1.1**, next page). The preceding year and the recession continued to plague airline profitability in 2009. With improving fuel prices, 2010 and 2011 proved profitable overall. Several airlines experienced significant losses in the first and fourth quarters of 2011 with the positive results in the second and third quarters leading to a profit in total for 2011. Calendar year 2012 was similar although marginally better. In 2013 and 2014, airline profitability was strong with profits in each quarter except the first quarter 2013. Even with recent profitability, airline service capabilities are highly dependent on longer lead time factors (e.g. airport infrastructure, fleet size and composition, crew training) and are slow to adjust quickly to shorter term market demand changes.

TABLE 1.1 AIRLINE EARNINGS/LOSS BY CARRIER

	2009 ($M)				2010 ($M)				2011 ($M)				2012 ($M)				2013 ($M)				2014 ($M)	
AIRLINE	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Air Tran	29	78	10	17	(12)	12	36	2	(9)	(20)	3	1	(10)	-	-	-	-	-	-	-	-	-
Alaska	(12)	26	77	19	11	60	116	63	80	42	75	60	37	66	161	38	34	102	285	76	93	166
Allegiant	40	33	17	14	32	22	14	17	23	14	11	16	29	34	22	20	44	35	24	26	50	49
American	(366)	(390)	(377)	(343)	(489)	(7)	129	(102)	(431)	(284)	(153)	(1,097)	(1,676)	(264)	(257)	271	(253)	228	290	(1,790)	401	265
Continental	(136)	(213)	(18)	85	(146)	233	354	(95)	(57)	262	236	128	-	-	-	-	-	-	-	-	-	-
Delta	(516)	(264)	(87)	(48)	(261)	460	389	98	(295)	236	562	475	146	(151)	1,170	(20)	7	689	1,372	8,482	218	807
Frontier	(164)	7	287	(10)	(14)	(1)	10	(14)	(36)	(24)	1	(13)	(13)	9	18	(9)	(17)	3	23	3	10	35
Jet Blue	12	20	15	11	(1)	31	58	9	3	25	34	24	30	53	44	1	14	36	71	47	(1)	231
Northwest	(182)	(47)	(97)	30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Southwest	(91)	91	(16)	116	11	112	205	131	5	188	(143)	151	109	228	16	78	59	224	259	212	152	465
United	(380)	31	(54)	(224)	(74)	281	403	(208)	(160)	282	414	(255)	(431)	370	(25)	(574)	(362)	484	377	154	(580)	769
US Airways	(95)	69	(68)	(46)	(23)	295	263	64	(83)	119	100	44	71	322	263	47	69	325	220	(130)	126	605
Total	**(1,861)**	**(559)**	**(311)**	**(380)**	**(966)**	**1,498**	**1,976**	**(34)**	**(959)**	**839**	**1,141**	**(466)**	**(1,710)**	**666**	**1,413**	**(148)**	**(405)**	**2,126**	**2,922**	**7,080**	**469**	**3,393**
	2009 Total:			**(3,111)**	**2010 Total:**			**2,474**	**2011 Total:**			**555**	**2012 Total:**			**220**	**2013 Total:**			**11,722**	**2014 Total:**	**3,862**

Source: Diio Mi Form 41 (Schedule P012:98990); Note: DL Q4 2013 includes an $8.0 billion non-cash gain associated with the reversal of the company's tax valuation allowance

With the rise in fuel costs and the slowing economy, almost all airlines cut back on capacity in 2008/2009 to increase load factors and generate higher revenue on remaining seats (reference **Table 1.2**).

TABLE 1.2 US DOMESTIC AVAILABLE SEAT MILES/WEEK (MILLIONS)

	2009				2010				2011				2012				2013				2014	
AIRLIINE	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
AirTran	409	457	467	439	430	468	468	436	432	487	474	424	404	413	380	329	310	324	293	234	175	146
Alaska	422	461	494	443	433	486	524	481	487	516	539	495	506	554	582	543	551	600	624	569	585	633
Allegiant	70	105	93	91	111	112	115	101	108	110	109	106	134	127	119	130	158	159	141	145	182	173
American	1,961	1,979	1,953	1,900	1,965	1,972	1,981	1,930	2,013	2,024	2,022	1,897	1,966	1,976	1,944	1,885	1,903	1,950	1,957	1,919	1,958	1,950
Continental	1,098	1,166	1,181	1,133	1,104	1,155	1,165	1,130	1,098	1,159	1,179	1,131	734	-	-	-	-	-	-	-	-	-
Delta	1,664	1,709	1,741	1,623	2,305	2,730	2,854	2,647	2,649	2,722	2,789	2,533	2,511	2,670	2,753	2,524	2,482	2,720	2,817	2,577	2,584	2,799
Frontier	194	208	214	201	199	217	231	265	264	287	299	260	241	244	245	220	175	191	201	187	167	202
JetBlue	545	560	557	533	576	570	583	579	578	621	645	609	620	648	680	648	653	694	706	677	686	711
Northwest	929	989	1,014	889	305	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Southwest	1,875	1,972	1,887	1,800	1,797	1,964	1,948	1,899	1,934	2,090	2,052	1,941	1,955	2,115	2,105	2,028	2,025	2,264	2,208	2,152	2,204	2,430
United	1,531	1,599	1,644	1,516	1,548	1,608	1,645	1,540	1,482	1,535	1,573	1,390	1,751	2,699	2,752	2,517	2,432	2,673	2,723	2,566	2,494	2,644
US Airways	1,259	1,313	1,298	1,258	1,250	1,299	1,318	1,281	1,274	1,347	1,310	1,251	1,288	1,343	1,315	1,288	1,310	1,385	1,365	1,335	1,381	1,423
Other	520	540	558	537	546	567	592	531	545	586	593	583	624	670	721	694	670	743	771	752	747	789
Total	**12,478**	**13,060**	**13,102**	**12,363**	**12,568**	**13,149**	**13,424**	**12,819**	**12,864**	**13,485**	**13,583**	**12,619**	**12,733**	**13,458**	**13,597**	**12,808**	**12,669**	**13,704**	**13,804**	**13,112**	**13,163**	**13,901**
QOQ Chg					**1%**	**1%**	**2%**	**4%**	**2%**	**3%**	**1%**	**(2%)**	**(1%)**	**(0%)**	**0%**	**1%**	**(1%)**	**2%**	**2%**	**2%**	**4%**	**1%**

Source: Diio Mi Schedule January 2009 through June 2014

Some airlines cut capacity by as much as 10 to 15 percent year-over-year; however, since 2009, airlines have begun to add capacity back into markets. In 2011, airlines began adding back some of the capacity with year-over-year increases compared

to the same quarter in 2010; however, several carriers cut capacity again in the first quarter 2012. By the second quarter 2012, capacity exceeded 2009 levels. The increase is related to the low-fare carriers including Allegiant and JetBlue Airways as well as Alaska Airlines and carriers in the "Other" category. Capacity in each of the first two quarters of 2014 were higher than 2013 and the second, third and fourth quarters in 2013 were higher than 2012.

The industry has also gone through a large scale change in onboard service amenities. Many carriers "unbundled" services that used to be free. Checked baggage fees, paying for food and drink onboard, fuel surcharges, and other fees are designed to keep the airline's fare competitive with the low-cost carriers yet, at the same time, bring in a new stream of ancillary revenue to help offset cost increases and lagging ticket revenues. Airlines are also continuing efforts to lower costs. Fuel management programs and other process efficiencies including keeping airport costs in check help lower costs.

SECTION 2. EXECUTIVE SUMMARY

INFORMATION SOURCES

This report uses Diio Mi onboard, origin and destination, and schedule data. The most recent origin and destination data available is quarter ended June 30, 2014. A glossary of terms is provided in *Appendix A*.

MARKET/AIRPORT OVERVIEW

For year ended June 30, 2014, service was provided by United Airlines and American Airlines. GUC had year round service to Denver by United, seasonal service to Chicago O'Hare and Houston Intercontinental by United and seasonal service to Dallas/Ft. Worth by American. The highest number of annual departures at GUC was in 2007 while the highest number of seats were provided in 2009.

GUC's load factor has steadily improved over the last five years; however, the improvement was at the cost of seat capacity. United's Denver load factor has generally improved quarter-over-quarter with United's seasonal Chicago O'Hare load factors strong in the first quarter 2014 and the seasonal Houston Intercontinental service not performing as well as Chicago. American's load factor improved with the reduction in seat capacity.

TOP MARKETS

From year ended June 30, 2005, to year ended June 30, 2014, GUC's passengers decreased 26 percent or 29 passengers daily each way (PDEW), and airline passenger revenue increased 13 percent. Fares increased by 53 percent since 2005. Recently, passengers decreased from year ended June 30, 2013, to year ended June 30, 2014, by 4 percent while revenue increased 8 percent.

For year ended June 30, 2014, GUC's passengers at 82 PDEW generated $21,015 in airline passenger revenue daily. With 69 percent of GUC seats, United had a 64 percent share of passengers and 68 percent share of revenue. American followed with a 35 percent passenger and 31 percent revenue share.

While United's passengers increased 14 percent, American's passengers decreased 24 percent. Revenue increased for United by 27 percent on an 11 percent increase in fares but revenue decreased for American on a 9 percent increase in fares.

International passengers decreased 24 percent year-over-year. Canada was the top international region followed by Europe.

AIRPORT COMPARISON

GUC ranked 301st in total passengers among U.S. passenger airports for the year ended June 30, 2014. GUC's percent of international passengers was 8 percentage points below the national average of 10 percent. GUC's passengers decreased 4 percent since year ended June 30, 2013, while nationally passengers increased 2 percent.

GUC ranked 287th in revenue, higher than total passengers. GUC's average fare was higher than the national average by 18 percent, ranking 75th of the top 350 passenger airports.

Regionally, GUC ranked 38th of 73 airports in the Northwest Region in terms of passengers. GUC's average airfare was 27 percent greater than the Northwest Region average. While GUC had a 12 percent decrease in seats and 1 percent increase in departures, the Northwest Region had a 1 percent increase in seats and 2 percent loss in departures.

AIRLINE COMPARISON

United Airlines: GUC had the 203rd highest seats and 210th highest departures in United's 237 airport domestic system. GUC's load factor was 14 percentage points below the system average. GUC's passengers increased 14 percent while revenue improved 27 percent on 11 percent fare growth while United's system average had a decline of 1 percent in passengers and an increase in revenue and fare of 3 percent. GUC's Denver revenue per available seat mile (RASM) was above average while GUC's Houston Intercontinental RASM was below average. Insufficient data was available for Chicago O'Hare comparisons.

American Airlines: GUC had the 219th highest seats and 222nd highest departures in American's 224 airport domestic system. GUC's load factor was 8 percentage points below the system average. GUC passengers decreased 24 percent but revenue decreased 17 percent on a 11 percent fare increase. System-wide, American's passengers increased 2 percent while revenue increased 6 percent on a 4 percent fare growth. GUC's RASM performance was at the Dallas/Ft. Worth average.

MARKET OPPORTUNITIES

American Airlines: With existing Dallas/Ft. Worth service, Los Angeles and Phoenix are the top market opportunities for American at GUC; however, Phoenix has historically been a small ski market. Chicago O'Hare service faces several hurdles with low historical load factors and existing seasonal United Chicago O'Hare service; however, if United is not interested in expanding Chicago O'Hare service, American could be approached to provide the service with financial support. Other nonstop American markets are unlikely at GUC.

United Airlines: With existing Denver, Houston and Chicago O'Hare service, the top new market opportunity for United at GUC is nonstop San Francisco service. United has indicated that they will be growing their San Francisco hub and is scheduled to provide service in several other ski markets in 2015. Other United hub markets such as Newark and Washington Dulles are unlikely.

Potential Airlines: GUC's top new airline opportunities are Alaska Airlines Los Angeles service and the return of Delta to Salt Lake City or Atlanta. The primary hurdle will be overcoming the historically low load factors when Delta previously served the market. Other airlines such as Frontier Airlines, JetBlue Airways, Southwest Airlines and Spirit Airlines are unlikely to serve the GUC market in the near term.

MARKET CONSIDERATIONS

A significant number of local and visiting travelers are using alternate airports to access air service, primarily Denver. GUC retains only 23 percent of the market. This high diversion provides an opportunity for an airline to expand or start service at GUC; however, new service additions, particularly in resort markets, rely on airline incentives in the form of revenue guarantees or subsidies. New GUC service will likely need airline incentives to initiate service in the future. Changes in the regional jet fleets which are limiting aircraft availability, and pilot shortages will also impact GUC's ability to add new air service.

SECTION 3. SERVICE OVERVIEW

The first step in evaluating the GUC air service market is understanding past and present airline service. This section provides an overview of: historical, current, and future scheduled airline service; and historical seats, passengers, load factor, and departures.

SCHEDULED AIRLINE SERVICE

Table 3.1 provides GUC's departures by month for the year ended June 30, 2014. Service was provided by United Airlines year round and seasonally and American Airlines seasonally during the 12-month period. GUC had service to four hubs including Denver year round and Chicago O'Hare, Dallas/Ft. Worth, and Houston Intercontinental seasonally. For six months of the year, GUC had seven to eight weekly roundtrips, primarily to Denver, increasing to 13 to 14 weekly roundtrips in July and August. For the winter season, service increases to 16 to 22 weekly roundtrips with service to four hubs.

TABLE 3.1 GUC AIRLINE SERVICE - DEPARTURES/SEATS

		CY 2013						CY 2014					
DESTINATION	AIRLINE	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Chicago, IL (ORD)	United	0	0	0	0	0	2	1	2	5	0	0	0
Dallas, TX (DFW)	American	0	0	0	0	0	13	31	28	31	0	0	0
Denver, CO	United	61	58	33	31	30	44	37	39	58	31	31	30
Houston, TX (IAH)	United	0	0	0	0	0	13	6	2	5	0	0	3
Total flights per month		**61**	**58**	**33**	**31**	**30**	**72**	**75**	**71**	**99**	**31**	**31**	**33**
Total seats per month		**3,050**	**2,900**	**1,650**	**1,550**	**1,500**	**5,972**	**7,196**	**6,670**	**8,298**	**1,550**	**1,550**	**1,710**

The primary changes during the 12-month period was due to seasonality of service. Seat capacity also fluctuated due to changes in aircraft during seasonal peaks. For example, during the winter peak season, United upgrades Denver service from 50-seat Embraer Regional Jet aircraft (ERJ) to 66-seat Canadair Regional Jet (CRJ)-700 aircraft.

Table 3.2 shows annual scheduled airline service for 2005 through 2014. The highest service levels at GUC based on departures was in 2007 led by increased Denver service; however, the highest number of seats were provided in 2009 with seasonal service to Atlanta, Chicago O'Hare, Dallas/Ft. Worth, and Salt Lake City. Since 2009, departures and seats have dropped significantly with United reducing frequency to Denver by 50 percent over the five-year period.

TABLE 3.2 GUC HISTORICAL SCHEDULED AIRLINE SERVICE

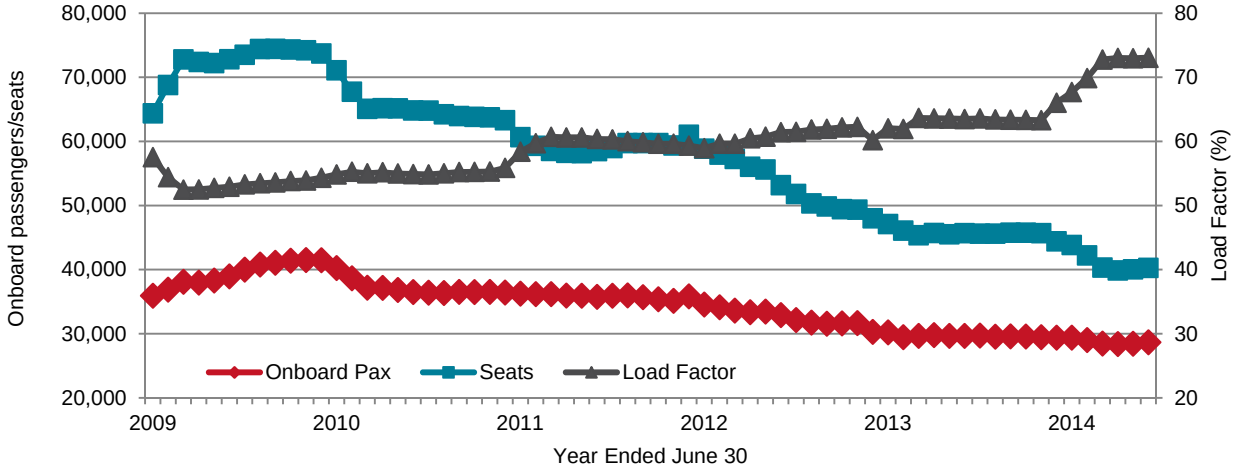
DESTINATION	AIRLINE	ANNUAL FLIGHTS									
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Atlanta, GA	Delta	14	0	0	2	15	13	0	0	0	0
Chicago, IL (ORD)	American	0	0	0	2	14	0	0	0	0	0
	United	0	0	0	0	0	0	0	0	2	12
Dallas, TX (DFW)	American	17	119	128	111	112	127	208	107	100	110
	United	57	0	0	0	0	0	0	0	0	0
Denver, CO	United	1,062	1,126	1,145	831	966	674	580	483	490	482
Houston, TX (IAH)	United	100	0	0	0	0	16	86	28	22	42
Salt Lake City, UT	Delta	0	0	0	14	93	51	0	0	0	0
Annual flights		**1,250**	**1,245**	**1,273**	**960**	**1,200**	**881**	**874**	**618**	**614**	**646**
Annual seats		**64,068**	**73,722**	**70,918**	**62,864**	**76,105**	**65,645**	**63,995**	**49,915**	**47,864**	**45,736**

Note: Scheduled departures/seats

LOAD FACTOR, AVAILABLE SEATS, AND PASSENGERS

Exhibit 3.1 shows GUC's available seats, onboard passengers, and load factors on a year ended basis.

EXHIBIT 3.1 LOAD FACTOR, AVAILABLE SEATS, AND ONBOARD PASSENGERS



Seasonal Fluctuations
Total seats and seats per departure fluctuate significantly seasonally.

GUC's load factor has steadily improved over the last five years; however, the improvement was at the cost of seat capacity. In 2014, GUC has experienced its highest average load factors but lowest level of seats. Onboard passengers have also declined but not at the same pace as seats.

Table 3.3 provides a review of departures, load factor, and seats by market for each nonstop destination and carrier for the last 12 calendar quarters. On average, load factors ranged from 56 percent in the fourth quarter of 2012 to as high as 78 percent in the third quarter of 2012. Total seats and seats per departure fluctuate significantly seasonally.

TABLE 3.3 DEPARTURES, LOAD FACTOR, AND SEATS BY MARKET

DESTINATION	AIRLINE	DATA ITEM	2011		2012				2013				2014	
			3	4	1	2	3	4	1	2	3	4	1	2
Chicago, IL (ORD)	United	Departures	0	0	0	0	0	0	0	0	0	0	5	0
		Load Factor	0	0	0	0	0	0	0	0	0	0	90	0
		Seats	0	0	0	0	0	0	0	0	0	0	297	0
		Seats/dept	0	0	0	0	0	0	0	0	0	0	66	0
Dallas, TX (DFW)	American	Departures	0	17	85	0	0	18	83	0	0	13	86	0
		Load Factor	0	65	60	0	0	55	64	0	0	72	76	0
		Seats	0	3,202	16,010	0	0	3,292	15,183	0	0	1,664	10,944	0
		Seats/dept	0	188	188	0	0	183	183	0	0	128	128	0
Denver, CO	United	Departures	164	105	134	86	150	102	122	89	152	100	122	88
		Load Factor	67	54	64	62	78	60	66	58	76	62	72	62
		Seats	10,824	6,561	8,811	4,300	7,500	5,276	8,139	4,623	7,575	5,383	7,532	4,375
		Seats/dept	66	63	66	50	50	52	67	52	50	54	62	50
Houston, TX (IAH)	United	Departures	0	14	14	0	0	9	5	0	0	11	9	3
		Load Factor	0	70	52	0	0	56	72	0	0	71	66	77
		Seats	0	1,736	1,736	0	0	1,080	600	0	0	1,260	1,036	198
		Seats/dept	0	124	124	0	0	120	120	0	0	120	122	66
Total		**Departures**	**164**	**136**	**233**	**86**	**150**	**129**	**210**	**89**	**152**	**123**	**221**	**91**
		Load Factor	**67**	**64**	**60**	**62**	**78**	**56**	**65**	**58**	**76**	**69**	**75**	**65**
		Seats	**10,824**	**11,499**	**26,557**	**4,300**	**7,500**	**9,648**	**23,922**	**4,623**	**7,575**	**8,307**	**19,809**	**4,573**
		Seats/dept	**66**	**85**	**114**	**50**	**50**	**75**	**114**	**52**	**50**	**68**	**90**	**51**

On a market-by-market basis:

- United's Denver load factors have improved quarter-over-quarter in 2014. United's Chicago O'Hare load factors were strong in the first quarter 2014 at 90 percent, albeit only five departures were provided. The seasonal Houston Intercontinental service did not perform as well as Chicago; however, performance was in line if not somewhat improved compared to prior years.
- While American provided slightly less departures and fewer seats with the use of lower capacity aircraft in 2014 than in prior years, load factors improved.

SUMMARY OF MAIN POINTS

- For year ended June 30, 2014, service was provided by United and American. GUC had year round service to Denver by United, seasonal service to Chicago O'Hare and Houston Intercontinental by United and seasonal service to Dallas/Ft. Worth by American.
- The highest service levels at GUC based on departures was in 2007, while the highest number of seats were provided in 2009. Since 2009, departures and seats have dropped significantly with United reducing frequency to Denver by 50 percent over the five-year period.
- GUC's load factor has steadily improved over the last five years; however, the improvement was at the cost of seat capacity. United's Denver load factor has generally improved quarter-over-quarter with United's seasonal Chicago O'Hare load factors strong in the first quarter 2014 and the seasonal Houston Intercontinental service not performing as well as Chicago. American's load factor improved with the reduction in seat capacity.

SECTION 4. TOP ORIGIN AND DESTINATION MARKETS

This section provides information on GUC's top origin and destination markets. Passengers, fares and revenue are detailed by market. These comparisons are also shown for the major carriers serving GUC.

PASSENGER, REVENUE AND FARE TRENDS

Exhibit 4.1 shows the trend from 2005 through 2014 for the year ended June 30 for GUC's origin and destination passengers and revenue. Over the 10-year period GUC's average passengers decreased 26 percent or 29.1 PDEW; airline passenger revenue, however, increased 13 percent. Passengers and revenue peaked in 2006 with 125.6 PDEW and $23,173 daily revenue each way. Recently passengers decreased from 2013 to 2014 by 4 percent while revenue increased 8 percent.

EXHIBIT 4.1 GUC PASSENGER AND REVENUE TREND

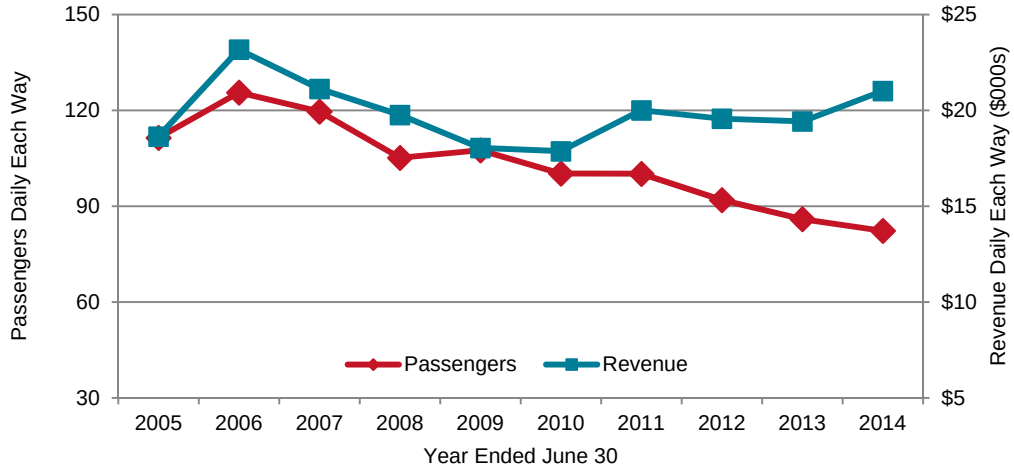


Exhibit 4.2 shows the changes in GUC fares over time. Average fares increased significantly from 2009 to 2014 with an increase of 52 percent. Fares reached a 10-year high in 2014 at an average of $255. Prior to 2012, fares averaged less than $200 one-way. The largest single year increase was from 2013 to 2014 at an increase of 13 percent.

Exhibit 4.3 summarizes these changes over time. From 2005 to 2007, GUC passengers increased 7 percent while fares increased 6 percent leading to a revenue increase of 13 percent. From 2007 to 2011 passengers decreased 16 percent while fares increased 13 percent and revenue decreased 5 percent. From 2011 to 2014, there was a decrease in passengers of 18 percent while fares increased 28 percent, and revenue increased 5 percent.

GUC passengers over the last decade, from 2005 to 2014, decreased significantly at 26 percent while fares increased 53 percent leading to a revenue improvement of 13 percent.

EXHIBIT 4.2 AVERAGE FARE TREND

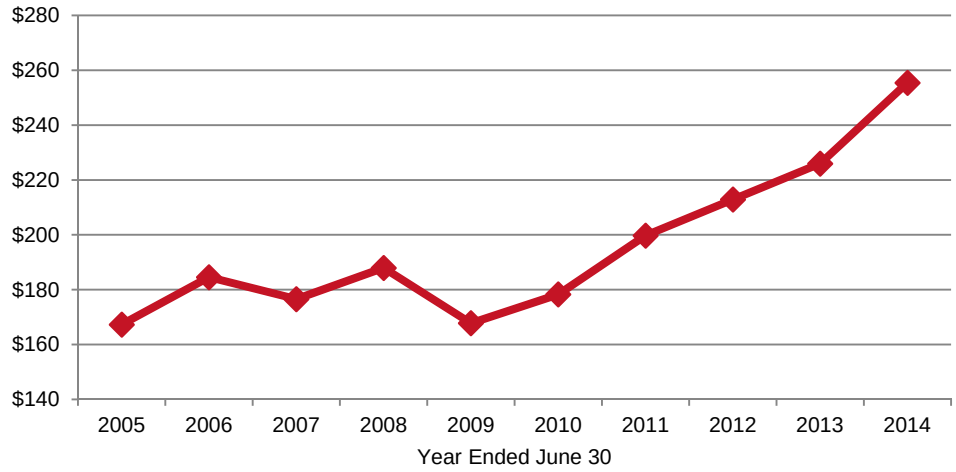
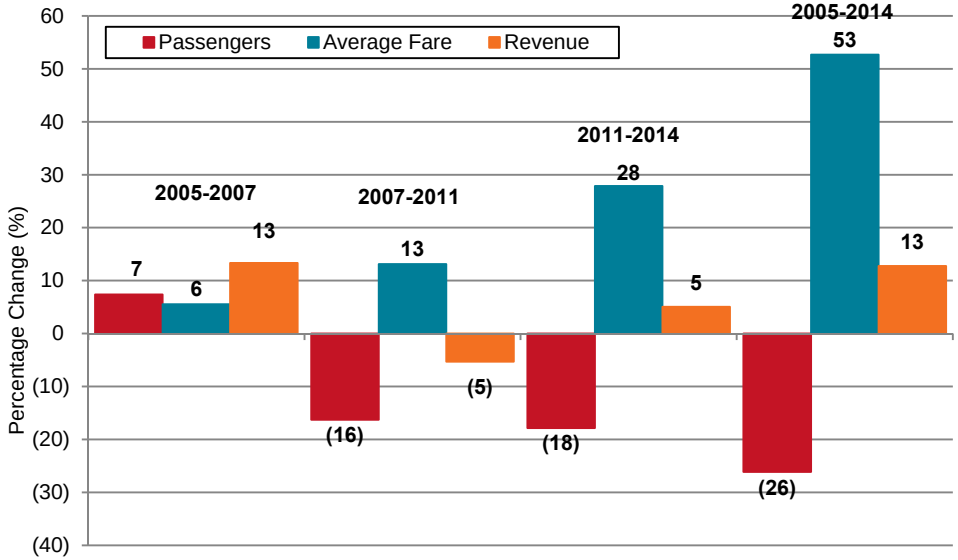


EXHIBIT 4.3 SUMMARY OF PASSENGER, REVENUE AND FARE CHANGES (YE 2Q)



TOP 25 ORIGIN AND DESTINATION MARKETS

Table 4.1 shows GUC's top 25 origin and destination markets for the year ended June 30, 2014. Based on U.S. Department of Transportation (DOT) airline reported data, GUC served an average of 82 origin and destination PDEW generating $21,015 in daily origin and destination airline revenue. The net change from 2013 to 2014 was a 4 percent decrease in GUC passenger traffic on a 12 percent decrease in seats. With a 13 percent average fare increase year-over-year, total GUC passenger revenue increased 8 percent. The top five airport destinations included Dallas/Ft. Worth, Houston Intercontinental, Austin, Chicago O'Hare and New York LaGuardia.

Overall only 19 percent of passengers on GUC flights originated from the Gunnison region, but there are significant variances by market. Markets with greater than 30 percent origination from GUC included Denver and Los Angeles while markets with less than 10 percent origination from GUC included Baltimore and Shreveport. This type of information can be useful in strategic marketing efforts.

TABLE 4.1 GUC TOP 25 ORIGIN AND DESTINATION PASSENGER MARKETS

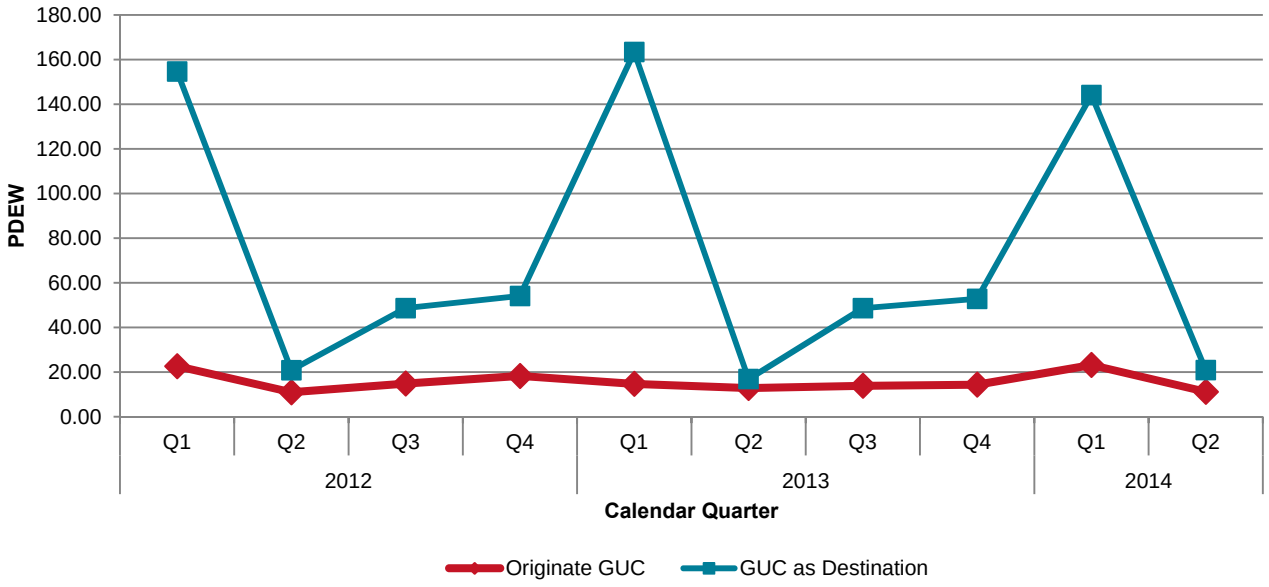
		YE 2Q 2014 - DAILY EACH WAY				% CHANGE VS 2013			
RANK	AIRPORT	PAX	% ORIGIN GUC	REV ($)	FARE ($)	PAX	REV	FARE	SEATS
1	Dallas, TX (DFW)	13.7	11	2,852	208	(10)	11	22	(32)
2	Houston, TX (IAH)	8.9	13	2,179	245	22	41	16	48
3	Austin, TX	3.7	12	892	239	3	16	13	-
4	Chicago, IL (ORD)	3.5	21	798	230	48	56	5	-
5	New York, NY (LGA)	3.1	24	919	292	19	39	17	-
6	Boston, MA	2.5	18	630	257	11	10	(1)	-
7	Denver, CO	2.0	41	238	117	(58)	(63)	(12)	(3)
8	Atlanta, GA	2.0	18	478	236	(43)	(27)	27	-
9	San Antonio, TX	1.6	10	394	249	(11)	(5)	7	-
10	Tampa, FL	1.5	13	483	322	4	34	29	-
11	Los Angeles, CA	1.4	31	332	230	(10)	(9)	2	-
12	San Francisco, CA	1.4	26	363	253	(11)	(3)	10	-
13	Washington, DC (IAD)	1.4	31	385	284	4	36	30	-
14	Oklahoma City, OK	1.2	19	321	258	(9)	4	14	-
15	Fort Lauderdale, FL	1.2	12	304	249	39	61	16	-
16	Tulsa, OK	1.1	22	286	269	(33)	(20)	19	-
17	New Orleans, LA	1.0	14	307	321	(6)	22	29	-
18	Philadelphia, PA	0.9	24	285	303	(7)	6	13	-
19	Newark, NJ	0.9	25	319	346	(36)	(22)	22	-
20	Minneapolis, MN	0.8	25	201	237	(14)	2	18	-
21	Little Rock, AR	0.8	16	198	237	16	14	(2)	-
22	Baltimore, MD	0.8	3	226	278	(13)	12	28	-
23	St. Louis, MO	0.8	23	224	277	(11)	18	33	-
24	Orlando, FL (MCO)	0.7	21	182	245	(25)	(34)	(12)	-
25	Shreveport, LA	0.7	2	155	221	102	60	(21)	-
All GUC markets		**82.3**	**19**	**21,015**	**255**	**(4)**	**8**	**13**	**(12)**

ORIGINATING VERSUS DESTINATION PASSENGERS

To further show the breakout between originating (i.e. local) passengers versus destination (i.e. visiting) passengers, **Exhibit 4.4** provides PDEW by quarter since 2012 with a breakout of originating and destination passengers. The chart shows that a much higher percentage of passengers are visiting GUC versus originating from the area. This indicates that improvements to air service should focus on the visiting traveler versus local travel needs as is common in resort markets.

The chart also shows how seasonal the GUC market is. PDEW increase significantly in the first quarter of each year for the winter ski season and drop to the lowest levels in the second quarter of each year. The third and fourth quarters increase somewhat but are still far below the levels in the first quarter. Much of this increase reflects not only visitor demand but available levels of commercial air service with airlines adding seat capacity in the first quarter.

EXHIBIT 4.4 GUC PDEW BY POINT OF SALE



TOP 25 ORIGIN AND DESTINATION MARKETS BY AIRLINE

Table 4.2 shows the breakdown of passengers and revenue for the top 25 GUC markets by airline for the year ended June 30, 2014. With 69 percent of GUC seats, United Airlines had a 64 percent share of passengers and 68 percent share of revenue. American Airlines followed with a 35 percent passenger share and 31 percent revenue share on a 31 percent seat share. United had the highest average fare serving the market, at an average of $271, $46 higher than American's average.

TABLE 4.2 GUC TOP 25 ORIGIN AND DESTINATION MARKETS BY AIRLINE (PDEW YE 2Q 2014)

		PASSENGERS			REVENUE ($000S)			FARE ($)	
RANK	AIRPORT	UA	AA	OTHER	UA	AA	OTHER	UA	AA
1	Dallas, TX (DFW)	3.1	10.6	0.0	851	2,001	0	275	188
2	Houston, TX (IAH)	8.4	0.5	0.0	2,063	116	0	246	225
3	Austin, TX	2.5	1.2	0.0	619	273	0	248	222
4	Chicago, IL (ORD)	3.0	0.4	0.0	724	75	0	238	172
5	New York, NY (LGA)	2.6	0.6	0.0	843	75	0	326	135
6	Boston, MA	1.7	0.8	0.0	452	179	0	271	226
7	Denver, CO	2.0	0.1	0.0	228	10	0	115	199
8	Atlanta, GA	0.9	1.1	0.0	217	245	16	244	221
9	San Antonio, TX	1.0	0.6	0.0	272	123	0	266	219
10	Tampa, FL	0.6	0.9	0.0	196	287	0	322	322
11	Los Angeles, CA	1.3	0.1	0.0	318	15	0	236	149
12	San Francisco, CA	1.4	0.0	0.0	360	3	0	254	198
13	Washington, DC (IAD)	1.3	0.1	0.0	371	14	0	285	255
14	Oklahoma City, OK	0.9	0.3	0.0	253	68	0	279	202
15	Fort Lauderdale, FL	0.7	0.5	0.0	203	101	0	289	195
16	Tulsa, OK	0.8	0.3	0.0	212	74	0	281	241
17	New Orleans, LA	0.7	0.3	0.0	221	86	0	339	283
18	Philadelphia, PA	0.6	0.4	0.0	170	115	0	291	322
19	Newark, NJ	0.9	0.1	0.0	308	11	0	361	163
20	Minneapolis, MN	0.7	0.2	0.0	163	38	0	242	217
21	Little Rock, AR	0.4	0.5	0.0	107	91	0	278	201
22	Baltimore, MD	0.6	0.3	0.0	149	78	0	268	298
23	St. Louis, MO	0.6	0.2	0.0	183	41	0	287	240
24	Orlando, FL (MCO)	0.3	0.4	0.0	78	104	0	245	244
25	Shreveport, LA	0.3	0.4	0.0	74	81	0	216	226
All markets		**53.0**	**29.0**	**0.3**	**14,346**	**6,502**	**167**	**271**	**225**
Market share		**64**	**35**	**0**	**68**	**31**	**1**		

Table 4.3 shows the top 25 markets for United to/from GUC. Only the top market, Houston Intercontinental, averaged more than five PDEW. Overall GUC's United traffic was up a significant 14 percent with revenue increasing 27 percent on an 11 percent increase in fares. United's increases are due to seasonal Chicago O'Hare service in 2014 as well as additional seasonal service to Houston with an increase of 32 percent in scheduled departures and 25 percent in scheduled seats. On a market-by-market basis, six markets had passenger increases of 50 percent or greater with the largest percentage increases in the Chicago O'Hare (85 percent), San Antonio (92 percent), Fort Lauderdale (178 percent), and Seattle (76 percent) markets. None of the markets had passenger decreases of the same magnitude; however, the Denver market decreased 43 percent, Atlanta decreased 29 percent and Tampa decreased 28 percent.

TABLE 4.3 UNITED AIRLINES' GUC TOP 25 ORIGIN AND DESTINATION PASSENGER MARKETS

RANK	AIRPORT	YE 2Q 2014 – DAILY EACH WAY			% CHANGE VS 2013		
		PAX	REV ($)	FARE ($)	PAX	REV	FARE
1	Houston, TX (IAH)	8.4	2,063	246	37	58	16
2	Dallas, TX (DFW)	3.1	851	275	10	52	39
3	Chicago, IL (ORD)	3.0	724	238	85	93	5
4	New York, NY (LGA)	2.6	843	326	61	95	22
5	Austin, TX	2.5	619	248	67	81	8
6	Denver, CO	2.0	228	115	(43)	(56)	(22)
7	Boston, MA	1.7	452	271	2	12	10
8	San Francisco, CA	1.4	360	254	(9)	1	11
9	Los Angeles, CA	1.3	318	236	(11)	(7)	4
10	Washington, DC (IAD)	1.3	371	285	26	73	38
11	San Antonio, TX	1.0	272	266	92	94	1
12	Oklahoma City, OK	0.9	253	279	18	43	21
13	Atlanta, GA	0.9	217	244	(29)	(12)	24
14	Newark, NJ	0.9	308	361	(25)	(10)	20
15	Tulsa, OK	0.8	212	281	(18)	(9)	12
16	Fort Lauderdale, FL	0.7	203	289	178	254	27
17	Minneapolis, MN	0.7	163	242	(17)	(2)	19
18	New Orleans, LA	0.7	221	339	41	118	55
19	St. Louis, MO	0.6	183	287	15	52	33
20	Tampa, FL	0.6	196	322	(28)	(13)	20
21	Kansas City, MO	0.6	143	238	(4)	23	28
22	Philadelphia, PA	0.6	170	291	14	14	(1)
23	Pittsburgh, PA	0.6	161	285	35	90	40
24	Baltimore, MD	0.6	149	268	(2)	22	25
25	Seattle, WA	0.5	175	330	76	139	36
Total UA markets		**53.0**	**14,346**	**271**	**14**	**27**	**11**

Declining Passengers and Revenue
American experienced significant declines year-over-year, with a passenger decrease of 24 percent and revenue decrease of 17 percent.

Table 4.4 shows the top 25 markets for American Airlines to/from GUC. Unlike United with improvements in passengers and revenue, American experienced significant declines year-over-year. American's passengers decreased 24 percent while revenue decreased 17 percent on a 9 percent increase in fares. The decrease was largely attributed to a decrease of 31 percent in scheduled seats for the year ended June 30, 2014, compared to the year ended June 30, 2013.

American's top five markets were Dallas/Ft. Worth, Austin, Atlanta, Tampa and Boston, with Dallas/Ft. Worth having more than 10 PDEW. Seven of the top 25 markets experienced passenger increases with the Little Rock market increasing by 84 percent. Five markets had passenger decreases by more than 50 percent including Atlanta, San Antonio, Houston Intercontinental, Nashville and Tulsa.

TABLE 4.4 AMERICAN AIRLINES' GUC TOP 25 ORIGIN AND DESTINATION PASSENGER MARKETS

		YE 2Q 2014 – DAILY EACH WAY			% CHANGE VS 2013		
RANK	AIRPORT	PAX	REV ($)	FARE ($)	PAX	REV	FARE
1	Dallas, TX (DFW)	10.6	2,001	188	(14)	(1)	15
2	Austin, TX	1.2	273	222	(41)	(34)	13
3	Atlanta, GA	1.1	245	221	(51)	(39)	23
4	Tampa, FL	0.9	287	322	49	115	44
5	Boston, MA	0.8	179	226	38	8	(22)
6	San Antonio, TX	0.6	123	219	(55)	(56)	(1)
7	New York, NY (LGA)	0.6	75	135	(46)	(67)	(39)
8	Houston, TX (IAH)	0.5	116	225	(56)	(52)	9
9	Fort Lauderdale, FL	0.5	101	195	(17)	(24)	(8)
10	Little Rock, AR	0.5	91	201	84	78	(3)
11	Chicago, IL (ORD)	0.4	75	172	(38)	(46)	(12)
12	Orlando, FL (MCO)	0.4	104	244	(20)	(30)	(12)
13	Birmingham, AL	0.4	116	284	12	24	11
14	Charlotte-Douglas, NC	0.4	119	294	(22)	(10)	15
15	West Palm Beach, FL	0.4	105	275	3	8	4
16	Raleigh/Durham, NC	0.4	96	252	(45)	(30)	26
17	Shreveport, LA	0.4	81	226	33	17	(12)
18	Philadelphia, PA	0.4	115	322	(29)	(5)	34
19	Nashville, TN	0.3	93	271	(53)	(31)	45
20	Oklahoma City, OK	0.3	68	202	(44)	(48)	(8)
21	Tulsa, OK	0.3	74	241	(53)	(41)	27
22	New Orleans, LA	0.3	86	283	(45)	(43)	4
23	Baton Rouge, LA	0.3	75	253	10	32	20
24	Houston, TX (HOU)	0.3	76	278	(43)	(23)	34
25	Washington, DC (DCA)	0.3	68	257	(25)	23	64
Total AA markets		**29.0**	**6,502**	**225**	**(24)**	**(17)**	**9**

TOP RESORT AIRPORT MARKETS

To determine market strength, it can be helpful to review GUC against other resort markets. **Table 4.5** provides an overview of the top 25 markets to/from resort airports. The percentage share GUC was of the total is provided to demonstrate which markets GUC has the greatest strength in comparison to the other resort airports. Of note are the Texas markets of Dallas/Ft. Worth, Houston Intercontinental and Austin. In each of these markets, GUC had a higher than average share of the total. While not shown, other Texas markets such as San Antonio also had a higher than average share. These higher than average shares are indicative of the nonstop service at GUC. It is likely that GUC's share in non-Texas markets would increase with additional nonstop service.

TABLE 4.5 TOP WINTER SKI AIRPORTS ORIGIN AND DESTINATION MARKETS (1Q 2014 ONLY)

RANK	AIRPORT	RESORT AIRPORT - PDEW								TOTAL	GUC % SHARE
		EGE	ASE	JAC	HDN	MTJ	SUN	GUC	MMH		
1	Los Angeles, CA	54.9	111.5	45.9	16.1	41.6	39.7	1.6	57.6	368.9	0.4
2	Chicago, IL (ORD)	80.0	67.9	43.5	46.6	24.0	4.4	7.0	1.7	275.1	2.5
3	Dallas, TX (DFW)	88.3	20.0	32.9	45.9	24.4	3.1	35.2	1.5	251.3	14.0
4	Houston, TX (IAH)	57.4	42.6	17.5	56.6	34.2	1.7	15.8	0.8	226.7	7.0
5	New York, NY (LGA)	29.2	73.7	42.6	22.6	22.1	0.5	6.0	0.1	196.7	3.0
6	Newark, NJ	79.1	29.1	37.2	21.6	23.1	2.4	2.0	1.8	196.3	1.0
7	Atlanta, GA	51.2	20.6	29.2	35.9	15.1	3.0	5.1	0.5	160.5	3.2
8	San Francisco, CA	13.3	50.4	34.8	9.1	9.4	21.0	2.2	18.1	158.4	1.4
9	Miami, FL	115.6	17.3	6.5	8.3	5.3	1.0	0.8	0.4	155.1	0.5
10	New York, NY (JFK)	99.3	1.2	14.2	0.5	0.2	9.6	0.1	1.6	126.6	0.0
11	Boston, MA	20.8	18.3	35.6	14.9	12.6	2.8	5.2	1.2	111.5	4.7
12	Denver, CO	3.1	16.2	31.9	4.1	14.5	2.8	2.6	1.0	76.3	3.4
13	Seattle, WA	1.5	7.1	13.1	11.3	4.0	42.7	0.8	3.0	83.5	1.0
14	Minneapolis, MN	11.0	14.3	14.7	21.7	3.6	2.4	1.1	0.3	69.1	1.6
15	Philadelphia, PA	10.3	14.9	19.9	11.5	6.5	2.5	1.8	0.3	67.7	2.7
16	Fort Lauderdale, FL	15.3	19.4	6.6	12.5	6.0	0.7	3.4	0.1	64.0	5.3
17	Austin, TX	10.9	10.5	10.1	13.9	8.9	1.2	7.3	0.6	63.6	11.5
18	San Diego, CA	3.7	5.9	12.9	3.2	2.1	4.3	0.6	30.0	62.6	0.9
19	Washington, DC (IAD)	8.9	20.7	15.9	8.4	5.6	0.4	2.1	0.9	63.0	3.4
20	Tampa, FL	18.1	11.1	8.5	13.4	6.0	0.3	4.1	0.1	61.7	6.6
21	Washington, DC (DCA)	10.6	10.8	21.2	6.4	5.6	2.4	1.0	0.5	58.5	1.6
22	Orlando, FL (MCO)	11.3	11.7	13.4	11.5	4.1	1.4	1.9	0.8	56.1	3.4
23	Detroit, MI	6.9	13.6	10.6	7.3	3.9	0.7	1.5	0.3	44.8	3.4
24	Baltimore, MD	6.2	8.8	11.8	5.7	4.3	1.5	1.7	0.1	40.1	4.2
25	New Orleans, LA	8.4	7.1	4.7	10.6	2.8	0.3	1.8		35.6	5.1
Total		**1,192.6**	**940.4**	**867.5**	**641.3**	**451.8**	**203.5**	**167.3**	**144.6**	**4,608.8**	**3.6**

Source: Diio Mi, Quarter Ended March 31, 2014

INTERNATIONAL MARKETS

Overall international passengers have decreased 24 percent since the year ended June 30, 2013. **Table 4.6** shows international traffic broken down by region and the change since 2013. Canada was the largest region followed by Europe. All regions with the exception of Canada, Europe and the Middle East experienced passenger declines with the Caribbean declining by the greatest percentage. International passenger revenue declined 40 percent on a 21 percent decline in fares.

TABLE 4.6 GUC INTERNATIONAL PASSENGERS BY REGION

REGION	YE 2Q 2014 - DAILY EACH WAY			% CHANGE VS 2013		
	PAX	REV ($)	FARE ($)	PAX	REV	FARE
Canada	0.4	145	322	34	(2)	(27)
Europe	0.4	226	516	11	5	(5)
Mexico & Central America	0.4	121	304	(40)	(52)	(20)
South America	0.1	64	784	(64)	(73)	(25)
Middle East	0.1	56	754	51	(67)	(78)
Asia	0.0	84	2,034	(23)	(2)	28
Caribbean	0.0	15	584	(91)	(84)	76
Australia & Oceania	0.0	10	648	-	-	-
Total International	**1.5**	**719**	**472**	**(24)**	**(40)**	**(21)**

SUMMARY OF MAIN POINTS

- From year ended June 30, 2005, to year ended June 30, 2014, GUC's passengers decreased 26 percent or 29.1 PDEW; airline passenger revenue, however, increased 13 percent. Average fares increased a significant 53 percent. Recently passengers decreased from 2013 to 2014 by 4 percent while revenue increased 8 percent.
- For year ended June 30, 2014, GUC's passengers at 82 PDEW generated $21,015 in airline passenger revenue daily.
- With 69 percent of GUC year ended June 30, 2014, seats, United had a 64 percent share of passengers and 68 percent share of revenue. American followed with a 35 percent passenger and 31 percent revenue share.
- While United's passengers increased 14 percent, American's passengers decreased 24 percent. United's fare increased 11 percent leading to a 27 percent increase in revenue. American's fare increased 9 percent resulting in a 17 percent decline in revenue.
- International passengers decreased 24 percent year-over-year. Canada was the top international region followed by Europe.

SECTION 5. AIRPORT COMPARISON

The Airport Comparison section provides a benchmark comparison. This section compares GUC's performance to other airports across the U.S. at the aggregate level. Comparisons include passengers, revenue, fares, seats, departures and average load factor to similarly sized markets. GUC is also compared to Northwest Region airports.

TABLE 5.1 US AIRPORTS COMPARISON RANKED BY TOTAL PASSENGERS (NON-DIRECTIONAL)

		YE 2Q 2014 - DAILY EACH WAY					% CHANGE YOY		
RANK	AIRPORT	TOTAL PAX	DOM PAX	INTL PAX	% INTL	% ORIGIN	TOTAL PAX	DOM PAX	INTL PAX
289	Worcester, MA	97	96	1	1	75	0	0	0
290	Valdosta, GA	97	91	6	6	61	(3)	(4)	2
291	Texarkana, AR	96	91	5	5	57	22	24	3
292	King Salmon, AK	95	95	0	0	46	1	1	(61)
293	New Haven, CT	95	90	5	5	43	(9)	(10)	8
294	Walla Walla, WA	94	91	3	3	55	6	7	(3)
295	Dubuque, IA	91	86	5	6	61	8	9	(9)
296	Roswell, NM	90	85	5	6	52	(1)	(0)	(7)
297	Brunswick, GA	88	84	5	5	41	2	1	19
298	Homer, AK	87	86	0	0	48	(3)	(3)	111
299	Cody, WY	86	81	5	6	39	7	5	70
300	Twin Falls, ID	83	80	3	4	37	22	21	49
301	Gunnison, CO	82	81	2	2	19	(4)	(4)	(24)
302	Butte, MT	82	81	1	1	32	30	30	140
303	Albany, GA	82	78	4	5	53	(8)	(9)	9
304	Columbus, OH	79	79	0	0	53	188	188	-
305	Dutch Harbor, AK	78	78	0	0	48	(3)	(3)	11
306	Pellston, MI	77	73	4	5	41	5	4	24
307	Gillette, WY	77	74	3	4	49	(10)	(10)	(21)
308	Mammoth Lakes, CA	74	72	2	3	25	(10)	(11)	26
309	Hancock, MI	73	65	8	11	56	(2)	(4)	18
310	Cordova, AK	72	72	0	0	55	7	7	(27)
311	Aberdeen, SD	71	70	2	3	37	5	4	32
312	Sioux City, IA	70	64	5	7	55	(3)	(3)	(4)
313	Garden City, KS	69	62	7	10	60	13	12	26
	Total all US markets	**1,364,592**	**1,221,577**	**143,014**	**10**	**-**	**2**	**1**	**4**

RANKING OF U.S. AIRPORTS

Table 5.1 provides a ranking and comparison of U.S. airports by total, domestic and international passengers. GUC ranked 301st in total passengers of all U.S. airports and was ranked 301st in domestic passengers. In terms of international passengers only, GUC ranked 305th. International passengers accounted for 2 percent of GUC's total passengers. GUC's percent of international passengers was 8 percentage points lower than the national average. In comparison, Montrose ranked 235th in total passengers (238 PDEW) with 5 percent representing international passengers.

Compared to year ended June 30, 2013, GUC's total PDEW and domestic PDEW decreased by 4 percent, while GUC's international PDEW decreased 24 percent. Comparatively, total passengers increased nationally by 2 percent while domestic passengers increased 1 percent and international passengers increased 4 percent. Montrose's total passengers increased 8 percent.

GUC Revenue Increased at a Higher Rate
Compared to 2013, GUC's revenue increased by 8 percent, while nationally revenue increased 5 percent.

Table 5.2 shows a ranking of revenue for all U.S. passenger airports. GUC ranked 287th. This is a higher ranking than passengers due to GUC's higher than average fare. GUC's average fare is higher than the national average by 18 percent. Of the 24 comparison markets shown, 17 airports had an average fare lower than GUC's average fare. GUC's yield at 23.6 cents is higher than the national average by 50 percent, while GUC's average itinerary miles was 22 percent below the national average. Compared to year ended June 30, 2013, GUC's revenue increased by 8 percent, while nationally revenue increased 5 percent. In comparison to Montrose, Montrose ranked 217th in revenue with an average fare of $260, $5 higher than GUC, and increased 14 percent.

TABLE 5.2 US AIRPORTS COMPARISON RANKED BY TOTAL REVENUE

		YE 2Q 2014 - DAILY EACH WAY					% CHANGE YOY			
RANK	AIRPORT	REV ($)	FARE ($)	YIELD (¢)	ITIN MILES	PAX RANK	REV	FARE	YIELD	PAX
275	Grand Island, NE	24,418	155	14.8	1,045	259	5	(2)	(1)	7
276	Latrobe, PA	24,337	70	8.5	822	207	40	17	14	20
277	Roswell, NM	23,855	265	26.5	999	296	(5)	(4)	(0)	(1)
278	Albany, GA	23,014	281	27.7	1,015	303	(1)	8	7	(8)
279	Niagara Falls, NY	22,867	83	7.9	1,046	223	16	12	12	4
280	Cody, WY	22,424	262	22.8	1,149	299	19	11	1	7
281	Brunswick, GA	22,131	251	24.2	1,035	297	7	5	(2)	2
282	Texarkana, AR	21,807	226	22.5	1,007	291	(1)	(19)	(13)	22
283	Pellston, MI	21,620	282	24.5	1,152	306	8	3	(0)	5
284	New Haven, CT	21,606	228	19.3	1,179	293	(1)	9	10	(9)
285	King Salmon, AK	21,204	223	34.4	649	292	(3)	(4)	(4)	1
286	Santa Maria, CA	21,120	167	15.8	1,052	278	(0)	5	9	(5)
287	Gunnison, CO	21,015	255	23.6	1,083	301	8	13	10	(4)
288	Pullman, WA	20,504	196	20.8	940	286	7	1	(5)	6
289	Dubuque, IA	20,307	222	19.7	1,129	295	1	(6)	(5)	8
290	Gillette, WY	19,875	260	28.0	928	307	(6)	4	9	(10)
291	Beaumont/Pt. Arthur, TX	19,803	185	22.2	833	284	104	(9)	3	123
292	Redding, CA	19,213	284	17.5	1,625	315	(9)	1	5	(10)
293	Hancock, MI	18,938	261	18.9	1,379	309	2	4	(3)	(2)
294	Martha's Vineyard, MA	17,706	136	35.4	384	275	18	8	1	9
295	Twin Falls, ID	17,546	212	25.6	829	300	24	1	(2)	22
296	Garden City, KS	17,270	252	22.5	1,118	313	30	15	12	13
297	Joplin, MO	16,895	247	22.8	1,083	314	(2)	(4)	(3)	2
298	Sioux City, IA	16,796	241	22.4	1,078	312	0	3	2	(3)
299	Williamsport, PA	16,486	251	21.0	1,193	319	(10)	(8)	(5)	(2)
Total US domestic markets		**296,127,633**	**217**	**15.7**	**1,382**	**-**	**5**	**3**	**3**	**2**

Table 5.3 provides a ranking of GUC's fares within the top 350 U.S. passenger airports. Out of the top 350 U.S. passenger airports, GUC had the 75th highest fare. GUC's airfare was 18 percent higher than the national average. Compared to year ended June 30, 2013, GUC's average fare increased by $29 or 13 percent. Nationally, average fares increased by $7 (3 percent). Montrose's average fare increased 6 percent year-over-year and ranked 63rd.

TABLE 5.3 TOP 350 US PASSENGER AIRPORTS RANKED BY FARE

		YE 2Q 2014			CHANGE YOY	
RANK	AIRPORT	FARE ($)	PAX RANK	REV RANK	$	%
63	Montrose, CO	260	235	217	14	6
64	Gillette, WY	260	307	290	11	4
65	Wausau, WI	259	210	204	(14)	(5)
66	Monroe, LA	259	213	205	(26)	(9)
67	Roanoke, VA	259	149	137	(1)	(0)
68	Yuma, AZ	258	243	224	(7)	(3)
69	Manhattan, KS	257	250	236	(12)	(4)
70	Barrow, AK	257	273	258	21	9
71	Charleston, WV	257	168	157	5	2
72	Gulfport/Biloxi, MS	257	158	146	12	5
73	Carlsbad, CA	256	271	255	24	10
74	Kahului, HI	255	55	49	22	9
75	Gunnison, CO	255	301	287	29	13
76	Watertown, NY	255	332	308	(8)	(3)
77	Gainesville, FL	254	180	171	8	3
78	Shreveport, LA	253	153	139	(11)	(4)
79	San Luis Obispo, CA	253	197	195	(5)	(2)
80	Waterloo, IA	253	330	304	(7)	(3)
81	Jackson, MS	252	110	101	17	7
82	Garden City, KS	252	313	296	32	15
83	Tallahassee, FL	252	139	127	11	5
84	Anchorage, AK	251	61	55	(16)	(6)
85	Williamsport, PA	251	319	299	(22)	(8)
86	Detroit, MI	251	20	18	12	5
87	Brunswick, GA	251	297	281	11	5
Total US markets		**217**	**-**	**-**	**7**	**3**

Average Fare and Yield Performance
Compared to markets with 60 to 110 PDEW, GUC's fare is higher than average compared to other markets and performed above average on a yield basis.

Exhibit 5.1 further examines GUC's fare in comparison to airports with 60 to 110 PDEW. The average fare is plotted against total origin and destination PDEW. GUC's fare is higher than average for airports with a similar number of PDEW.

Although GUC ranked 58th in average yield among the top 350 U.S. passenger airports, the ranking has little meaning unless reviewed against itinerary miles. **Exhibit 5.2** provides a chart showing average yield by itinerary miles for U.S. passenger airports with 60 to 110 PDEW. At an average of 1,083 itinerary miles and yield of 23.6 cents, GUC performed above average compared to other airports with similar PDEW.

EXHIBIT 5.1 AVERAGE FARE COMPARED TO PDEW

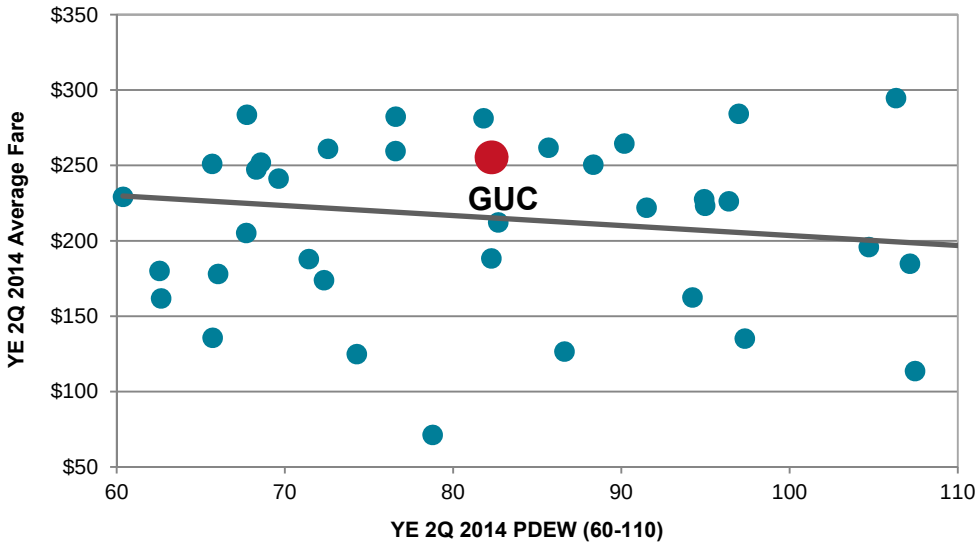
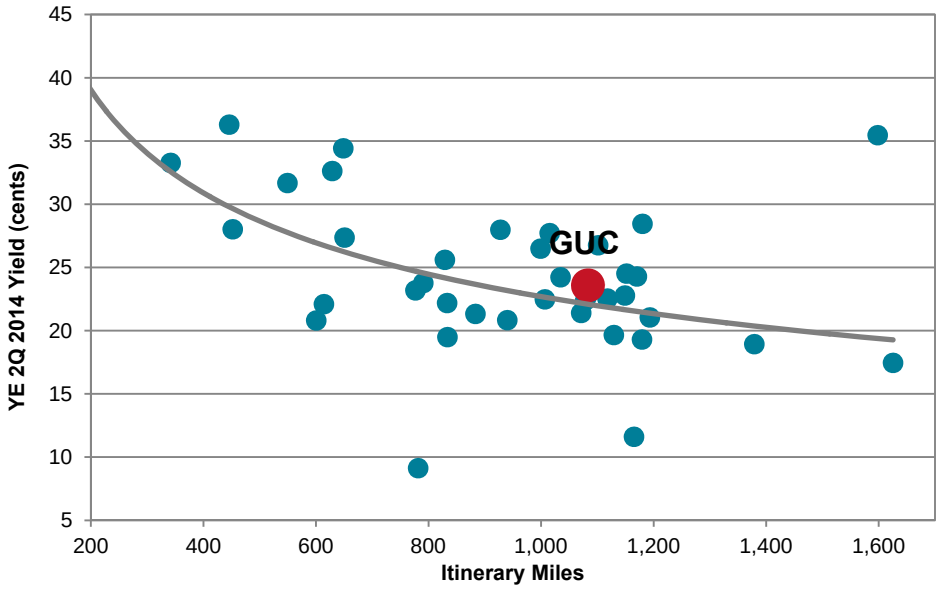


EXHIBIT 5.2 YIELD BY ITINERARY MILES FOR AIRPORTS WITH 60-110 PDEW



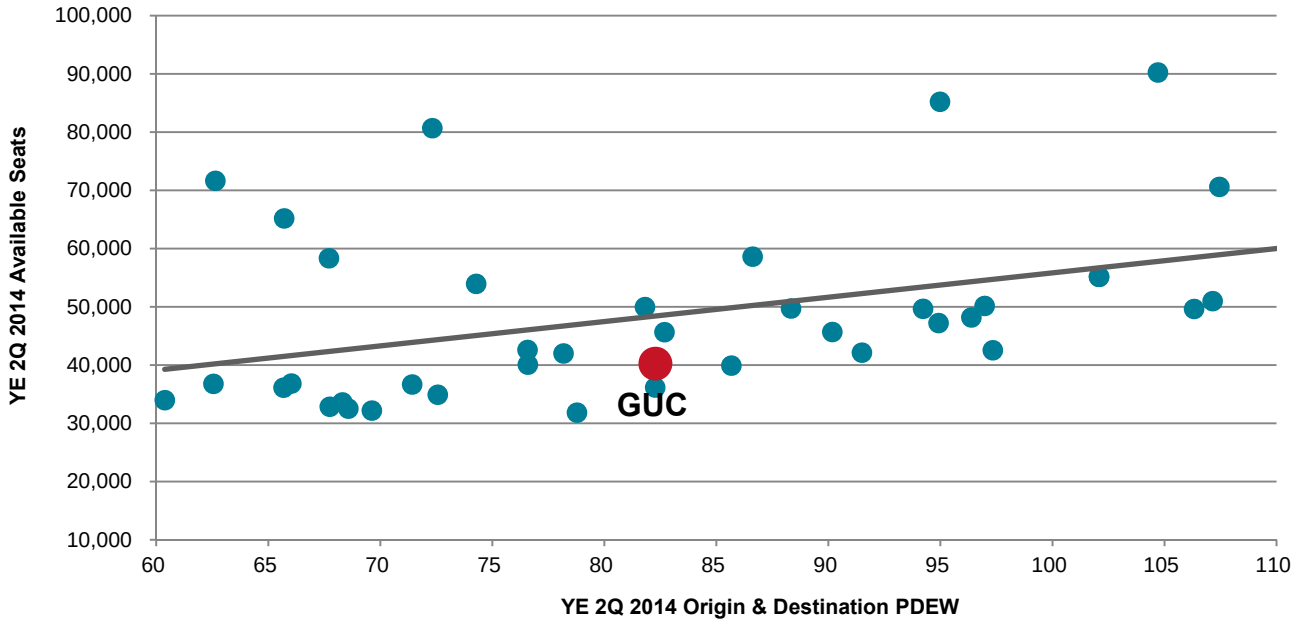
To provide a comparison of seats, departures, and load factors, airports with 60 to 110 PDEW were reviewed (**Table 5.4**). Of the 41 airports, GUC ranked 27th in terms of seats and 39th in terms of departures. GUC ranked 20th in total passengers. On a load factor basis, GUC's load factor of 73 percent was 5 percentage points higher than the average load factor of 68 percent and increased 9.6 percentage points over the prior year while on average for these airports the load factor improved 4.5 percentage points. GUC's decrease in seats of 12 percent over the prior year compared poorly against the 2 percent increase in seats at comparison airports. The 1 percent increase in departures was higher than the decrease in departures at the comparison airports of 4 percent.

TABLE 5.4 SERVICE COMPARISON TO US AIRPORTS WITH 60-110 PDEW

		YE 2Q 2014					CHANGE YOY		
RANK	AIRPORT	SEATS	DEPART-URES	SEATS/ DEPT	LOAD FACTOR	O&D PDEW	SEATS %	DEPART-URES %	LOAD FACTOR PT
15	Albany, GA	49,975	1,000	50	59	82	(2)	(2)	(4.0)
16	Brunswick, GA	49,725	995	50	65	88	2	2	0.1
17	Walla Walla, WA	49,666	654	76	69	94	3	3	2.6
18	Columbus, MS	49,650	993	50	78	106	(0)	(0)	(0.2)
19	Texarkana, AR	48,190	1,003	48	73	96	(5)	(12)	15.9
20	New Haven, CT	47,233	1,276	37	73	95	(2)	(2)	(5.5)
21	Roswell, NM	45,682	1,012	45	71	90	3	(0)	(3.1)
22	Twin Falls, ID	45,658	1,391	33	63	83	30	21	(8.0)
23	Gillette, WY	42,600	1,418	30	63	77	(15)	(15)	4.6
24	Worcester, MA	42,550	426	100	83	97	-	-	-
25	Dubuque, IA	42,148	917	46	77	91	(1)	(4)	5.4
26	Dutch Harbor, AK	41,998	1,569	27	58	78	(2)	1	0.8
27	Gunnison, CO	40,264	586	69	73	82	(12)	1	9.6
28	Pellston, MI	40,075	800	50	69	77	3	3	2.4
29	Cody, WY	39,925	799	50	79	86	(4)	(9)	7.2
30	Pocatello, ID	36,830	1,003	37	66	66	0	3	6.2
31	Bemidji, MN	36,800	736	50	61	63	5	(15)	(1.1)
32	Aberdeen, SD	36,675	734	50	71	71	2	2	2.0
33	Butte, MT	36,150	723	50	82	82	4	4	15.7
34	Williamsport, PA	36,132	976	37	65	66	0	0	(0.7)
35	Hancock, MI	34,925	699	50	68	73	2	2	(2.6)
36	Paducah, KY	33,975	680	50	60	60	(2)	(2)	1.8
37	Joplin, MO	33,591	689	49	72	68	4	(2)	(1.6)
38	Redding, CA	32,865	1,096	30	71	68	(6)	(6)	(0.8)
39	Garden City, KS	32,524	703	46	76	69	7	0	5.1
Total Airports (60-110 PDEW)		**2,001,098**	**57,359**	**35**	**68**	**3,412**	**2**	**(4)**	**4.5**

To demonstrate the relationship between available seats and origin and destination passengers, **Exhibit 5.3** plots seats against passengers. In general, airports below the line are in need of additional capacity whereas airports above the line have excess capacity. GUC is below average for airports with 60 to 110 PDEW indicating the market can support additional capacity.

EXHIBIT 5.3 COMPARISON OF PASSENGERS TO AVAILABLE SEATS



NORTHWEST REGION AIRPORTS COMPARISON

To provide a regional comparison, **Table 5.5** compares GUC to other airports in the Northwest Region. For the purposes of this analysis and as defined by the FAA, the Northwest Region includes the states of Colorado, Idaho, Montana, Oregon, Utah, Washington and Wyoming. Of the 73 commercial service airports in the Northwest Region, GUC ranked 38th in passengers with a 4 percent decrease compared to a 3 percent increase for the region. GUC's average airfare was 27 percent greater than the Northwest Region average. GUC's airfares increased 13 percent compared to an increase of 2 percent for the region. GUC's revenue increased 8 percent compared to a 5 percent increase for the Northwest Region. Montrose, in comparison, ranked 27th in the Northwest Region.

TABLE 5.5 NORTHWEST REGION PASSENGER MARKETS (NON-DIRECTIONAL)

		YE 2Q 2014 - DAILY EACH WAY					% CHANGE YOY			
RANK	AIRPORT	PAX	REV ($)	FARE ($)	YIELD (¢)	ITIN MILES	PAX	REV	FARE	YIELD
26	Steamboat Springs, CO	246	57,974	236	18.9	1,249	(6)	2	8	5
27	Montrose, CO	238	61,926	260	20.5	1,270	8	14	6	5
28	Lewiston, ID	179	37,301	209	21.9	953	(1)	2	3	1
29	St. George, UT	160	24,892	156	21.2	736	11	29	16	(1)
30	Sun Valley, ID	146	36,311	249	24.4	1,022	4	16	12	(5)
31	Wenatchee, WA	144	26,545	185	18.3	1,010	4	3	(1)	1
32	Yakima, WA	143	28,451	199	18.5	1,075	0	(0)	(0)	3
33	Provo, UT	130	7,091	55	10.2	537	114	18	(45)	(23)
34	Pullman, WA	105	20,504	196	20.8	940	6	7	1	(5)
35	Walla Walla, WA	94	15,306	162	19.5	833	6	3	(4)	(2)
36	Cody, WY	86	22,424	262	22.8	1,149	7	19	11	1
37	Twin Falls, ID	83	17,546	212	25.6	829	22	24	1	(2)
38	Gunnison, CO	82	21,015	255	23.6	1,083	(4)	8	13	10
39	Butte, MT	82	15,498	188	21.3	883	30	33	2	(10)
40	Gillette, WY	77	19,875	260	28.0	928	(10)	(6)	4	9
41	Pocatello, ID	66	11,754	178	27.4	651	12	8	(4)	(6)
42	Rock Springs, WY	58	15,080	261	29.3	892	(20)	(19)	1	5
43	Ogden, UT	43	2,264	53	9.7	544	36	46	7	7
44	North Bend, OR	43	8,852	206	21.9	941	(6)	(4)	2	1
45	Laramie, WY	37	7,647	205	19.6	1,046	43	39	(3)	(7)
46	Sheridan, WY	37	9,159	247	28.4	870	3	1	(2)	1
47	Cedar City, UT	35	4,255	123	24.7	498	11	5	(6)	(11)
48	Klamath Falls, OR	34	7,824	233	19.1	1,215	(18)	(20)	(3)	2
49	Riverton, WY	32	8,026	248	29.8	833	(10)	(7)	3	4
50	Sidney, MT	25	3,515	142	42.0	338	(5)	(12)	(7)	2
Total Northwest region		**129,353**	**26,085,776**	**202**	**14.8**	**1,365**	**3**	**5**	**2**	**2**

Note: Northwest region includes CO/ID/MT/OR/UT/WA/WY.

To further review Northwest Region airports, a service comparison is provided in **Table 5.6**. GUC ranked 39th in total available seats in the Northwest Region and ranked 64th in total departures. While GUC experienced a 12 percent decrease in seats and a 1 percent increase in departures, the Northwest Region experienced a 1 percent increase in seats and 2 percent loss in departures. GUC's load factor for the year ended June 30, 2014, was 13 percentage points below the Northwest Region average.

TABLE 5.6 SERVICE COMPARISON TO NORTHWEST REGION AIRPORTS

		YE 2Q 2014					CHANGE YOY		
RANK	AIRPORT	SEATS	DEPART-URES	SEATS/ DEPT	LOAD FACTOR	O&D PDEW	SEATS %	DEPART-URES %	LOAD FACTOR PT
27	Montrose, CO	118,643	1,687	70	75	238	11	1	(0.5)
28	Lewiston, ID	108,216	1,649	66	76	179	1	1	(0.9)
29	Pullman, WA	90,250	1,188	76	67	105	(1)	(1)	2.1
30	St. George, UT	86,950	1,739	50	67	160	1	(9)	7.2
31	Sun Valley, ID	81,901	1,671	49	66	146	13	(11)	(4.7)
32	Yakima, WA	77,482	1,020	76	67	143	(5)	(28)	1.4
33	Wenatchee, WA	76,494	1,007	76	69	144	(2)	(19)	4.6
34	Rock Springs, WY	52,995	1,767	30	54	58	(15)	(15)	0.7
35	Provo, UT	51,641	321	161	90	130	97	37	5.4
36	Walla Walla, WA	49,666	654	76	69	94	3	3	2.6
37	Twin Falls, ID	45,658	1,391	33	63	83	30	21	(8.0)
38	Gillette, WY	42,600	1,418	30	63	77	(15)	(15)	4.6
39	Gunnison, CO	40,264	586	69	73	82	(12)	1	9.6
40	Cody, WY	39,925	799	50	79	86	(4)	(9)	7.2
41	Pocatello, ID	36,830	1,003	37	66	66	0	3	6.2
42	Butte, MT	36,150	723	50	82	82	4	4	15.7
43	Cedar City, UT	31,600	642	49	42	35	(9)	(14)	(0.7)
44	Cheyenne, WY	27,259	1,391	20	40	20	(22)	(23)	1.6
45	North Bend, OR	24,467	1,287	19	65	43	(7)	(13)	2.2
46	Sheridan, WY	23,861	824	29	52	37	(9)	(20)	0.4
47	Riverton, WY	23,560	928	25	52	32	(12)	(26)	(5.9)
48	Laramie, WY	21,369	701	30	59	37	(7)	(26)	13.9
49	Seattle, WA (LKE)	21,321	2,735	8	63	4	(17)	19	16.7
50	Friday Harbor, WA	20,496	3,399	6	37	4	(60)	(51)	3.0
51	Sidney, MT	19,721	1,575	13	60	25	(13)	31	2.1
Total Northwest Region Airports		**83,222,701**	**797,523**	**104**	**86**	**129,352**	**1**	**(2)**	**(0.2)**

SUMMARY OF MAIN POINTS

- GUC ranked 301st in total domestic and international passengers among U.S. passenger airports for the year ended June 30, 2014. GUC ranked 301st in domestic passengers, but in terms of international passengers GUC ranked 305th.
- GUC's percent of international passengers was 8 percentage points below the national average of 10 percent.
- GUC's passengers decreased 4 percent since year ended June 30, 2013, while nationally passengers increased 2 percent.
- GUC ranked 287th in revenue, higher than total passengers. GUC's average fare is higher than the national average by 18 percent ranking 75th of the top 350 passenger airports.
- In a ranking of airports with 60 to 110 PDEW, GUC ranked 27th of the 41 airports in terms of seats. GUC's load factor of 73 percent was 5 percentage points above the average load factor of 68 percent and increased 9.6 percentage points over the prior year while on average the load factor improved 4.5 percentage points for these airports.
- GUC ranked 38th of 73 airports in the Northwest Region in terms of passengers. GUC's average airfare was 27 percent greater than the Northwest Region average. While GUC had a 12 percent decrease in seats and 1 percent increase in departures, the Northwest Region had a 1 percent gain in seats and 2 percent loss in departures.

SECTION 6. AIRLINE COMPARISON

This section compares GUC's performance with other airports served by GUC's incumbent airlines. These comparisons are important from an airline and community standpoint and should be monitored quarterly as under-performing markets may be at risk of service being reduced or cancelled and over-performing markets can be potential candidates for expanded service.

Airline planners review various indicators, including: passengers, revenue, fare, yield, RASM, and load factors. RASM is the unit revenue (i.e. revenue divided by available seat miles) generated and is a key indicator to understanding and comparing performance of multiple stations/markets. A comparison of U.S. airports is provided to examine how GUC is performing in each airline's system. **Table 6.1** provides an overview of the onboard passengers, seats, and departures at GUC for the year ended June 30, 2014.

TABLE 6.1 PASSENGERS, SEATS AND DEPARTURES BY AIRLINE - YE 2Q 2014 (NON-DIRECTIONAL)

AIRLINE	ONBOARD PAX	SEATS	DEPARTURES
United Airlines	19,197	27,656	487
American Airlines	9,467	12,608	99
Total	**28,664**	**40,264**	**586**

UNITED AIRLINES

For the year ended June 30, 2014, United provided GUC year round nonstop service to Denver with the number of weekly roundtrips fluctuating between seven and 14 seasonally. United also provided nonstop seasonal service to Chicago O'Hare and Houston Intercontinental. United operated a mix of CRJ-700 and ERJ-145 aircraft at Denver, a mix of CRJ-700 and Airbus A319s at Houston, and the CRJ-700 at Chicago O'Hare.

Increasing Seats, Departures and Load Factor
United's GUC seats and departures increased 2 percent over the prior year and the load factor increased 5 percentage points.

Table 6.2 provides a comparison of United's seats, departures, and load factor. GUC had 27,656 seats and 487 departures, representing the 203rd highest seats and 210th highest departures out of United's 237 U.S. markets. Seats and departures increased over the prior year by 2 percent. Passengers kept up with the increase in capacity, resulting in an increase in the load factor of 5 percentage points. Comparatively, United's domestic system seats and departures decreased by 3 and 5 percent, respectively. GUC's load factor was 14 percentage points lower than United's U.S. average. Montrose ranked 128th in seats and 141st in departures with a 17 percent increase in seats and 1 percent increase in departures year-over-year. Montrose's average load factor was 4 percentage points higher than GUC.

TABLE 6.2 UNITED - COMPARISON OF DEPARTURES, SEATS, AND LOAD FACTOR (NON-DIRECTIONAL)

		YE 2Q 2014				CHANGE YOY		
RANK	AIRPORT	SEATS	DEPART-URES	SEATS/ DEPT	LOAD FACTOR %	SEATS %	DEPART-URES %	LOAD FACTOR PTS
191	Paducah, KY	33,975	680	50	60	(2)	(2)	2
192	Muskegon, MI	33,475	670	50	45	(2)	(2)	(2)
193	Monroe, LA	33,454	853	39	78	(15)	(9)	18
194	Tyler, TX	32,843	875	38	71	(12)	(10)	12
195	Redding, CA	32,775	1,093	30	71	(6)	(6)	(1)
196	Shenandoah Valley, VA	31,158	884	35	43	(20)	(26)	6
197	Yuma, AZ	30,915	1,031	30	66	(1)	(1)	4
198	Chico, CA	30,645	1,022	30	59	(4)	(4)	5
199	Altoona, PA	29,496	838	35	29	7	(2)	(2)
200	Modesto, CA	28,365	946	30	34	(9)	(9)	(3)
201	Clarksburg, WV	28,255	847	33	44	(2)	(5)	(3)
202	Hobbs, NM	27,962	579	48	61	(2)	1	(0)
203	Gunnison, CO	27,656	487	57	70	2	2	5
204	Crescent City, CA	26,985	900	30	58	(2)	(2)	3
205	Fairbanks, AK	25,356	164	155	74	26	27	(1)
206	Jamestown, NY	24,073	1,267	19	30	0	0	2
207	Du Bois, PA	21,793	1,147	19	25	0	0	0
208	Parkersburg, WV	21,318	1,122	19	32	(7)	(7)	(4)
209	Rock Springs, WY	21,105	704	30	58	(29)	(29)	(1)
210	Gillette, WY	21,090	701	30	73	(26)	(27)	6
211	Franklin, PA	21,024	1,107	19	25	(1)	(1)	0
212	Laramie, WY	20,940	698	30	58	56	56	6
213	Myrtle Beach, SC	20,388	288	71	84	(13)	(23)	6
214	Cody, WY	20,200	404	50	82	(4)	(11)	6
215	Beckley, WV	19,712	558	35	20	6	(3)	1
All UA Domestic markets		**148,320,487**	**1,684,762**	**88**	**84**	**(3)**	**(5)**	**0**

Table 6.3 provides a comparison of passengers, revenue, fare, and yield in United's passenger comparable markets. GUC ranked 195th in passengers and 192nd in revenue out of United's 237 U.S. markets. At 3 percent below the system average, GUC had the 97th highest average fare and the 17th highest average yield (39 percent higher than the system average at an average itinerary stage length 38 percent below the system average). Compared to the prior year, passengers increased 14 percent while United's domestic passengers declined 1 percent. GUC's United revenue increased 27 percent while United's system revenue increased 3 percent. The average fare in the GUC market increased 11 percent, significantly higher rate of increase than the 3 percent system average increase. Montrose ranked 131st in passengers and 130th in revenue, with passengers and revenue increasing 18 and 24 percent, respectively.

TABLE 6.3 UNITED - COMPARISON OF PASSENGERS, REVENUE, FARE, AND YIELD

		YE 2Q 2014 - DAILY EACH WAY					% CHANGE YOY			
RANK	AIRPORT	PAX	REV ($000S)	FARE ($)	YIELD (¢)	ITIN MILES	PAX	REV	FARE	YIELD
183	Monroe, LA	72	18.4	254	20.4	1,248	12	0	(10)	(9)
184	Killeen, TX	70	18.9	271	16.8	1,613	(17)	(13)	5	3
185	Santa Fe, NM	69	17.1	247	21.3	1,157	449	385	(12)	(15)
186	Hancock, MI	65	16.5	253	19.1	1,324	1	3	2	(6)
187	College Station, TX	65	15.1	233	19.4	1,200	(15)	(25)	(11)	(2)
188	Tyler, TX	64	15.3	238	22.0	1,083	7	2	(5)	(4)
189	Fayetteville, NC	64	23.4	365	16.3	2,234	75	111	21	(6)
190	Redding, CA	62	17.4	279	17.4	1,601	(7)	(6)	1	4
191	Key West, FL	57	14.0	244	18.3	1,338	(55)	(42)	29	(5)
192	Paducah, KY	57	12.7	222	21.7	1,023	2	5	3	7
193	Yuma, AZ	54	13.6	253	16.7	1,516	15	14	(1)	(7)
194	Myrtle Beach, SC	53	9.7	183	20.3	902	(31)	(37)	(8)	(1)
195	Gunnison, CO	53	14.3	271	24.8	1,093	14	27	11	8
196	Eau Claire, WI	52	11.5	221	23.0	964	2	(0)	(2)	9
197	Chico, CA	52	11.7	227	14.3	1,591	10	4	(5)	1
198	Santa Maria, CA	51	15.6	308	17.9	1,721	10	7	(3)	(6)
199	Hobbs, NM	46	13.2	287	28.2	1,017	(1)	7	8	3
200	Cody, WY	45	13.3	298	22.1	1,352	6	20	13	3
201	Gillette, WY	43	12.8	297	27.3	1,089	(19)	(11)	10	9
202	Helena, MT	41	11.6	282	20.6	1,367	(17)	(14)	3	4
203	Muskegon, MI	40	8.2	205	20.1	1,018	(3)	(3)	0	(9)
204	St. George, UT	38	6.9	183	16.9	1,083	239	254	5	(22)
205	Laramie, WY	36	7.2	201	19.6	1,030	60	53	(4)	(5)
206	Rock Springs, WY	35	10.0	290	29.1	996	(28)	(26)	2	3
207	Shenandoah Valley, VA	35	7.9	229	16.8	1,360	(5)	(9)	(4)	(5)
All UA domestic markets		**218,256**	**61,038.0**	**280**	**15.9**	**1,755**	**(1)**	**3**	**3**	**3**

Exhibit 6.1 shows the RASM for markets served by United to Denver plotted against the stage length (under 500 miles) for the year ended June 30, 2014. GUC had a RASM of 35.1 cents at a stage length of 152 miles, above United's Denver average. This is an improvement over 2013 when GUC's RASM was 32.6 cents. GUC's Denver load factor of 69 percent was significantly below United's system average of 87 percent at Denver although similar to load factors for other markets with stage lengths under 250 miles.

Exhibit 6.2 shows the RASM for markets served by United to Houston plotted against the stage length (700 to 1,100 miles) for the quarter ended March 31, 2014. GUC had a RASM of 13.9 cents at a stage length of 886 miles. GUC performed below United's Houston average. There is insufficient data for comparisons to 2013. GUC's Houston load factor of 65 percent was below United's system average of 82 percent at Houston.

Note, there was insufficient data to provide comparisons for GUC's Chicago O'Hare service.

EXHIBIT 6.1 UNITED AIRLINES DENVER RASM PERFORMANCE (YE 2Q 2014)

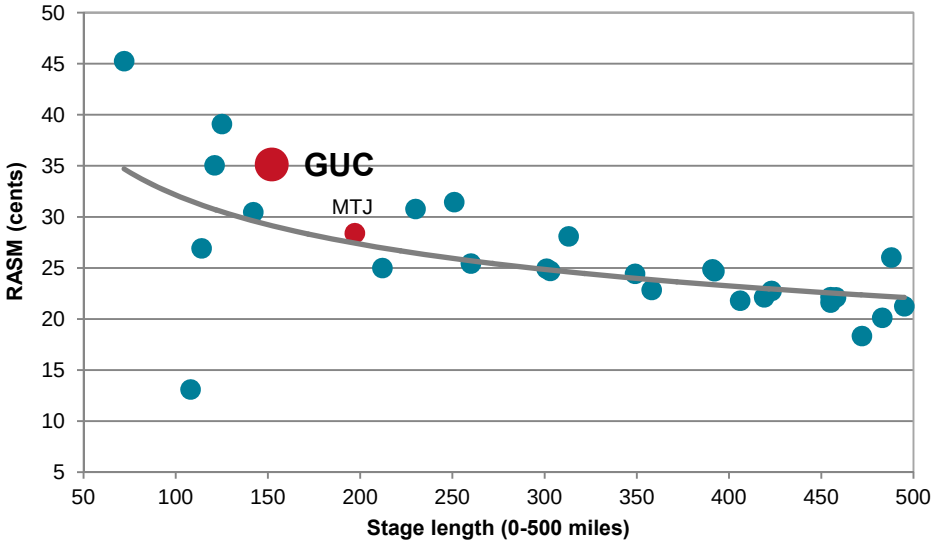
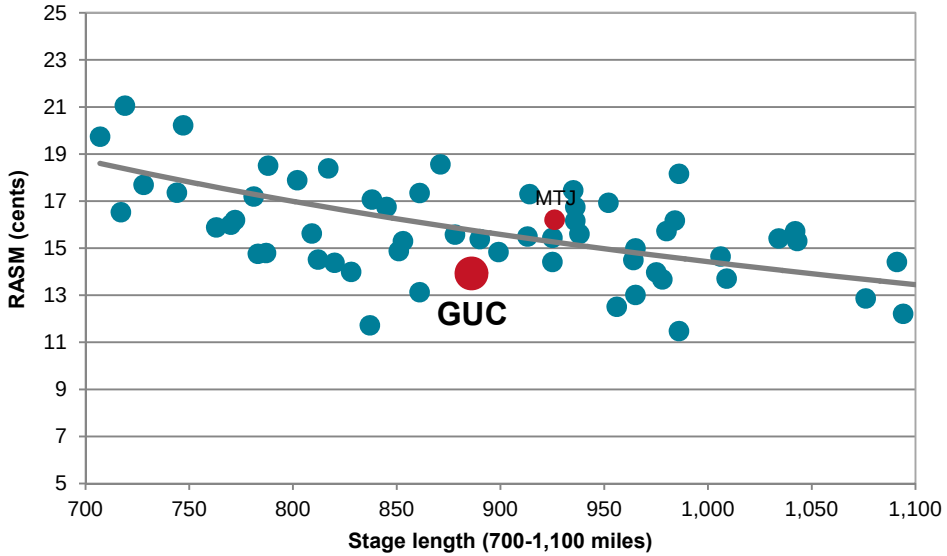


EXHIBIT 6.2 UNITED AIRLINES HOUSTON INTERCONTINENTAL RASM PERFORMANCE (1Q 2014 ONLY)



AMERICAN AIRLINES

For the year ended June 30, 2014, American served GUC to Dallas/Ft. Worth seasonally. The Dallas/Ft. Worth service, averaging seven weekly flights, was served with the 128-seat Airbus A-319 aircraft.

Table 6.4 provides a comparison of American's departures, load factor, and seats. GUC had 12,608 seats for the year ended June 30, 2014, and 99 departures, representing the 219th highest service level in terms of seats and 222nd highest number of departures of American's 224 U.S. markets. GUC's seats decreased over the prior year by 32 percent while departures decreased 2 percent. Comparatively, American's domestic seats increased 1 percent and departures decreased 1 percent. GUC's load factor was 8 percentage points below American's domestic average. GUC's average load factor improved 8 percentage points over the prior year. Montrose ranked 220th in seats and 219th in departure, with a 17 percent decrease in seats and 3 percent decrease in departures.

TABLE 6.4 AMERICAN - COMPARISON OF SEATS, DEPARTURES, AND LOAD FACTOR (NON-DIRECTIONAL)

		YE 2Q 2014				CHANGE YOY		
RANK	AIRPORT	SEATS	DEPART-URES	SEATS/ DEPT	LOAD FACTOR %	SEATS %	DEPART-URES %	LOAD FACTOR PTS
200	Jackson Hole, WY	38,216	242	158	86	(7)	9	2
201	Erie, PA	37,925	1,025	37	76	(12)	(12)	7
202	Rapid City, SD	37,722	759	50	79	27	28	(2)
203	Williamsport, PA	36,132	976	37	65	0	0	(1)
204	Eugene, OR	35,750	715	50	83	100+	100+	(10)
205	Joplin, MO	33,591	689	49	72	4	(2)	(2)
206	Garden City, KS	32,524	703	46	76	7	0	5
207	Longview, TX	32,234	676	48	66	0	(3)	9
208	Lake Charles, LA	31,631	696	45	83	5	(2)	13
209	Sioux City, IA	31,109	636	49	77	(4)	(2)	(2)
210	Wausau, WI	30,154	640	47	78	(4)	(2)	21
211	Springfield, IL	29,752	650	46	75	2	(0)	11
212	Grand Island, NE	29,239	643	46	78	4	(0)	0
213	Watertown, NY	27,458	610	45	72	5	3	1
214	Waterloo, IA	27,331	616	44	73	(3)	(4)	9
215	Steamboat Springs, CO	24,618	211	117	73	(27)	4	8
216	Marquette, MI	21,329	436	49	66	36	38	1
217	Aspen, CO	18,858	294	64	71	(13)	(13)	1
218	Redmond, OR	17,775	356	50	82	100+	100+	(9)
219	Gunnison, CO	12,608	99	128	75	(32)	(2)	12
220	Montrose, CO	9,950	186	54	83	(17)	(3)	(1)
221	Nantucket, MA	6,275	126	50	75	(3)	(3)	5
222	Martha's Vineyard, MA	6,175	124	50	74	16	16	3
223	Fort Worth-Alliance, TX	1,235	9	137	86	-	-	-
224	Rockford, IL	450	3	150	89	(38)	(40)	(2)
All AA domestic markets		**219,923,679**	**2,176,138**	**101**	**83**	**1**	**(1)**	**(0)**

Decreasing Passengers and Revenue
Compared to the prior year, GUC passengers decreased 24 percent and revenue decreased 17 percent while the average fare increased 9 percent and yield increased 11 percent.

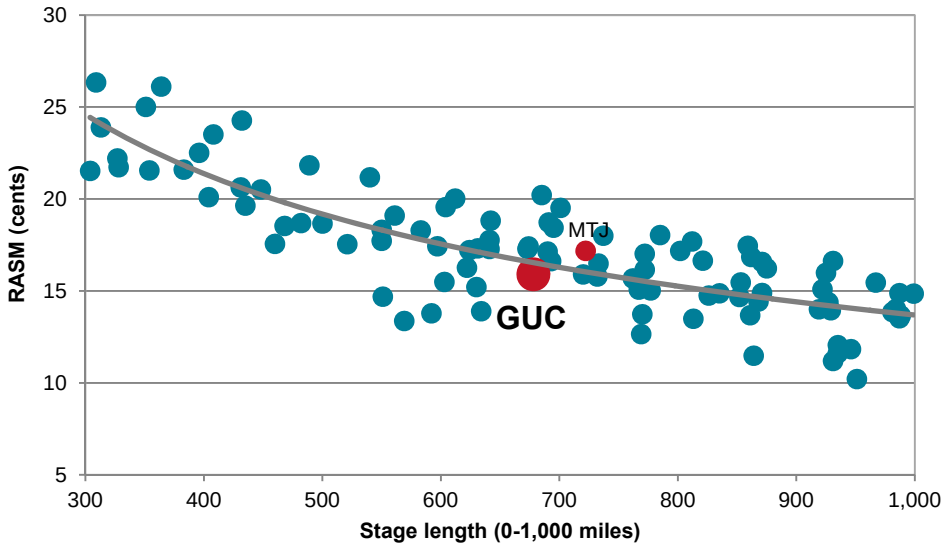
Table 6.5 shows how GUC ranks based on passengers among American's domestic markets. GUC ranked 220th of American's 224 domestic passenger markets. GUC also ranked 220th in revenue. In fare and yield, GUC ranked 146th in average fare and 69th in yield. GUC's average fare was 3 percent lower than American's domestic average, and GUC's yield was 30 percent higher than the system average on an average itinerary mile length 25 percent below the system average. Compared to the prior year, passengers decreased 24 percent and revenue decreased 17 percent while the average fare increased 9 percent and yield increased 11 percent. Comparatively, American's domestic passengers increased 2 percent with revenue and fares improving 6 and 4 percent, respectively. Montrose ranked 219th in passengers and revenue, with decreases in passengers and revenue of 25 and 21 percent, respectively.

TABLE 6.5 AMERICAN - COMPARISON OF PASSENGERS, REVENUE, FARE, AND YIELD

		YE 2Q 2014 - DAILY EACH WAY					% CHANGE YOY			
RANK	AIRPORT	PAX	REV ($000S)	FARE ($)	YIELD (¢)	ITIN MILES	PAX	REV	FARE	YIELD
200	Binghamton, NY	84	19.9	237	19.3	1,229	(0)	5	6	8
201	Rapid City, SD	82	23.1	281	21.3	1,316	18	26	6	0
202	Erie, PA	79	17.2	219	19.6	1,118	(3)	(1)	2	(1)
203	Elmira, NY	74	18.4	248	20.0	1,237	(30)	(25)	8	4
204	Lake Charles, LA	71	16.5	231	22.6	1,023	25	16	(7)	(8)
205	Garden City, KS	67	16.7	247	22.9	1,078	13	29	15	12
206	Springfield, IL	66	15.3	231	20.6	1,122	10	7	(3)	(1)
207	Joplin, MO	66	15.9	241	23.4	1,031	3	(1)	(4)	(5)
208	Sioux City, IA	64	15.0	233	22.9	1,019	(5)	(1)	4	4
209	Wausau, WI	64	15.3	238	20.4	1,167	31	22	(6)	(2)
210	Grand Island, NE	63	16.1	256	22.2	1,155	4	6	2	4
211	Williamsport, PA	61	14.9	243	21.1	1,153	1	(6)	(7)	(3)
212	Longview, TX	58	11.6	201	21.6	932	15	8	(6)	(7)
213	Steamboat Springs, CO	56	11.9	214	18.0	1,190	(27)	(23)	6	8
214	Waterloo, IA	53	11.9	224	20.7	1,083	10	3	(7)	1
215	Watertown, NY	52	12.8	246	17.1	1,444	4	1	(3)	(3)
216	Redmond, OR	47	9.9	210	17.6	1,191	204	136	(22)	9
217	Marquette, MI	39	9.6	248	20.0	1,240	40	34	(4)	1
218	Aspen, CO	37	12.3	330	24.8	1,334	(12)	2	16	6
219	Montrose, CO	34	9.1	264	20.3	1,302	(25)	(21)	6	9
220	Gunnison, CO	29	6.5	225	21.6	1,039	(24)	(17)	9	11
221	Nantucket, MA	18	4.4	238	34.7	687	3	(1)	(4)	(4)
222	Martha's Vineyard, MA	17	4.1	233	35.9	649	15	10	(5)	(3)
223	Rockford, IL	0	0.0	165	9.9	1,659	0	0	0	0
224	Fort Worth-Alliance, TX	-	-	-	-	-	-	-	-	-
All AA domestic markets		**305,788**	**70,921.0**	**232**	**16.7**	**1,391**	**2**	**6**	**4**	**4**

Exhibit 6.3 shows the RASM for markets served by American to Dallas/Ft. Worth plotted against the stage length (under 1,000 miles) for the quarter ended March 31, 2014. GUC had a RASM of 15.9 cents at a stage length of 678 miles, generally at American's Dallas/Ft. Worth average. This is a significant improvement over the first quarter of 2013 when GUC's RASM was 12.0 cents. GUC's Dallas/Ft. Worth load factor of 76 percent was below American's system average of 81 percent at Dallas/Ft. Worth.

EXHIBIT 6.3 AMERICAN AIRLINES' DALLAS/FT. WORTH RASM PERFORMANCE (1Q 2014 ONLY)



SUMMARY OF MAIN POINTS

- **United Airlines**: GUC had the 203rd highest seats and 210th highest departures in United's 237 airport domestic system. GUC's load factor was 14 percentage points below the system average. Passengers increased 14 percent while revenue improved 27 percent on an 11 percent fare growth. GUC's RASM performance was above average at Denver representing an improvement over 2013 but was below average at Houston Intercontinental. GUC's load factor was below the hub average at Denver and Houston.
- **American Airlines**: GUC had the 219th highest seats and 222nd highest departures in American's 224 airport domestic system. GUC's load factor was 8 percentage points below the system average. Passengers decreased 24 percent but revenue decreased 17 percent on a 9 percent fare growth. GUC's RASM performance was at American's Dallas/Ft. Worth average and improved significantly since the prior year; however, GUC's load factor was 5 percentage points below the Dallas/Ft. Worth hub average.

SECTION 7. MARKET OPPORTUNITIES

This section evaluates market opportunities in current and potential markets. The section is divided into incumbent carriers and potential carriers. Each incumbent carrier's relevant factors that may affect GUC service in the future are addressed. The likely interest and opportunities for new carriers in the GUC market are also assessed.

INCUMBENT AIRLINES

Currently, United Airlines and American Airlines provide service at GUC. Each of the airlines are discussed in this section with a review of their existing departures and seats by hub/focus city, equipment type used, and potential opportunities in the GUC market.

American Airlines

The American/US Airways merger officially closed December 9, 2013. The merged airline will become the largest airline in the world. The majority of senior management is from US Airways, including the Chief Executive Officer, President, Chief Commercial Officer and Chief Financial Officer. While the merged airline has codeshares already in place, pricing has issues, unions still need to be combined and the frequent flyer program, with AAdvantage being the surviving program, will be merged in the second quarter 2015 using features of both programs. A single operating certificate is anticipated in 2015.

The new American has started to connect the dots across the system with several new market adds to traditional US Airways hubs. American's strength was primarily north to south, from Michigan to Mexico, as well as the Caribbean. US Airways' strength was primarily in the Northeast and Southeast; however, they also had service in larger southern California markets. American is also working on re-banking their Dallas/Ft. Worth, Miami and Chicago O'Hare hubs. It is unlikely that American will have major structural changes to their network like United Airlines, Delta Air Lines and Southwest Airlines post-merger. Phoenix is the only hub potentially "at-risk" but is unlikely to be affected in the near term.

HUBS/FOCUS CITIES

Table 7.1 compares American's departures and seats in March 2015 with the prior year. Overall average daily seats increased 1 percent while departures decreased 1 percent. Domestic seats increased 2 percent while domestic departures decreased less than 1 percent. Internationally, seats decreased 5 percent while departures decreased 8 percent. The most significant hub changes year-over-year were at Los Angeles with increases in seats and departures of 7 percent while at Washington National seats decreased 5 percent and departures decreased 12 percent.

TABLE 7.1 AMERICAN - DEPARTURES AND SEATS BY HUB

HUB/FOCUS CITY	MARCH 2015			MARCH 2014			% CHANGE YOY		
	AVG DAILY SEATS	AVG DAILY DEPART-URES	AVG SEATS/ DEPART-URE	AVG DAILY SEATS	AVG DAILY DEPART-URES	AVG SEATS/ DEPART-URE	AVG DAILY SEATS	AVG DAILY DEPART-URES	AVG SEATS/ DEPART-URE
Dallas, TX (DFW)	91,134	786	116	88,059	779	113	3	1	3
Charlotte-Douglas, NC	68,693	655	105	68,900	659	105	(0)	(1)	0
Miami, FL	50,243	336	149	48,762	340	143	3	(1)	4
Chicago, IL (ORD)	44,230	453	98	42,332	463	91	4	(2)	7
Philadelphia, PA	39,774	435	91	41,106	452	91	(3)	(4)	0
Phoenix, AZ (PHX)	38,367	296	129	37,657	299	126	2	(1)	3
Los Angeles, CA	23,495	185	127	22,019	174	126	7	7	0
Washington, DC (DCA)	20,961	240	87	22,029	271	81	(5)	(12)	8
New York, NY (LGA)	14,957	155	97	15,138	153	99	(1)	1	(2)
Domestic	**592,825**	**5,868**	**101**	**581,347**	**5,890**	**99**	**2**	**(0)**	**2**
International	**109,724**	**718**	**153**	**114,928**	**779**	**148**	**(5)**	**(8)**	**4**
Total	**702,549**	**6,586**	**107**	**696,275**	**6,669**	**104**	**1**	**(1)**	**2**

Source: Diio Mi; As of 12/10/14

AIRCRAFT IN USE

The merged American uses several regional codeshare partners. **Table 7.2** outlines the aircraft in use for American in March 2015. Over half of the departures at Charlotte, Chicago O'Hare, Philadelphia, Washington National and New York LaGuardia are provided by regional carriers in regional jet and turboprop aircraft. In total, regional partners provide 52 percent of departures. Only 4 percent of departures are provided with turboprop aircraft.

TABLE 7.2 AMERICAN - AIRCRAFT IN USE

AIRCRAFT TYPE	OPERATING CARRIER	SEATING CAPACITY	AVERAGE DAILY DEPARTURES - MARCH 2015										
			DFW	CLT	ORD	PHL	MIA	PHX	DCA	LAX	LGA	OTHER	TOTAL
Embraer E-175	Republic	80	0	30	82	66	35	0	26	0	4	225	469
Canadair CRJ-900	Mesa	79	41	28	0	2	0	58	0	25	0	149	304
	PSA	79	0	71	0	3	0	0	0	0	1	73	147
	SkyWest	79	0	0	0	0	0	12	0	0	0	12	23
Embraer E-170	Republic	69	0	1	0	14	0	0	38	0	1	56	109
Canadair CRJ-700	Envoy	67	29	0	52	0	0	0	4	1	34	126	246
	PSA	67	0	40	0	0	0	0	0	0	0	40	80
Canadair CRJ-100/200	Air Wisconsin	50	0	40	0	116	0	0	66	0	18	226	466
	ExpressJet	50	44	0	0	0	0	0	0	0	0	46	90
	PSA	50	0	94	0	14	0	0	13	0	0	118	239
	SkyWest	50	0	0	13	0	0	33	0	40	0	87	173
Embraer ERJ-145	Envoy	50	174	0	124	0	29	0	0	0	0	343	669
	ExpressJet	50	8	0	0	0	0	0	0	0	0	8	15
	TransStates	50	0	0	0	0	0	0	0	0	0	15	15
Bombardier DHC-8-300	Piedmont	50	0	47	0	0	0	0	0	0	0	47	94
Embraer ERJ-140	Envoy	44	8	0	7	0	0	0	1	0	20	51	87
Bombardier DHC-8-200	Piedmont	37	0	16	0	71	0	0	3	0	2	92	184
Mainline			481	288	174	149	272	194	89	119	76	1,333	3,175
Total			**786**	**655**	**453**	**435**	**336**	**296**	**240**	**185**	**155**	**3,044**	**6,586**

Source: Diio Mi; As of 12/10/14

Even without the formal combination of American and US Airways in place, aircraft swapping has occurred. For example, US Airways 79-seat regional jets now operate in Los Angeles and Dallas/Ft. Worth on traditional American routes. This has allowed for more effective schedules by utilizing the right-sized aircraft at the hubs. It also frees up other smaller regional jets to fly elsewhere. Going forward, more cross-fleeting is anticipated, especially once the brand merger is complete.

Prior to the merger, American placed a record order for 500-plus aircraft in 2011/2012. The order replaces: MD-80 aircraft with Boeing 737-800 and Airbus A319s; Boeing 757s with Airbus A321s; and Boeing 767-200 aircraft with Airbus A321Ts. In addition to the aircraft ordered for replacement, the order also includes added Boeing 777-300ER aircraft for the longer stage

length routes, Boeing 787-8, Boeing 787-9 and Airbus A350-900 aircraft. American also ordered more than 100 76-seat regional jets including the CJR-900 and ERJ-175. This large influx of new aircraft sets American on a path to have the youngest fleet of the legacy airlines.

MARKET OPPORTUNITIES

American serves multiple ski resort areas on a seasonal basis with GUC being served seasonally from Dallas/Ft. Worth. American also serves Aspen, Vail/Eagle, Steamboat Springs, Jackson Hole and Montrose. As shown in **Table 7.3**, American serves some resorts seasonally from Chicago O'Hare, Los Angeles, New York Kennedy, Miami and Phoenix.

Los Angeles and Chicago O'Hare are large ski markets and would be high priorities for GUC service. With regard to Los Angeles, American provides seasonal service to Aspen and Vail/Eagle and is a top market priority for GUC. Chicago O'Hare seasonal service is already provided by United and would be an unlikely addition by American. For the 2008/2009 winter season, American provided once weekly service to Chicago O'Hare at GUC; however, load factors averaged only 36 percent for the three months of service.

Phoenix is another potential market for American; however, Phoenix has not historically been a very large ski market with somewhat low demand to resort areas and is a circuitous routing for most connecting markets other than southern California. Only Montrose has seasonal service to Phoenix of the ski markets included in the comparison.

While Vail/Eagle has seasonal service to New York Kennedy and Miami, they are not considered high priority destinations for new American service at GUC.

TABLE 7.3 AMERICAN - DEPARTURES BY SEASON

HUB	RESORT AIRPORT	SEASON		
		WINTER	SUMMER	SHOULDER
DFW	ASE	206	69	11
	EGE	280	122	25
	GUC	121	0	6
	HDN	130	0	7
	JAC	119	122	7
	MTJ	119	69	7
JFK	EGE	104	0	5
LAX	ASE	103	69	6
	EGE	102	0	6
MIA	EGE	104	0	6
ORD	EGE	98	0	6
	HDN	104	0	6
	JAC	0	10	0
PHX	MTJ	29	0	2
TOTAL		**1,619**	**461**	**100**

Source: Diio Mi: As of 12/12/14

United Airlines

In 2012, United/Continental Airlines completed their merger. While the merged company continues to work towards full integration, United has suffered through a series of issues in their reservations and operating systems. In 2013, United experienced the grounding of their Boeing 787 fleet due to safety concerns. Wall Street and United's unions have publicly questioned United's performance in comparison to American and Delta.

HUBS/FOCUS CITIES

United operates hubs at Houston Intercontinental, Chicago O'Hare, Newark, Denver, San Francisco, Washington Dulles, and to a lesser extent Los Angeles. United hubs all have major competition with one or more other airlines**. Table 7.4** shows that all but Chicago O'Hare has experienced shrinkage in seats with the most notable decreases at Washington Dulles. Overall daily seats declined 6 percent while departures were down 9 percent since March 2014. Decreases internationally are similar to domestic decreases in seats and departures.

TABLE 7.4 UNITED - DEPARTURES AND SEATS BY HUB

HUB/FOCUS MARKET	MARCH 2015			MARCH 2014			% CHANGE YOY		
	AVG DAILY SEATS	AVG DAILY DEPART-URES	AVG SEATS/ DEPART-URE	AVG DAILY SEATS	AVG DAILY DEPART-URES	AVG SEATS/ DEPART-URE	AVG DAILY SEATS	AVG DAILY DEPART-URES	AVG SEATS/ DEPART-URE
Houston, TX (IAH)	53,220	553	96	55,013	580	95	(3)	(5)	1
Chicago, IL (ORD)	52,364	562	93	51,207	578	89	2	(3)	5
Newark, NJ	41,479	388	107	42,979	393	109	(3)	(1)	(2)
Denver, CO	35,426	394	90	35,689	394	91	(1)	0	(1)
San Francisco, CA	32,435	277	117	33,185	295	112	(2)	(6)	4
Washington, DC (IAD)	20,092	219	92	24,454	268	91	(18)	(18)	1
Los Angeles, CA	18,661	167	112	20,384	189	108	(8)	(11)	3
Domestic	**360,235**	**4,135**	**87**	**382,450**	**4,574**	**84**	**(6)**	**(10)**	**4**
International	**104,220**	**722**	**144**	**110,778**	**783**	**142**	**(6)**	**(8)**	**2**
Total all markets	**464,454**	**4,857**	**96**	**493,228**	**5,356**	**92**	**(6)**	**(9)**	**4**

Source: Diio Mi; As of 12/10/14

AIRCRAFT IN USE

Table 7.5 provides the average daily departures by aircraft and operating carrier for March 2015 and demonstrates the mix of regional carrier aircraft by hub. The number of regional carrier flights exceeds the number of mainline flights at Chicago O'Hare, Houston, Denver and Washington Dulles. This occurred due to United shrinking its mainline fleet, particularly smaller aircraft, and outsourcing markets to its regional codeshare partners. United's pilot scope contract allows for more large regional jets. Large regional aircraft are expected to increase to 255 by 2016 with 102 70-seat regional jets and 153 76-seat regional jets being added. With a hard cap of 450 regional aircraft this will require a reduction of the existing 300-plus 50-seat regional jets in the network today. Seventy of the ERJ-175 aircraft (76-seat, dual class) are slated for delivery in 2014 and 2015 with the balance delivered in the future.

TABLE 7.5 UNITED - AIRCRAFT IN USE

AIRCRAFT TYPE	OPERATING CARRIER	SEATING CAPACITY	AVERAGE DAILY DEPARTURES - MARCH 2015								
			ORD	IAH	DEN	EWR	SFO	IAD	LAX	OTHER	TOTAL
Embraer E-175	Mesa	76	0	8	0	0	0	0	0	8	16
	SkyWest	76	5	0	0	0	19	0	0	24	48
Bombardier DHC-8-400	Republic	74	0	0	34	29	0	0	0	65	129
Embraer E-170	Shuttle America	70	32	2	13	18	0	0	0	60	125
Canadair CRJ-700	GoJet	66	42	0	13	0	0	5	0	56	116
	Mesa	66	12	0	0	0	0	23	0	34	69
	SkyWest	66	27	39	42	0	26	3	25	159	320
Bombardier DHC-8-300	CommutAir	51	0	0	0	3	0	1	0	4	8
Canadair CRJ-100/200	ExpressJet	50	13	0	0	0	0	30	0	42	85
	SkyWest	50	56	14	92	0	50	0	24	226	463
Embraer ERJ	Mesa	50	136	253	57	124	0	35	0	642	1,246
	Trans States	50	28	7	0	0	0	35	0	75	145
ATR-42/72	Cape Air	46	0	0	0	0	0	0	0	9	9
Bombardier DHC-8-200	CommutAir	37	0	0	0	20	0	17	0	35	72
Embraer EMB-120	SkyWest	30	0	0	8	0	33	0	29	69	138
Mainline			212	230	135	194	150	70	89	789	1,867
Total			**562**	**553**	**394**	**388**	**277**	**219**	**167**	**2,297**	**4,857**

Source: Diio Mi; As of 12/10/14

United Market Opportunity
With anticipated growth at San Francisco, United nonstop service from GUC to San Francisco is a top opportunity.

MARKET OPPORTUNITIES

United provides the highest level of service to the most ski resort destinations of any airline. As shown in **Table 7.6**, the majority of resort airports are served annually to Denver. Several other hubs, including Newark, Washington Dulles, Houston Intercontinental, Los Angeles, Chicago O'Hare and San Francisco, are also served seasonally.

United provides GUC with Denver service year round and seasonal Houston Intercontinental and Chicago O'Hare service. Historically, Continental, prior to merger, provided GUC with seasonal Dallas/Ft. Worth (2005) and Newark (2004) service.

The primary opportunity for United at GUC is San Francisco service. United has indicated that they will be growing their San Francisco hub and is scheduled to provide service in several other resort markets in 2015, including Aspen, Steamboat Springs, Jackson Hole, Mammoth Lakes, Montrose and Sun Valley. Los Angeles is also a potential market for United at GUC. They currently provide service to Aspen, Steamboat Springs, Jackson Hole and Montrose; however, United has been actively reducing service at Los Angeles. New service adds at Los Angeles are unlikely in the near term.

While United serves other resort markets nonstop to Newark (Vail/Eagle, Steamboat Springs, Jackson Hole and Montrose) and Washington Dulles (Steamboat Springs and Jackson Hole), nonstop service at GUC are less likely in the near term.

TABLE 7.6 UNITED - DEPARTURES BY SEASON

HUB	RESORT AIRPORT	SEASON		
		WINTER	SUMMER	SHOULDER
DEN	ASE	1,067	1,059	704
	EGE	400	240	162
	GUC	188	180	128
	HDN	411	293	184
	JAC	366	450	260
	MMH	10	0	0
	MTJ	461	480	284
	SUN	38	75	0
EWR	EGE	104	0	6
	HDN	15	0	0
	JAC	38	0	1
	MTJ	23	0	0
IAD	HDN	12	0	1
	JAC	18	0	0
IAH	ASE	300	90	18
	EGE	104	24	6
	GUC	30	15	1
	HDN	116	34	7
	JAC	38	23	2
	MTJ	103	28	6
LAX	ASE	404	126	75
	HDN	56	0	0
	JAC	104	76	6
	MTJ	29	0	0
ORD	ASE	425	113	26
	GUC	18	0	1
	HDN	25	0	2
	JAC	109	228	7
	MTJ	111	0	6
SFO	ASE	178	0	12
	HDN	14	0	0
	JAC	96	74	5
	MMH	142	0	9
	MTJ	29	0	0
	SUN	93	75	0
TOTAL		**5,675**	**3,683**	**1,919**

Source: Diio Mi: As of 12/12/14

POTENTIAL AIRLINES

This section includes a discussion of airlines that do not currently serve the GUC market.

Alaska Airlines

Alaska is consistently one of the more profitable of the major airlines. Looking forward, it is anticipated that Alaska will continue to add flying to Seattle in response to Delta's growth and competition in Seattle.

HUBS/FOCUS CITIES

Table 7.7 compares Alaska's average daily departures and seats in March 2015 to March 2014. The majority of Alaska's flying is based in Seattle and Portland, but has made overtures to focus cities in California. Alaska grew seats and departures at each of its hubs/focus cities with the exception of Los Angeles that declined year-over-year. The highest growth was at Seattle followed by Portland and Anchorage. Overall seats increased 10 percent with departures increasing 7 percent. The growth was primarily in domestic markets, with Alaska's international capacity declining 3 percent.

TABLE 7.7 ALASKA - DEPARTURES AND SEATS BY HUB

HUB/FOCUS MARKET	MARCH 2015			MARCH 2014			% CHANGE YOY		
	AVG DAILY SEATS	AVG DAILY DEPART-URES	AVG SEATS/ DEPART-URE	AVG DAILY SEATS	AVG DAILY DEPART-URES	AVG SEATS/ DEPART-URE	AVG DAILY SEATS	AVG DAILY DEPART-URES	AVG SEATS/ DEPART-URE
Seattle, WA	32,390	266	122	28,140	242	116	15	10	5
Portland, OR	11,935	117	102	11,005	110	100	8	6	2
Los Angeles, CA	5,420	37	145	5,619	41	138	(4)	(8)	5
Anchorage, AK	5,139	43	121	4,749	40	119	8	7	1
San Diego, CA	3,195	24	136	3,008	22	134	6	5	1
Domestic	**98,311**	**827**	**119**	**87,846**	**765**	**115**	**12**	**8**	**4**
International	**9,765**	**85**	**115**	**10,029**	**87**	**115**	**(3)**	**(3)**	**0**
Total all markets	**108,077**	**911**	**119**	**97,874**	**853**	**115**	**10**	**7**	**3**

Source: Diio Mi; As of 12/10/14

AIRCRAFT IN USE

Table 7.8 provides Alaska's aircraft in use for March 2015. Fifty-five percent of departures are provided on mainline aircraft while 41 percent are provided with Horizon Air's Bombardier Q400 aircraft. The remaining departures are contracted through SkyWest airlines with the CRJ-700. Alaska has placed a large order for more Boeing aircraft, specifically 50 Boeing 737-900ERs and the Boeing 737MAX.

TABLE 7.8 ALASKA - AIRCRAFT IN USE

AIRCRAFT TYPE	OPERATING CARRIER	SEATING CAPACITY	AVERAGE DAILY DEPARTURES - MARCH 2015						
			SEA	PDX	ANC	LAX	SAN	OTHER	TOTAL
Bombardier DHC-8-400	Horizon	76	108	71	10	7	4	172	371
Canadair CRJ-700	SkyWest	70	10	8	0	0	2	22	42
Mainline			148	38	33	31	17	232	498
Total			**266**	**117**	**43**	**37**	**24**	**425**	**911**

Source: Diio Mi; As of 12/10/14

MARKET OPPORTUNITIES

Table 7.9 provides a summary of Alaska's service at resort airports. Alaska currently only serves Mammoth Lakes, Sun Valley and Steamboat Springs, primarily with seasonal service. In each case, Alaska provides the service under a subsidy or revenue guarantee agreement. While GUC's stage length to Los Angeles of 714 miles, 701 miles to San Diego, and 990 miles to Seattle is outside Alaska's typical operating stage length for the Bombardier Q400, subsidies or minimum revenue guarantees and/or the use of CRJ-700 aircraft through their codeshare agreement with SkyWest make these services a possibility, with Los Angeles as the top market to pursue.

TABLE 7.9 ALASKA - DEPARTURES BY SEASON

HUB	RESORT AIRPORT	SEASON		
		WINTER	SUMMER	SHOULDER
LAS	MMH	22	0	2
LAX	MMH	206	117	109
	SUN	101	101	0
SAN	MMH	67	0	4
SEA	HDN	45	0	0
	SUN	103	110	9
Total		**544**	**328**	**124**

Source: Diio Mi: As of 12/12/14

Allegiant

Allegiant continues to discuss opportunities to Mexico and Caribbean with potential service initiation in 2015. Allegiant has been changing their strategy with several larger market adds in 2014, including Cincinnati, Indianapolis, Omaha, Oklahoma City, Pittsburgh, and Tulsa. Allegiant currently serves 98 cities with the majority of their growth in these top markets except Las Vegas.

HUB/FOCUS CITIES

In general, Allegiant's leisure destination oriented service is focused primarily on service to Orlando-Sanford, Las Vegas, Tampa-St. Petersburg and Phoenix-Mesa with limited service in select other markets such as Punta Gorda. With the exception of Las Vegas, service is provided through secondary airports (e.g. Sanford, Mesa). Service is generally on a less than daily basis (two to three times weekly) from cities having limited access to service at larger airports. **Table 7.10** compares Allegiant's average daily departures and seats in March 2015. Allegiant's primary growth is in Florida markets. Overall seats increased 7 percent with departures increasing 8 percent. To date, all of Allegiant's service is domestic.

TABLE 7.10 ALLEGIANT - DEPARTURES AND SEATS BY FOCUS CITY

	MARCH 2015			MARCH 2014			% CHANGE YOY		
FOCUS CITY	AVG DAILY SEATS	AVG DAILY DEPART-URES	AVG SEATS/ DEPART-URE	AVG DAILY SEATS	AVG DAILY DEPART-URES	AVG SEATS/ DEPART-URE	AVG DAILY SEATS	AVG DAILY DEPART-URES	AVG SEATS/ DEPART-URE
Orlando, FL (SFB)	3,929	23.2	170	3,688	21.7	170	7	7	(0)
Las Vegas, NV	3,875	22.3	174	3,903	22.1	176	(1)	1	(2)
Tampa, FL (PIE)	2,732	16.0	170	2,194	12.9	170	25	24	0
Phoenix, AZ (AZA)	2,703	16.6	162	2,661	16.4	163	2	2	(0)
Punta Gorda, FL	1,494	9.0	166	1,365	8.2	166	9	9	0
Bellingham, WA	951	6.0	159	1,277	7.1	179	(26)	(16)	(11)
Domestic	**32,629**	**192.9**	**169**	**30,383**	**178.3**	**170**	**7**	**8**	**(1)**
International	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total all markets	**32,629**	**192.9**	**169**	**30,383**	**178.3**	**170**	**7**	**8**	**(1)**

Source: Diio Mi; As of 12/10/14

Allegiant Market Opportunity
It is unlikely that Allegiant will consider serving the GUC market with Allegiant's existing Montrose service.

AIRCRAFT IN USE

Table 7.11 provides Allegiant's aircraft in use for March 2015. Allegiant's fleet is primarily composed of MD-80 aircraft reconfigured to 166-seats, representing 67 percent of their fleet. Allegiant added six Boeing 757 aircraft to facilitate their entry into the Hawaiian market. The Boeing 757 gave Allegiant the potential to serve longer haul domestic mainland markets. Allegiant also took delivery of several Airbus A319/A320 aircraft, anticipating 19 total aircraft by 2016. The A319/320 can serve longer distances than the MD-80 aircraft.

TABLE 7.11 ALLEGIANT - AIRCRAFT IN USE

AIRCRAFT TYPE	SEATING CAPACITY	AVERAGE DAILY DEPARTURES - MARCH 2015							
		SFB	LAS	AZA	PIE	PGD	BLI	OTHER	TOTAL
Boeing 757	228	0	3	0	0	0	0	4	7
Airbus A320	177	8	0	0	6	0	0	22	36
MD-80	166	15	18	11	10	9	2	65	130
Airbus A319	156	0	1	6	0	0	4	9	20
Total		**23**	**22**	**17**	**16**	**9**	**6**	**100**	**193**

Source: Diio Mi; As of 12/10/14

TABLE 7.12 ALLEGIANT - DEPARTURES BY SEASON

FOCUS CITY	RESORT AIRPORT	SEASON		
		WINTER	SUMMER	SHOULDER
AZA	MTJ	29	0	0
LAX	MTJ	29	0	0
Total		**58**	**0**	**0**

Source: Diio Mi: As of 12/12/14

MARKET OPPORTUNITIES

Allegiant serves only one of the resort airports, Montrose (**Table 7.12**). The service to Montrose is on a seasonal basis. With Montrose service just one hour from the Gunnison area, it is unlikely that Allegiant would consider serving the GUC market unless a business case could be made to compliment (not negatively impact) the Montrose service.

Delta Air Lines

Delta has been focused on lowering unit costs and enhancing customer experience. Delta eliminated Memphis as a hub in their network and purchased a 49 percent interest in Virgin Atlantic. In the West, Delta has been active in creating an international hub at Seattle anticipating more than 100 daily departures in 2015.

HUBS/FOCUS CITIES

Across the Delta system, Delta operates an extensive route network with hubs/focus cities at Atlanta, Minneapolis, Detroit, Salt Lake City, New York LaGuardia and Kennedy, Los Angeles, and Seattle. **Table 7.13**, next page, provides frequency and capacity changes at Delta's hubs. All but Minneapolis and Detroit experienced increases in seats over 2014 though Salt Lake City, while up in seats, experienced a decrease in departures like Minneapolis and Detroit. The largest increase occurred at the Seattle hub followed by Los Angeles and New York Kennedy. Overall, Delta's system-wide seats increased 4 percent and departures increased 2 percent with a slightly higher increase internationally than domestically.

TABLE 7.13 DELTA - DEPARTURES AND SEATS BY HUB

HUB	MARCH 2015			MARCH 2014			% CHANGE YOY		
	AVG DAILY SEATS	AVG DAILY DEPART-URES	AVG SEATS/ DEPART-URE	AVG DAILY SEATS	AVG DAILY DEPART-URES	AVG SEATS/ DEPART-URE	AVG DAILY SEATS	AVG DAILY DEPART-URES	AVG SEATS/ DEPART-URE
Atlanta, GA	128,458	967	133	124,551	953	131	3	1	2
Minneapolis, MN	42,911	400	107	43,275	413	105	(1)	(3)	2
Detroit, MI	40,897	406	101	42,207	429	98	(3)	(5)	2
Salt Lake City, UT	24,635	233	106	24,234	247	98	2	(6)	8
New York, NY (JFK)	23,019	175	132	20,072	146	138	15	20	(4)
New York, NY (LGA)	22,616	244	93	22,280	242	92	2	1	1
Los Angeles, CA	20,006	151	132	17,081	125	137	17	21	(3)
Seattle, WA	10,599	85	125	5,969	36	165	78	134	(24)
Domestic	**513,391**	**4,732**	**108**	**495,095**	**4,667**	**106**	**4**	**1**	**2**
International	**88,054**	**541**	**163**	**84,769**	**508**	**167**	**4**	**7**	**(2)**
Total all markets	**601,445**	**5,273**	**114**	**579,864**	**5,174**	**112**	**4**	**2**	**2**

Source: Diio Mi; As of 12/10/14

AIRCRAFT IN USE

Delta's fleet distribution by hub is depicted in **Table 7.14**. Delta has reduced the total number of 50-seat regional jets in its network while adding larger regional jets and mainline flying. This includes reducing the number of 50-seat regional jets from nearly 310 aircraft to 100 by 2015. Delta is acquiring 88 Boeing 717 aircraft from Southwest beginning with 16 aircraft in 2013 and 36 each in 2014/2015. They are also purchasing 40 CRJ-900 aircraft to be operated by Pinnacle Airlines with 12 deliveries in 2013 and 28 in 2014 and 100 Boeing 737-900ER with deliveries from 2013 through 2018.

TABLE 7.14 DELTA - AIRCRAFT IN USE

AIRCRAFT TYPE	OPERATING CARRIER	SEATING CAPACITY	AVERAGE DAILY DEPARTURES - MARCH 2015									
			ATL	DTW	MSP	LGA	SLC	JFK	LAX	SEA	OTHER	TOTAL
Embraer E-175	Compass	77	0	4	21	0	4	0	41	16	76	162
	Shuttle America	77	0	1	2	20	0	0	0	0	30	52
Canadair CRJ-900	Endeavor Air	76	3	26	47	29	0	38	0	0	163	305
	ExpressJet	76	54	22	8	2	0	0	0	0	107	193
	SkyWest	76	0	2	12	0	43	0	22	12	92	184
Embraer E-170	Compass	70	0	0	13	0	0	0	0	0	13	26
	Shuttle America	70	0	1	0	26	0	0	0	0	32	59
Canadair CRJ-700	ExpressJet	66	21	43	8	32	0	0	0	0	111	215
	GoJet	66	0	6	0	38	0	3	0	0	49	96
	SkyWest	66	1	0	7	0	18	0	10	19	54	109
Canadair CRJ-100/200	Air Wisconsin	50	0	8	0	0	0	8	0	0	40	55

Delta Service Opportunity
While Salt Lake City and Atlanta service are top market opportunities for GUC, the historically low load factors will need to be overcome for Delta to consider re-instating service.

TABLE 7.14 DELTA - AIRCRAFT IN USE

AIRCRAFT TYPE	OPERATING CARRIER	SEATING CAPACITY	AVERAGE DAILY DEPARTURES - MARCH 2015									
			ATL	DTW	MSP	LGA	SLC	JFK	LAX	SEA	OTHER	TOTAL
	Endeavor Air	50	2	98	52	3	0	0	0	0	192	347
	ExpressJet	50	135	7	0	2	0	0	0	0	155	299
	SkyWest	50	1	10	59	0	58	0	0	0	139	267
Embraer ERJ	Chautauqua	50	0	23	0	8	0	15	0	0	82	128
Embraer EMB-120	SkyWest	30	0	0	0	0	3	0	0	0	3	7
Mainline			749	155	172	84	106	111	78	38	1,274	2,768
Total			**967**	**406**	**400**	**244**	**233**	**175**	**151**	**85**	**2,611**	**5,273**

Source: Diio Mi; As of 12/10/14

MARKET OPPORTUNITIES

Delta serves multiple ski resort areas on a seasonal basis and two ski areas on an annual basis into Salt Lake City. As shown in **Table 7.15**, Delta serves resorts seasonally from Atlanta, New York Kennedy, Los Angeles, Minneapolis and Seattle.

Delta previously served GUC to Atlanta seasonally until 2010, Dallas/Ft. Worth in 2003/2004, and Salt Lake City seasonally in 2009/2010. The top opportunity for Delta at GUC is re-instated Salt Lake City service; however, previous load factors were very low averaging only 33 percent over the two seasonal periods. Atlanta performed better for Delta at GUC but still averaged only 52 percent. The historically low load factor performance in these two potential markets will need to be overcome for Delta to consider re-instating service. In addition to Atlanta and Salt Lake City, Minneapolis is also an opportunity with Delta providing seasonal service to multiple resort airports including Aspen, Vail/Eagle, Steamboat Springs and Jackson Hole. With their existing limited resort service at Los Angeles, New York Kennedy and Seattle, service to GUC is unlikely.

TABLE 7.15 DELTA - DEPARTURES BY SEASON

HUB	RESORT AIRPORT	SEASON		
		WINTER	SUMMER	SHOULDER
ATL	ASE	99	0	0
	EGE	100	0	0
	HDN	94	0	0
	JAC	63	92	0
	MTJ	34	0	0
JFK	JAC	6	0	0
LAX	JAC	26	15	0
MSP	ASE	18	0	0
	EGE	3	0	0
	HDN	100	0	0
	JAC	33	67	0
SEA	JAC	15	0	0
SLC	JAC	345	364	346
	SUN	276	343	198
Total		**1,212**	**881**	**544**

Source: Diio Mi: As of 12/12/14

Frontier Airlines

Frontier was purchased by Indigo Partners, which previously owned Spirit Airlines. Indigo is transforming Frontier into an ultra low-cost carrier, likely similar to Spirit. It is anticipated that Frontier will be less Denver centric and focus on opportunistic growth in larger markets. Their existing growth has been in very large markets, while canceling service to smaller markets.

HUBS/FOCUS CITIES

Frontier is actively recreating their hub/focus cities in 2015. Frontier has announced significant reductions at Denver, particularly to/from smaller cities, and added service to larger markets including Orlando and Chicago O'Hare. Overall, seats and departures will increase 11 percent with all of the additions occurring domestically and seats and departures declining internationally year-over-year (**Table 7.16**).

TABLE 7.16 FRONTIER - DEPARTURES AND SEATS BY FOCUS CITY

FOCUS CITY/ HUB	MARCH 2015			MARCH 2014			% CHANGE YOY		
	AVG DAILY SEATS	AVG DAILY DEPART-URES	AVG SEATS/ DEPART-URE	AVG DAILY SEATS	AVG DAILY DEPART-URES	AVG SEATS/ DEPART-URE	AVG DAILY SEATS	AVG DAILY DEPART-URES	AVG SEATS/ DEPART-URE
Denver, CO	9,680	67	145	13,647	93	147	(29)	(28)	(1)
Orlando, FL (MCO)	2,130	15	146	729	5	149	192	198	(2)
Chicago, IL (ORD)	1,703	10	165	218	1	161	681	660	3
Domestic	**32,336**	**221**	**147**	**28,608**	**195**	**147**	**13**	**13**	**(0)**
International	**3,563**	**23**	**157**	**3,804**	**25**	**151**	**(6)**	**(10)**	**4**
Total all markets	**35,899**	**243**	**148**	**32,413**	**220**	**147**	**11**	**11**	**0**

Source: Diio Mi; As of 12/10/14

AIRCRAFT IN USE

Table 7.17 recaps the current Frontier fleet. Frontier uses the Airbus A319 and the Airbus A320 for their operations.

TABLE 7.17 FRONTIER - AIRCRAFT IN USE

AIRCRAFT TYPE	OPERATING CARRIER	SEATING CAPACITY	AVERAGE DAILY DEPARTURES - MARCH 2015				
			DEN	MCO	ORD	OTHER	TOTAL
Airbus A320	Frontier	168	16	4	9	49	78
Airbus A319	Frontier	138	51	11	1	103	165
Total			**67**	**15**	**10**	**152**	**243**

Source: Diio Mi; As of 12/10/14

MARKET OPPORTUNITIES

Table 7.18 shows that Frontier provides service to only one resort airport, Jackson Hole to Denver. With Frontier's larger aircraft and move away from smaller markets to larger markets, Frontier service in the GUC market is unlikely.

TABLE 7.18 FRONTIER - DEPARTURES BY SEASON

HUB	RESORT AIRPORT	SEASON		
		WINTER	SUMMER	SHOULDER
DEN	JAC	0	99	0
Total		**0**	**99**	**0**

Source: Diio Mi: As of 12/12/14

JetBlue Airways

With consistently strong profits, JetBlue has generally grown at a fairly fast rate compared to other airlines. However, recently, JetBlue has slowed their growth from historical numbers but continues growth mainly to the Caribbean and Latin America.

HUBS/FOCUS CITIES

JetBlue Airways operates hubs at New York Kennedy and Boston with several other focus cities such as Fort Lauderdale and Orlando. Average daily seats are up 6 percent in March 2015 compared to the prior year while departures are up 5 percent (**Table 7.19**). All markets listed increased except for San Juan, Puerto Rico, and Long Beach. JetBlue has grown by double digit percentage increases at Fort Lauderdale, West Palm Beach, Washington National, and New York LaGuardia. The significant growth at Washington National is due to American's slot divestiture whereby JetBlue received 24 additional slots. Capacity has grown by a higher percentage in international markets compared to domestic markets.

TABLE 7.19 JETBLUE - DEPARTURES AND SEATS BY FOCUS CITY

FOCUS CITY/HUB	MARCH 2015			MARCH 2014			% CHANGE YOY		
	AVG DAILY SEATS	AVG DAILY DEPART-URES	AVG SEATS/ DEPART-URE	AVG DAILY SEATS	AVG DAILY DEPART-URES	AVG SEATS/ DEPART-URE	AVG DAILY SEATS	AVG DAILY DEPART-URES	AVG SEATS/ DEPART-URE
New York, NY (JFK)	21,086	150	141	20,521	149	138	3	1	2
Boston, MA	14,926	123	122	14,569	120	121	2	2	0
Fort Lauderdale, FL	9,811	72	136	8,632	64	136	14	13	0
Orlando, FL (MCO)	8,132	61	134	7,774	58	134	5	5	(0)
San Juan, PR	4,864	37	131	5,164	39	132	(6)	(5)	(1)
West Palm Beach, FL	3,251	23	141	2,952	22	137	10	7	3
Washington, DC (DCA)	3,160	30	107	2,063	18	118	53	69	(9)
Long Beach, CA	3,097	21	150	3,358	22	150	(8)	(8)	0
Newark, NJ	2,879	21	138	2,818	21	136	2	1	1
New York, NY (LGA)	2,850	19	150	2,550	17	150	12	12	0
Domestic	**95,347**	**730**	**131**	**90,612**	**691**	**131**	**5**	**6**	**(0)**
International	**19,430**	**137**	**142**	**17,813**	**131**	**136**	**9**	**4**	**4**
Total all markets	**114,778**	**867**	**132**	**108,425**	**822**	**132**	**6**	**5**	**0**

Source: Diio Mi; As of 12/10/14

AIRCRAFT IN USE

Table 7.20 outlines JetBlue's aircraft fleet in use. JetBlue primarily operates the 150-seat Airbus A320 and the 100-seat ERJ-190. JetBlue has limited flying with the larger Airbus A321.

TABLE 7.20 JETBLUE - AIRCRAFT IN USE

AIRCRAFT TYPE	SEATING CAPACITY	AVERAGE DAILY DEPARTURES - MARCH 2015											
		JFK	BOS	FLL	MCO	SJU	DCA	PBI	EWR	LGB	LGA	OTHER	TOTAL
Airbus A321	190	7	0	2	0	1	0	1	0	0	0	3	14
Airbus A319/20/21	159	12	0	0	0	0	0	0	0	0	0	12	23
Airbus A320	150	95	53	48	41	21	4	17	16	21	19	172	508
Embraer 190	100	36	69	22	20	15	26	5	5	0	0	124	321
Total		**150**	**123**	**72**	**61**	**37**	**30**	**23**	**21**	**21**	**19**	**311**	**867**

Source: Diio Mi; As of 12/10/14

MARKET OPPORTUNITIES

JetBlue does not operate at any of the resort airports. In Colorado, JetBlue serves Denver to/from Boston and New York Kennedy an average of one to two times daily. GUC service is unlikely in the short term with existing market sizes and JetBlue's large aircraft.

Southwest Airlines

The Southwest/AirTran Airways merger is complete; however, Southwest and AirTran continue to work on integrating the two companies which was anticipated by the end of 2014. Southwest's new reservations system is the major remaining obstacle and will likely be implemented in 2015. In October 2014, the Wright Amendment, which restricts operations by Southwest at Dallas Love field, expired and led to new nonstop service to markets like Los Angeles, San Diego and Phoenix. Expansion plans in 2015 are expected to be modest, with capacity increasing 2 to 3 percent with larger gauge aircraft, and will likely continue to occur internationally.

HUBS/FOCUS CITIES

Table 7.21, next page, compares Southwest's focus city average daily departures and seats in March 2015 with the prior year. All but Houston Hobby and Atlanta experienced increases in capacity over March 2014. The most significant percentage increases have occurred at Dallas Love Field and Los Angeles. Overall seats have increased 1 percent while departures have decreased 1 percent year-over-year. Notably, international capacity has increased 19 percent.

TABLE 7.21 SOUTHWEST - DEPARTURES AND SEATS BY FOCUS CITY

FOCUS CITY /HUB	MARCH 2015			MARCH 2014			% CHANGE YOY		
	AVG DAILY SEATS	AVG DAILY DEPART-URES	AVG SEATS/ DEPART-URE	AVG DAILY SEATS	AVG DAILY DEPART-URES	AVG SEATS/ DEPART-URE	AVG DAILY SEATS	AVG DAILY DEPART-URES	AVG SEATS/ DEPART-URE
Chicago, IL (MDW)	34,653	232	149	33,447	228	146	4	1	2
Las Vegas, NV	30,670	208	148	30,240	208	145	1	(0)	2
Baltimore, MD	29,376	199	147	28,651	199	144	3	0	2
Phoenix, AZ (PHX)	25,105	170	148	23,870	164	145	5	4	1
Denver, CO	24,465	166	148	23,151	158	147	6	5	1
Dallas, TX (DAL)	20,789	146	142	15,952	116	138	30	26	3
Houston, TX (HOU)	20,127	144	140	20,741	148	140	(3)	(3)	(0)
Orlando, FL (MCO)	19,405	131	148	19,221	135	142	1	(3)	4
Atlanta, GA	17,525	123	143	19,840	156	127	(12)	(21)	12
Los Angeles, CA	15,818	109	146	14,588	101	145	8	8	1
Domestic	**512,815**	**3,523**	**146**	**506,973**	**3,571**	**142**	**1**	**(1)**	**3**
International	**7,179**	**48**	**150**	**6,055**	**44**	**137**	**19**	**8**	**9**
Total all markets	**519,994**	**3,571**	**146**	**513,028**	**3,615**	**142**	**1**	**(1)**	**3**

Source: Diio Mi; As of 12/10/14

AIRCRAFT IN USE

Table 7.22 outlines Southwest's aircraft fleet in use. Southwest operates a fleet of Boeing 737 aircraft.

TABLE 7.22 SOUTHWEST - AIRCRAFT IN USE

AIRCRAFT TYPE	SEATING CAPACITY	AVERAGE DAILY DEPARTURES - MARCH 2015											
		MDW	LAS	BWI	PHX	DEN	DAL	HOU	MCO	ATL	LAX	OTHER	TOTAL
B737-800	175	47	34	30	27	27	16	8	21	1	13	183	406
B737-700	143	185	130	123	109	117	80	83	83	91	63	1,346	2,409
B737-300	143	0	27	32	21	11	15	15	19	24	14	231	408
	137	0	17	15	14	12	6	8	8	8	19	138	245
B737-500	122	0	0	0	0	0	29	30	0	0	0	45	104
Total		**232**	**208**	**199**	**170**	**166**	**146**	**144**	**131**	**123**	**109**	**1,944**	**3,571**

Source: Diio Mi; As of 12/10/14

MARKET OPPORTUNITIES

Like JetBlue, Southwest does not operate at any of the resort airports. Southwest service is unlikely in the GUC market. With Southwest's current model of high frequency, daily service with larger aircraft and their significant Denver presence, GUC market sizes will not support Southwest's model at this time.

Spirit Airlines

Spirit has been actively growing their presence in point-to-point markets. Spirit plans significant growth, but their current growth has been focused in larger markets that can support daily service utilizing aircraft with high density seating. In general, Spirit service has been less than stable with their fleet being redeployed to markets perceived to offer a greater opportunity.

HUBS/FOCUS CITIES

Spirit primarily serves leisure markets with a focus on Fort Lauderdale, Chicago O'Hare, Dallas/Fort Worth, Detroit and Las Vegas. **Table 7.23** compares average departures and seats in March 2015 with the prior year. Overall Spirit's seats and departures have increased 26 and 24 percent, respectively, with larger percentage increases domestically than internationally. The most significant increases occurred in the Chicago O'Hare, Detroit and Dallas/Ft. Worth markets.

TABLE 7.23 SPIRIT AIRLINES - DEPARTURES AND SEATS BY HUB

HUB/ FOCUS CITY	MARCH 2015			MARCH 2014			% CHANGE YOY		
	AVG DAILY SEATS	AVG DAILY DEPART-URES	AVG SEATS/ DEPART-URE	AVG DAILY SEATS	AVG DAILY DEPART-URES	AVG SEATS/ DEPART-URE	AVG DAILY SEATS	AVG DAILY DEPART-URES	AVG SEATS/ DEPART-URE
Fort Lauderdale, FL	8,323	49	171	7,512	45	169	11	9	2
Chicago, IL (ORD)	4,199	26	162	3,098	19	163	36	37	(1)
Dallas, TX (DFW)	4,144	25	168	3,380	21	160	23	17	5
Detroit, MI	3,939	24	162	2,983	18	164	32	34	(2)
Las Vegas, NV	3,757	25	150	3,434	23	149	9	9	1
Domestic	**49,788**	**302**	**165**	**38,849**	**239**	**163**	**28**	**27**	**1**
International	**5,272**	**31**	**173**	**4,729**	**29**	**164**	**11**	**6**	**5**
Total	**55,060**	**332**	**166**	**43,578**	**267**	**163**	**26**	**24**	**2**

Source: Diio Mi; As of 12/10/14

AIRCRAFT IN USE

Table 7.24, next page, outlines Spirit's aircraft fleet in use. Spirit plans to take delivery of 22 additional aircraft by the end of 2015. An additional 63 aircraft are anticipated by 2021.

TABLE 7.24 SPIRIT AIRLINES - AIRCRAFT IN USE

AIRCRAFT TYPE	SEATING CAPACITY	AVERAGE DAILY DEPARTURES - MARCH 2015						
		FLL	ORD	LAS	DFW	DTW	OTHER	TOTAL
Airbus A321	218	4	0	0	0	1	3	8
Airbus A320	178	30	13	4	17	10	116	190
Airbus A319	145	15	13	21	8	13	65	134
Total		**49**	**26**	**25**	**25**	**24**	**184**	**332**

Source: Diio Mi; As of 12/10/14

MARKET OPPORTUNITIES

Spirit does not operate at any of the resort airports. Spirit service is unlikely in the GUC market with Spirit only serving the Denver market in Colorado. With Spirit's larger aircraft and Denver presence, GUC's market size is too small to warrant service with Spirit's larger aircraft.

AIRCRAFT USED AT RESORT AIRPORTS

Elevation and mountainous terrain at resort airports have an impact on the service that can potentially be added, since certain aircraft types are likely unable to operate in the market unrestricted, i.e. payload restrictions. The primary restrictions affecting resort markets are typically on smaller, 50-seat regional jets. **Table 7.25** provides a summary of aircraft that are operated in resort markets for the year ended May 2015.

TABLE 7.25 AIRCRAFT IN USE AT RESORT AIRPORTS

AIRLINE	AIRCRAFT TYPE - TOTAL DEPARTURES										TOTAL
	CR7	DH4	319/320	757	737	ERJ	CRJ	E70/75	CR9	M80	
United	5,738	3,046	654	239	502	639	452				11,270
Delta	1,586		603	187	118			100	9	34	2,637
American	482		635	602	126	69	31	110	110	16	2,181
Alaska	45	951									996
Frontier			99								99
Allegiant										58	58
Air Canada			8								8
Total	**7,851**	**3,997**	**1,999**	**1,028**	**746**	**708**	**483**	**210**	**119**	**108**	**17,249**

Source: Diio Mi YE May 2015; Note: Airports include Aspen, Vail/Eagle, GUC, Steamboat Springs, Jackson Hole, Mammoth Lakes, Montrose and Sun Valley.

United provides the highest level of operations at resort airports. Delta and American follow United with the number of departures but represent less than a quarter of the departures compared to United. The CRJ-700 and Bombardier Q400 are the primary aircraft used at resort airports. The two aircraft represent 69 percent of total operations. Aspen, Mammoth Lakes

and Sun Valley are primarily served with the CRJ-700 and Bombardier Q400 at this time. Some resort airports, including GUC, are also served with mainline aircraft.

SUMMARY OF MAIN POINTS

- **American Airlines:** With existing Dallas/Ft. Worth service, Los Angeles and Phoenix are the top market opportunities for American at GUC; however, Phoenix has historically been a low demand ski market. Chicago O'Hare service faces several hurdles with low historical load factors and existing seasonal United Chicago O'Hare service; however, if United is not interested in expanding Chicago O'Hare service, American could be approached to provide the service with financial support. Other nonstop American markets are unlikely at GUC.
- **United Airlines:** With existing Denver, Houston and Chicago O'Hare service, the top new market opportunity for United at GUC is nonstop San Francisco service. United has indicated that they will be growing their San Francisco hub and is scheduled to provide service in several other ski markets in 2015. Other United hub markets such as Newark and Washington Dulles are unlikely.
- **Potential Airlines**: GUC's top new airline opportunity is the return of Delta to Salt Lake City or Atlanta. The primary hurdle will be overcoming the historically low load factors when Delta previously served the market. Other airlines such as Alaska, Frontier, JetBlue, Southwest and Spirit are unlikely to serve the GUC market in the near term.

SECTION 8. MARKET CONSIDERATIONS

This section addresses market considerations not addressed in previous sections and next steps that GUC should consider to retain and/or improve air service.

AIR TRAVEL DEMAND

The GUC catchment area generates over 245,000 origin and destination passengers annually, or 336 PDEW based on the most recent true market estimate. Flanked by diversionary airports including Montrose 65 miles to the west (one-plus hour drive), Grand Junction 130 miles to the northwest (two-plus hour drive), Colorado Springs 200 miles to the east (three-plus hour drive) and Denver 225 miles to the northeast (3.5-hour drive), GUC retains just 23 percent of the estimated market. It is important for local passengers and visitors to use GUC to keep the existing air service and attract new service.

AIR SERVICE INCENTIVES

Incentives in highly seasonal, tourist destinations such as ski resorts are very common. Many resort or destination communities financially support new service based on a desire to add more visitors to the local area, increasing hotel occupancies or the number of skiers. Due to these incentives, pure economic projections for potential new service sometimes has little bearing on what is the next best opportunity or route. These incentives will affect everything from the routes flown, frequency of service, length of service (number of months), and type of aircraft flown.

Reduction in the Regional Jet Fleet
For GUC, the primary impact of the reduction of the 50-seat regional jet fleet will be the limited availability of the larger regional jets to initiate new nonstop service.

Air service at GUC is closely tied to the tourism industry, with approximately 81 percent of passengers at GUC originating from another airport. The current seasonal service to Dallas/Ft. Worth, Houston Intercontinental and Chicago O'Hare are supported by incentives from various groups within the Gunnison area, primarily the Rural Transit Authority (RTA) or Crested Butte Mountain Resort (CBMR). It is possible that without these incentives the service would not exist and future air service additions will likely require similar incentives.

REGIONAL JET FLEET CHANGES AND AVAILABILITY

While most 50-seat regional jets cannot profitably operate in resort markets, it is an important issue to understand when considering potential new service and aircraft availability. Recently, fuel costs have dropped; however, the significant rise in fuel costs over the last decade made 50-seat regional jets generally economically marginal. This has resulted in airlines replacing 50-seat and smaller regional jets with 70-seat and larger regional jets with demand for these larger aircraft far exceeding availability. In response to this situation, carriers are trimming frequency, eliminating service, and only very selectively increasing service in markets. Pilot scope changes have sped up the reduction in 50-seat aircraft (see following subsection). Forecasting how airlines will handle the transition from 50-seat regional jets to 70-seat regional jets is difficult, particularly from a timing standpoint. Individual carrier's strategy have varied.

The oldest 50-seat or smaller regional jets are approximately 20 years old, but many are still around 10 years old. Bombardier CRJs have life-limiting parts which preclude them from flying past a certain age based on the number of cycles or hours. There is currently no replacement for the 50-seat or smaller regional jet on the horizon. Bombardier and Embraer have indicated limited interest in pursuing a replacement for the smaller regional jets. Manufacturers are currently targeting new narrow-body aircraft and larger regional jets. Internal forecasts show little demand for aircraft below 70 seats. There is an opportunity for a new entrant aircraft manufacturer as the free market will dictate a replacement if an economic case warrants it.

As 70-seat aircraft are phased in to replace 50-seat aircraft, in general, market frequencies will likely decline. Adverse 50-seat regional jet economics may cause cancellation of service in some markets that could subsequently be reinstated as additional 70-seat regional jets become available. For GUC, the primary impact will be the limited availability of the larger regional jets to initiate new nonstop service or increase existing service.

PILOT SHORTAGES

Regulatory requirements have led to pilot shortages. The regulatory changes were brought about by a Colgan Air accident in February 2009. Public and government outcry over pilot training and crew rest led to changes in the rules that affect pilot availability. The most significant change is the requirement that all pilots for Part 121 carriers be Airline Transport Pilot (ATP)

rated, which requires 1,500 hours of flight time. In the past a first officer could have as few as 250 hours with a Commercial Certificate. Limited options exist today on getting from 250 hours to 1,500 hours. There are significantly fewer military pilots entering the workforce as the military is training fewer pilots annually. Civilian (private) flight training is drastically more expensive than a decade ago and costs are harder to justify for trainees. It can cost up to $100,000 for training up to Certified Flight Instructor. Many instructors make less than $20,000 per year upon graduation and need to instruct for several years to get to 1,500 hours total. Initial pay at many regionals is less than $25,000 per year. Other changes include a mandatory retirement age for airline pilots and longer minimum crew rest, an increase from eight hours to 10 hours. Pilot retirements will accelerate over the next five years as pilots hired during the 1980s hiring boom start to retire. The result of these changes on regional airlines is significant. For example, Great Lakes Airlines was forced to eliminate 30 of their pilots, and Republic announced the reduction of 27 Embraer regional jets partially due to the pilot shortage. Hiring pressure has been reported by the airlines.

NEXT STEPS

Priority 1 – Support Existing Service

Performance has been mixed on GUC's existing service. While United's passengers, revenue, load factor and RASM generally improved year-over-year, American's passengers and revenue were down with improved load factor and RASM driven in large part by the capacity reduction. GUC's primary focus should be on promoting and supporting existing hub service. Performance of current service should be monitored regularly. Marketing and support of existing commercial air service is critical to continued success of GUC services. Airlines stress the importance of marketing programs beyond the initial start-up of service to support the success and continuation of service. Success of service at GUC will create other opportunities on existing carriers or potential new carriers.

Priority 2 – Additional Winter Hub Service

Like other resort airports, new winter hub service will likely rely on incentives to the air carriers whether in the form of a revenue guarantee or subsidy. Top market opportunities include Alaska Airlines service to Los Angeles, American service to Los Angeles or Phoenix, United service to San Francisco, and Delta service to Salt Lake City or Atlanta. While each of these new service opportunities face obstacles including aircraft availability, sufficient incentives could lead to new air service at GUC.

Priority 3 – Additional Summer Hub Service

Currently, seasonal service is focused on the winter season. With the high demand from Texas, additional summer service to Texas should be investigated as a way of growing the market outside of the winter peak period.

APPENDIX A. GLOSSARY

Airport catchment area (ACA)

The geographic area surrounding an airport from which that airport can reasonably expect to draw passenger traffic. The airport catchment area is sometimes called the service area.

Aircraft codes

319/320 ..... Airbus A319/320
737 ..... Boeing 737
757 ..... Boeing 757
CR7 ..... Canadair Regional Jet 700
CR9 ..... Canadair Regional Jet 900
CRJ ..... Canadair Regional Jet 200
DH4 ..... Bombardier Dash 8 Q400
E70/75 ..... Embraer Regional Jet 170/175
ERJ ..... Embraer Regional Jet
M80 ..... McDonnell-Douglas MD-80

Airline codes

AA ..... American Airlines
UA ..... United Airlines

Airport codes

ANC ..... Anchorage, AK
ASE ..... Aspen, CO
ATL ..... Atlanta, GA
AZA ..... Phoenix-Mesa, AZ
BLI ..... Bellingham, WA
BOS ..... Boston, MA

Airport codes (continued)

BWI ..... Baltimore, MD
CLT ..... Charlotte-Douglas, NC
DAL ..... Dallas-Love Field, TX
DCA ..... Washington-National, DC
DEN ..... Denver, CO
DFW ..... Dallas/Fort Worth, TX
DTW ..... Detroit, MI
EGE ..... Vail/Eagle, CO
EWR ..... Newark, NJ
FLL ..... Fort Lauderdale, FL
GUC ..... Gunnison, CO
HDN ..... Steamboat Springs, CO
HOU ..... Houston-Hobby, TX
IAD ..... Washington-Dulles, DC
IAH ..... Houston-Intercontinental, TX
JAC ..... Jackson Hole, WY
JFK ..... New York-Kennedy, NY
LAS ..... Las Vegas, NV
LAX ..... Los Angeles, CA
LGA ..... New York-LaGuardia, NY
LGB ..... Long Beach, CA
LKE ..... Seattle-Kenmore, WA
MCO ..... Orlando-International, FL
MDW ..... Chicago-Midway, IL
MIA ..... Miami, FL
MMH ..... Mammoth Lakes, CA
MSP ..... Minneapolis, MN
MTJ ..... Montrose, CO
ORD ..... Chicago-O'Hare, IL

Airport codes (continued)

PBI ..... West Palm Beach, FL
PDX ..... Portland, OR
PGD ..... Punta Gorda, FL
PHL ..... Philadelphia, PA
PHX ..... Phoenix-Sky Harbor, AZ
PIE ..... Tampa-St. Petersburg, FL
SAN ..... San Diego, CA
SEA ..... Seattle-Tacoma, WA
SFB ..... Orlando-Sanford, FL
SFO ..... San Francisco, CA
SJU ..... San Juan, Costa Rica
SLC ..... Salt Lake City, UT
SUN ..... Sun Valley, ID

Average airfare

The average of the airfares reported by the airlines to the U.S. DOT. The average airfare does not include taxes or passenger facility charges and represents one-half of a roundtrip ticket (one-way).

Codeshare(s), codeshare partners, codeshare agreements

A marketing practice in which two airlines share the same two-letter code used to identify carriers in the computer reservation systems used by travel agents.

Hub
An airport used by an airline as a transfer point to get passengers to their intended destination. It is part of a hub and spoke model. Also an airport classification system used by the FAA.

Initiated (origin) passengers
Origin and destination passengers who began their trip from within the catchment area.

Itinerary miles
Average total flight miles.

Load factor
The percentage of airplane capacity that is used by passengers.

Nonstop flight
Air travel between two points without stopping at an intermediate airport.

Onboard passengers
The number of passengers transported on one flight segment.

Origin and destination (O&D) passengers
Includes all originating and destination passengers. In this report, it describes the passengers arriving and departing an airport.

Passenger Facility Charge
Fee imposed by airports of $1 to $4.50 on enplaning passengers. The fees are used by airports to fund FAA approved airport improvement projects.

Pax
Abbreviation for passengers.

PDEW
Abbreviation for passengers daily each way.

Point-to-point
Nonstop service that does not stop at an airline's hub and whose primary purpose is to carry local traffic rather than connecting traffic.

RASM
Acronym for Revenue per Available Seat Mile, also referred to as unit revenue. Available seat-miles are aircraft miles flown on each flight multiplied by the seat capacity available for sale. Passenger revenue is the number of paying passengers flown multiplied by the fare they paid.

Regional jet
A jet aircraft with a single aisle designed for seating fewer than 100 passengers.

Stage length
Distance of itinerary nonstop leg.

U.S. DOT
Acronym for United States Department of Transportation.

YE
Acronym for year ended (i.e., 12 months ended).

Yield
Yield is calculated by dividing total revenue by total itinerary miles.

YOY
Acronym for Year-over-year.

FOR MORE INFORMATION, PLEASE CONTACT

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CHAPTER 5 APPENDIX

Gunnison Airport Noise Analysis Technical Report

Prepared By:
KB Environmental Sciences

November 2015

GUNNISION-CRESTED BUTTE REGIONAL AIRPORT MASTER PLAN

Noise Analysis Technical Report

Prepared for:
Jviation

Prepared by:
KB Environmental Sciences, Inc.

DRAFT
November 20, 2015

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SECTION 1
Introduction

Gunnison-Crested Butte Regional Airport (GUC), located in Gunnison County, Colorado, is currently preparing a Master Plan. As part of the Master Plan, Noise Exposure Maps (NEMs) were prepared for the following scenarios:

- Existing Conditions, using the Master Plan baseline year of 2014
- Future Conditions, using the Master Plan out-year forecast for 2034

This noise analysis technical report describes the methodology used to develop the NEMs and the resulting noise exposure levels in the vicinity of the airport.

SECTION 2

Methodology

The NEMs were developed using the Federal Aviation Administration (FAA) Aviation Environmental Design Tool (AEDT) Version 2b. The AEDT was developed by the FAA using methods and calculations from SAE International's Aerospace Information Report (AIR) 1845, *Procedure for the Calculation of Airplane Noise in the Vicinity of Airports*.

The AEDT produces aircraft noise contours that delineate areas of equal day-night average sound level (DNL). The AEDT works by defining a network of grid points at ground level around an airport. It then selects the shortest distance from each grid point to each flight track and computes the noise exposure generated by each aircraft operation, along each flight track. Corrections are applied for atmospheric acoustical attenuation, acoustical shielding of the aircraft engines by the aircraft itself, and aircraft speed variations. The noise exposure levels for each aircraft are then summed at each grid location. The cumulative noise exposure levels at all grid points are then used to develop noise exposure contours for selected values (e.g. DNL 65, 70 and 75 dB). Using the results of the grid point analysis, noise contours of equal noise exposure can then be plotted.

The DNL is a 24-hour time-weighted sound level that is expressed in A-weighted decibels and is abbreviated as dB(A) or dB. The FAA, and other federal agencies, use DNL as the primary measure of noise impact because: it correlates well with the results of attitudinal surveys regarding noise; it increases with the duration of noise events; and, it accounts for an increased sensitivity to noise at night by increasing each noise event that occurs during nighttime hours (i.e., 10 pm to 7 am) by 10 dB(A).

In Appendix A of 14 CFR Part 150, the FAA identifies, as a function of yearly (365-day average) DNL value, land uses which are compatible and land uses which are not compatible in an airport environs. As shown in **Table 2-1**, the FAA considers all land uses to be compatible with aircraft noise if the DNL is less than 65 dB(A).

FAA Order 1050.1F, *Environmental Impacts: Policies and Procedures*[1] stipulates the following regarding the analysis and documentation of noise exposure:

> For proposed airport development and other actions in the immediate vicinity of an airport, the AEDT is used to provide noise exposure contours at the DNL 65, 70, and 75 dB levels (additional contours may be provided on a case-by-case basis). For all comparisons analyzed, the analysis will identify noise increases of DNL 1.5 dB or more over noise sensitive areas that are exposed to noise at or above the DNL 65 dB noise exposure level, or that would be exposed at or above the DNL 65 dB level due to a 1.5 dB or greater increase, when compared to the no action alternative for the same timeframe.

Accordingly, this report includes documentation of DNL contours, land uses, and flight tracks for the Existing Conditions and Future Conditions.

[1] Federal Aviation Administration Order 1050.1F, Appendix B, Section B-1.4. July 2015.

Table 2-1. Land Use Compatibility

Land use	DNL expressed in dB(A)					
	Below 65	**65–70**	**70–75**	**75–80**	**80–85**	**Over 85**
Residential						
Residential, other than mobile homes and transient lodgings	Y	N(1)	N(1)	N	N	N
Mobile home parks	Y	N	N	N	N	N
Transient lodgings	Y	N(1)	N(1)	N(1)	N	N
Public Use						
Schools	Y	N(1)	N(1)	N	N	N
Hospitals and nursing homes	Y	25	30	N	N	N
Churches, auditoriums, and concert halls	Y	25	30	N	N	N
Governmental services	Y	Y	25	30	N	N
Transportation	Y	Y	Y(2)	Y(3)	Y(4)	Y(4)
Parking	Y	Y	Y(2)	Y(3)	Y(4)	N
Commercial Use						
Offices, business and professional	Y	Y	25	30	N	N
Wholesale and retail—building materials, hardware and farm equipment	Y	Y	Y(2)	Y(3)	Y(4)	N
Retail trade—general	Y	Y	25	30	N	N
Utilities	Y	Y	Y(2)	Y(3)	Y(4)	N
Communication	Y	Y	25	30	N	N
Manufacturing and Production						
Manufacturing, general	Y	Y	Y(2)	Y(3)	Y(4)	N
Photographic and optical	Y	Y	25	30	N	N
Agriculture (except livestock) and forestry	Y	Y(6)	Y(7)	Y(8)	Y(8)	Y(8)
Livestock farming and breeding	Y	Y(6)	Y(7)	N	N	N
Mining and fishing, resource production and extraction	Y	Y	Y	Y	Y	Y
Recreational						
Outdoor sports arenas and spectator sports	Y	Y(5)	Y(5)	N	N	N
Outdoor music shells, amphitheaters	Y	N	N	N	N	N
Nature exhibits and zoos	Y	Y	N	N	N	N
Amusements, parks, resorts and camps	Y	Y	Y	N	N	N
Golf courses, riding stables and water recreation	Y	Y	25	30	N	N

SLUCM=Standard Land Use Coding Manual. Y (Yes) = Land Use and related structures compatible without restrictions. N (No) = Land Use and related structures are not compatible and should be prohibited. NLR = Noise Level Reduction (outdoor to indoor) to be achieved through incorporation of noise attenuation into the design and construction of the structure.
25, 30, or 35=Land use and related structures generally compatible; measures to achieve NLR of 25, 30, or 35 dB must be incorporated into design and construction of structure.
(1) Where the community determines that residential or school uses must be allowed, measures to achieve outdoor to indoor Noise Level Reduction (NLR) of at least 25 dB and 30 dB should be incorporated into building codes and be considered in individual approvals. Normal residential construction can be expected to provide a NLR of 20 dB, thus, the reduction requirements are often stated as 5, 10 or 15 dB over standard construction and normally assume mechanical ventilation and closed windows year round. However, the use of NLR criteria will not eliminate outdoor noise problems.
(2) Measures to achieve NLR 25 dB must be incorporated into the design and construction of portions of these buildings where the public is received, office areas, noise sensitive areas or where the normal noise level is low.
(3) Measures to achieve NLR of 30 dB must be incorporated into the design and construction of portions of these buildings where the public is received, office areas, noise sensitive areas or where the normal noise level is low.
(4) Measures to achieve NLR 35 dB must be incorporated into the design and construction of portions of these buildings where the public is received, office areas, noise sensitive areas or where the normal level is low.
(5) Land use compatible provided special sound reinforcement systems are installed.
(6) Residential buildings require an NLR of 25.
(7) Residential buildings require an NLR of 30.
(8) Residential buildings not permitted.

Source: 14 CFR Part 150

SECTION 3
Existing Conditions (2014)

This section details the development of DNL contours for the existing 2014 condition. The data used as input to the AEDT for the year 2014 NEM were comprised of the following:

- Runway layout and use,
- Number of aircraft operations,
- Operational time-of-day,
- Aircraft fleet mix, and
- Flight tracks and profiles.

This section discusses each of the above data elements and concludes with the NEM.

3.1 Runway Layout and Use

GUC has two runways: Runway 06-24, which is 9,400 feet long and 150 feet wide; and Runway 17-35, which is 3,000 feet long and 150 feet wide. Runway 17-35 is constructed of gravel and turf and is therefore only available from May 1st through December 1st and is used only when conditions permit. Annually, Runway 06-24 is used for approximately 96% of operations and Runway 17-35 is used for approximately 4% of operations at the airport. Helicopters take off and land at two areas: near runway-end 06 and runway-end 35.

3.2 Aircraft Operations

An aviation activity forecast was prepared as part of the Master Plan with a baseline year of 2014. The overall forecast of aviation activity was divided into categories of aircraft. The 2014 aircraft operations by category is provided in **Table 3-1.** As shown, in 2014 there were 7,629 operations – an average of approximately 21 operations per day. An aircraft operation is defined as either one arrival or one departure. A touch-and-go operation – an arrival of an aircraft and the departure of the same aircraft – is defined as two operations.

Table 3-1. 2014 Aircraft Operations by Category

Aircraft Category	Annual Operations
Regional Jet	1,032
Narrow Body	262
Single-Engine Piston	181
Multi-Engine Piston	367
Turboprop	1,850
Business Jet	2,137
Helicopter	700
Military Fixed Wing	1,000
Military Helicopter	100
Total Operations	**7,629**
Subtotal – Itinerant	*6,255*
Subtotal – Local	*1,374*

Source: Gunnison-Crested Butte Airport Master Plan 2015

3.3 Operational Time-of-Day

As previously stated, DNL is calculated such that aircraft operations that occur after 10 pm and before 7 am (i.e., during the nighttime) are penalized by the addition of 10 dB(A) to each operation. It was estimated that approximately two percent of itinerant operations at the airport occur during nighttime hours (no local operations typically occur during nighttime hours).

3.4 Fleet Mix

The FAA's Traffic Flow Management System Count (TFMSC) for calendar year 2014 was used to develop the 2014 AEDT aircraft fleet mix for GUC. TFMSC data provides information on traffic counts by airport and includes the specific aircraft types operating at that airport. TFMSC source data are created when pilots file flight plans.

The AEDT includes a number of individual aircraft types as well as a number of FAA-approved substitute aircraft. The TFMSC data for GUC was reviewed and each aircraft type was assigned an AEDT aircraft type (or approved substitute).

For the purposes of preparing DNL contours, operational data were segregated by aircraft type and by type of operation. An itinerant operation is defined as an aircraft departure where the aircraft leaves the airport vicinity and lands at another airport, or an aircraft landing where the aircraft arrives from another airport. Local operations are aircraft conducting touch-and-go training operations. A touch-and-go operation occurs when an aircraft departs an airport, lands on a runway and then departs again without stopping.

The 2014 AEDT aircraft operations and fleet mix are provided in **Table 3-2.**

Table 3-2. 2014 Aircraft Operations and AEDT Fleet Mix

Operation Type	Aircraft Category	AEDT Aircraft	Annual Operations
Itinerant	Regional Jet	EMB14L	683
		CRJ9-ER	349
	Narrow Body	A319-131	262
	Single-Engine Piston	GASEPV	33
		CNA182	4
		CNA206	4
		GASEPF	5
	Multi-Engine Piston	BEC58P	57
		PA31	90
	Turboprop	DHC6	721
		CNA441	691
		CNA208	296
		HS748A	22
	Business Jet	LEAR35	453
		CIT3	236
		CNA55B	213
		CNA560U	179
		MU3001	173
		CL600	133
		CNA560E	115
		ECLIPSE500	96
		CNA525C	91
		CNA750	84
		CNA680	84
		F10062	70
		CNA500	54
		CNA510	36
		CL601	28
		IA1125	26
		GIV	26
		GV	29
		GIIB	8
	Helicopter	B212	700
	Military Fixed Wing	C130	50
		C17	50
	Military Helicopter	UH-60	100
Subtotal - Itinerant			*6,255*
Local	Single-Engine Piston	GASEPV	114
		CNA182	10
		CNA206	10
	Multi-Engine Piston	BEC58P	220
	Turboprop	DHC6	60
		CNA441	60
	Military Fixed Wing	C130	450
		C17	450
Subtotal - Local			*1,374*
Total			**7,629**

Note: Values and totals reflect rounding.
Sources: Traffic Flow Management System Counts (TFMSC), Gunnison-Crested Butte Airport Master Plan 2015, KB Environmental Sciences

3.5 Flight Tracks and Profiles

The AEDT uses airport-specific ground tracks and vertical flight profiles to compute three-dimensional flight paths for each modeled aircraft. The default AEDT vertical profiles, which consist of altitude, speed, and thrust settings, are compiled from data provided by aircraft manufacturers.

The location of flight paths is an important factor in determining the geographic distribution of noise contours on the ground. Flight paths utilized by arriving, departing, and local touch-and-go aircraft (fixed-wing and helicopters) were input into the AEDT. The itinerant arrival and departure flight tracks modeled in AEDT are shown in **Figures 3-1 and 3-2**, respectively.

The local touch-and-go tracks are shown in **Figure 3-3**. There is a touch-and-go track from each runway end. Touch-and-go operations use a left traffic pattern from Runways 24 and 35; a right hand pattern is used on Runways 6 and 17. Military touch-and-go operations on Runway 06-24 were modeled with a larger flight track pattern, which accommodates the size of aircraft used (i.e., C-130 and C-17).

3.6 Noise Exposure Map

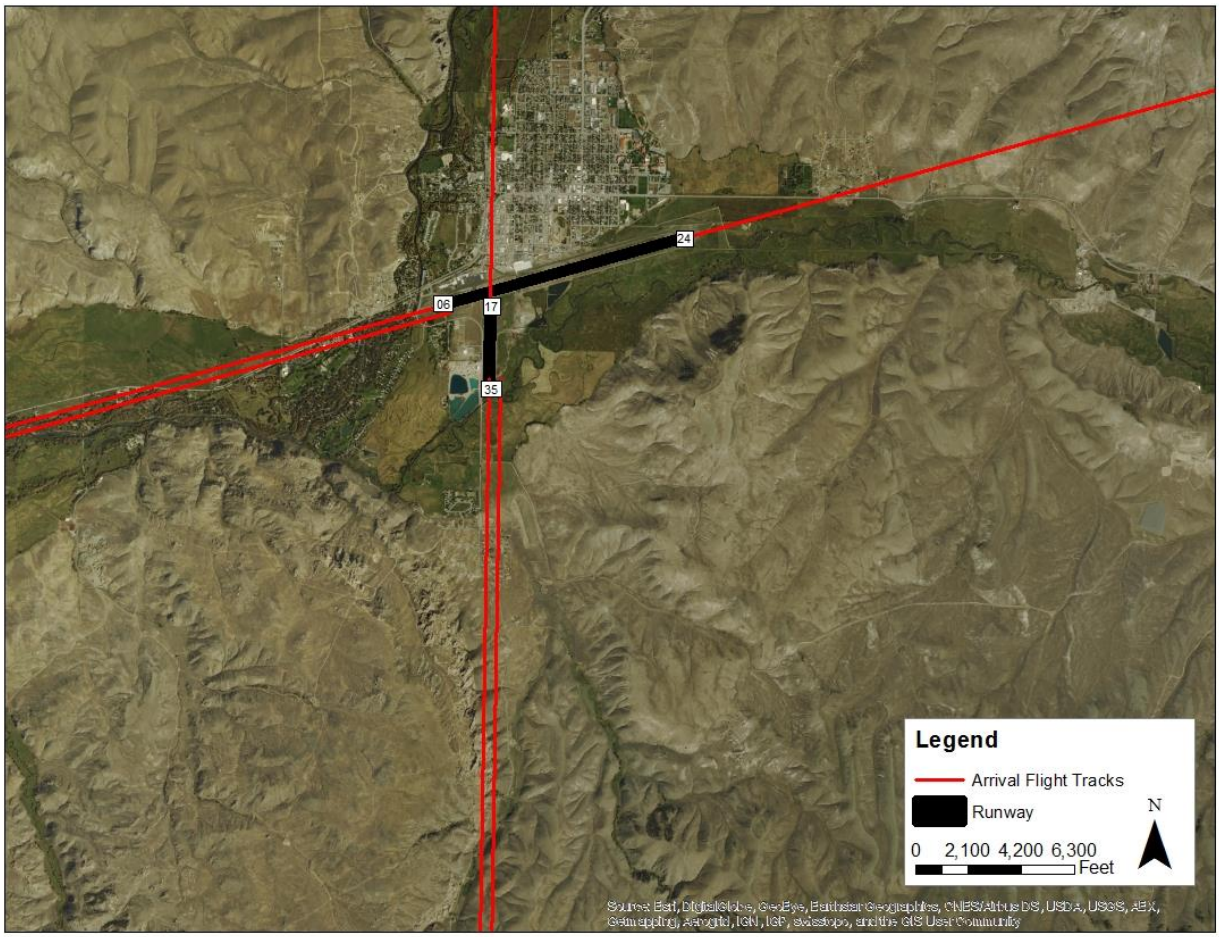
The DNL 65 dB contour for 2014 is presented in **Figure 3-4.** Of note, the DNL 65 dB contour does not encompass Runway 17-35 due to the low number of operations on the runway; and, the DNL 70 and 75 dB contours are too small to be displayed on the map. **Table 3-3** provides the area, in acres, of each contour interval (i.e., DNL 65-69 dB, 70-74 dB, and 75 dB and greater). As shown, the total area encompassed by the DNL 65 dB contour is 110 acres. The DNL 65 dB contour lies within the airport's property boundary, and there are no residences or other noise sensitive land uses within the contour.

Table 3-3. 2014 Noise Contour Areas

DNL (dB)	Area (Acres)
65 - 69	67
70 - 74	33
75 +	10
Total	*110*

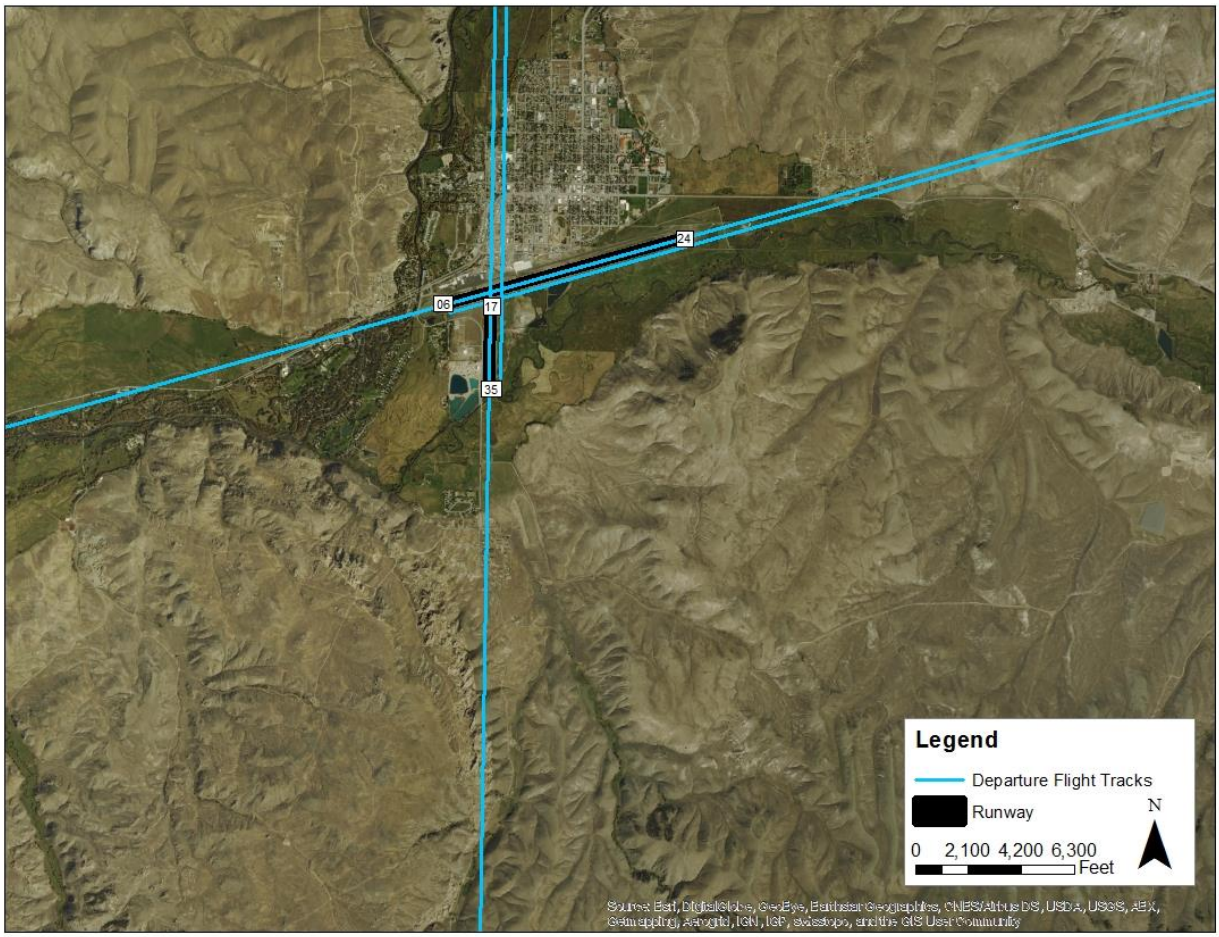
Note: Values and totals reflect rounding.
Source: AEDT 2b

Figure 3-1. AEDT Itinerant Flight Tracks – Arrival



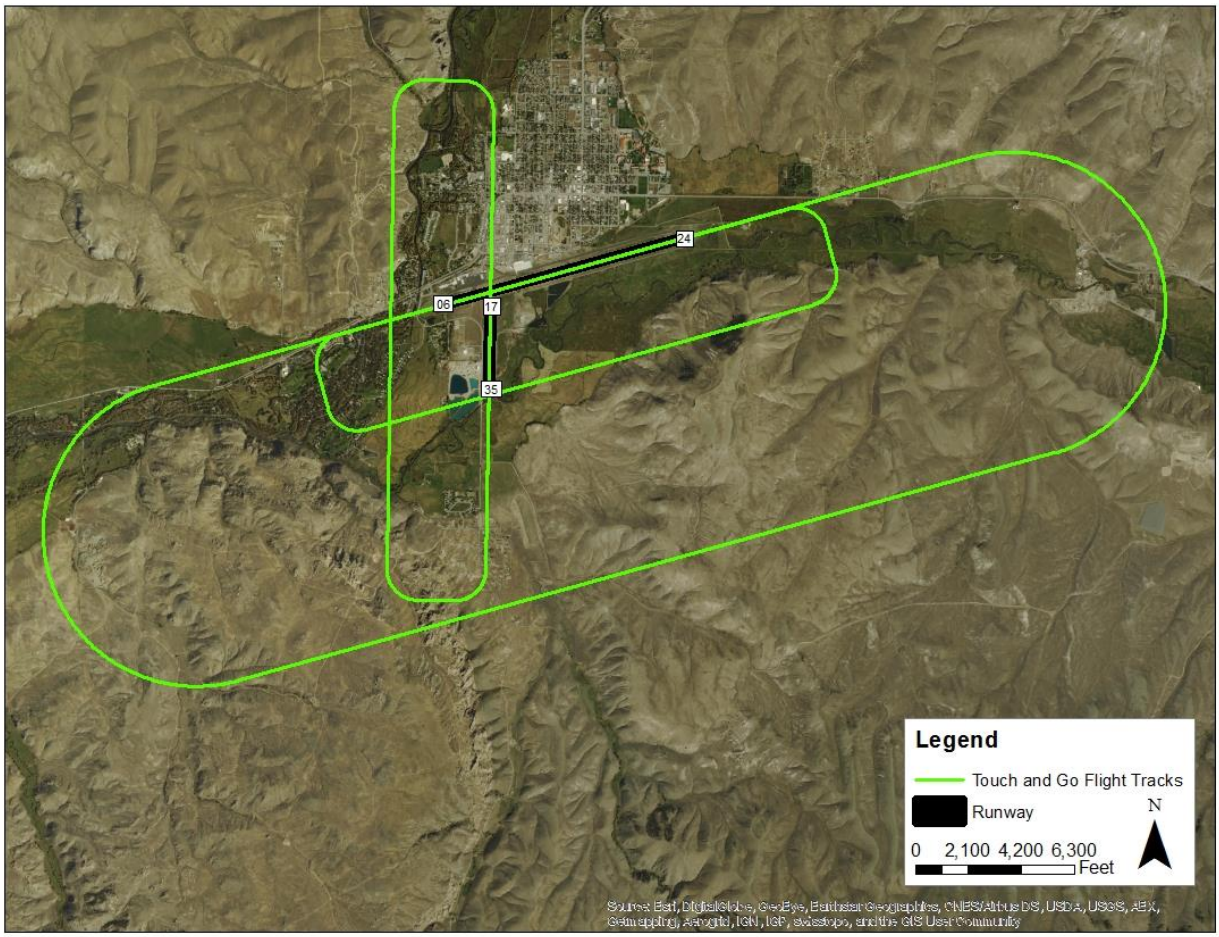
Source: KB Environmental Sciences, Inc.

Figure 3-2. AEDT Itinerant Flight Tracks – Departure



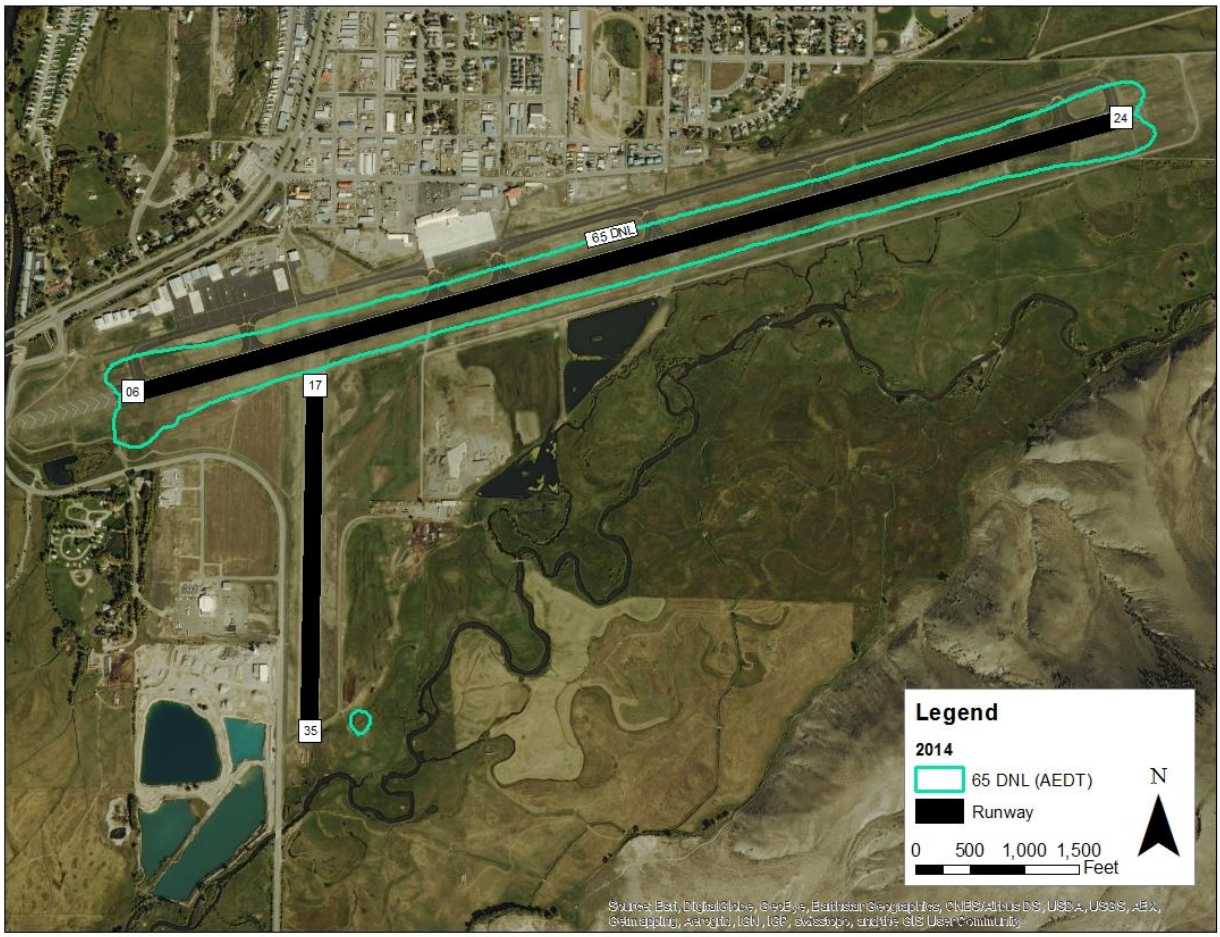
Source: KB Environmental Sciences, Inc.

Figure 3-3. AEDT Touch-and-Go Flight Tracks



Source: KB Environmental Sciences, Inc.

Figure 3-4. 2014 DNL Contours



Source: KB Environmental Sciences, Inc.

SECTION 4
Future Conditions (2034)

This section discusses the input data developed for the year 2034 Future Conditions scenario and the resulting Noise Exposure Map. The 2034 scenario includes the same runway layout and use, flight tracks, and profiles as the Existing Conditions. However, the year 2034 aircraft operations and fleet mix were defined using the aviation activity forecast from the Master Plan.

4.1 Runway Layout and Use

The airfield configuration modeled for the 2034 scenario was the same as the Existing Conditions in 2014. Likewise, the runway use for the 2034 scenario was the same as the Existing Conditions in 2014.

4.2 Aircraft Operations

The Master Plan forecast of operations for the year 2034 by aircraft category is presented in **Table 4-1.** As shown, the 2034 forecast includes 10,052 operations – an average of approximately 28 operations per day.

Table 4-1. 2034 Aircraft Operations by Category

Aircraft Category	Annual Operations
Regional Jet	1,352
Narrow Body	260
Single-Engine Piston	300
Multi-Engine Piston	415
Turboprop	2,650
Business Jet	2,990
Helicopter	985
Military Fixed Wing	1,000
Military Helicopter	100
Total Operations	**10,052**
Subtotal – Itinerant	*8,444*
Subtotal – Local	*1,608*

Source: Gunnison-Crested Butte Airport Master Plan, 2015

4.3 Operational Time-of-Day

The percentages of nighttime operations for the 2034 scenario were the same as those for the Existing Conditions 2014.

4.4 Fleet Mix

The 2034 aircraft fleet mix was determined by multiplying the percentages by aircraft type from 2014 by the total operations forecasted to occur at the airport in 2034. Of note, Stage 2 business jets (e.g., GIIB) will be phased-out before 2034. The 2034 AEDT aircraft operations and fleet mix are provided in **Table 4-2.**

Table 4-2. 2034 Aircraft Operations and AEDT Fleet Mix

Operation Type	Aircraft Category	AEDT Aircraft	Annual Operations
Itinerant	Regional Jet	EMB14L	895
		CRJ9-ER	457
	Narrow Body	A319-131	260
	Single-Engine Piston	GASEPV	38
		CNA182	7
		CNA206	7
		GASEPF	9
	Multi-Engine Piston	BEC58P	63
		PA31	102
	Turboprop	DHC6	1,008
		CNA441	966
		CNA208	424
		HS748A	32
	Business Jet	LEAR35	634
		CIT3	331
		CNA55B	298
		CNA560U	250
		MU3001	242
		CL600	186
		CNA560E	160
		ECLIPSE500	135
		CNA525C	128
		CNA750	118
		CNA680	118
		F10062	98
		CNA500	76
		CNA510	51
		CL601	39
		IA1125	37
		GIV	37
		GV	52
		GIIB	0
	Helicopter	B212	985
	Military Fixed Wing	C130	50
		C17	50
	Military Helicopter	UH-60	100
Subtotal - Itinerant			*8,444*
Local	Single-Engine Piston	GASEPV	206
		CNA182	16
		CNA206	16
	Multi-Engine Piston	BEC58P	250
	Turboprop	DHC6	110
		CNA441	110
	Military Fixed Wing	C130	450
		C17	450
Subtotal - Local			*1,608*
Total			**10,052**

Note: Values and totals reflect rounding.
Sources: Traffic Flow Management System Counts (TFMSC), Gunnison-Crested Butte Airport Master Plan 2015, KB Environmental Sciences

4.5 Flight Tracks

The flight tracks, flight track use, and profiles for the 2034 scenario were the same as those for the Existing Conditions 2014.

4.6 Noise Exposure Map

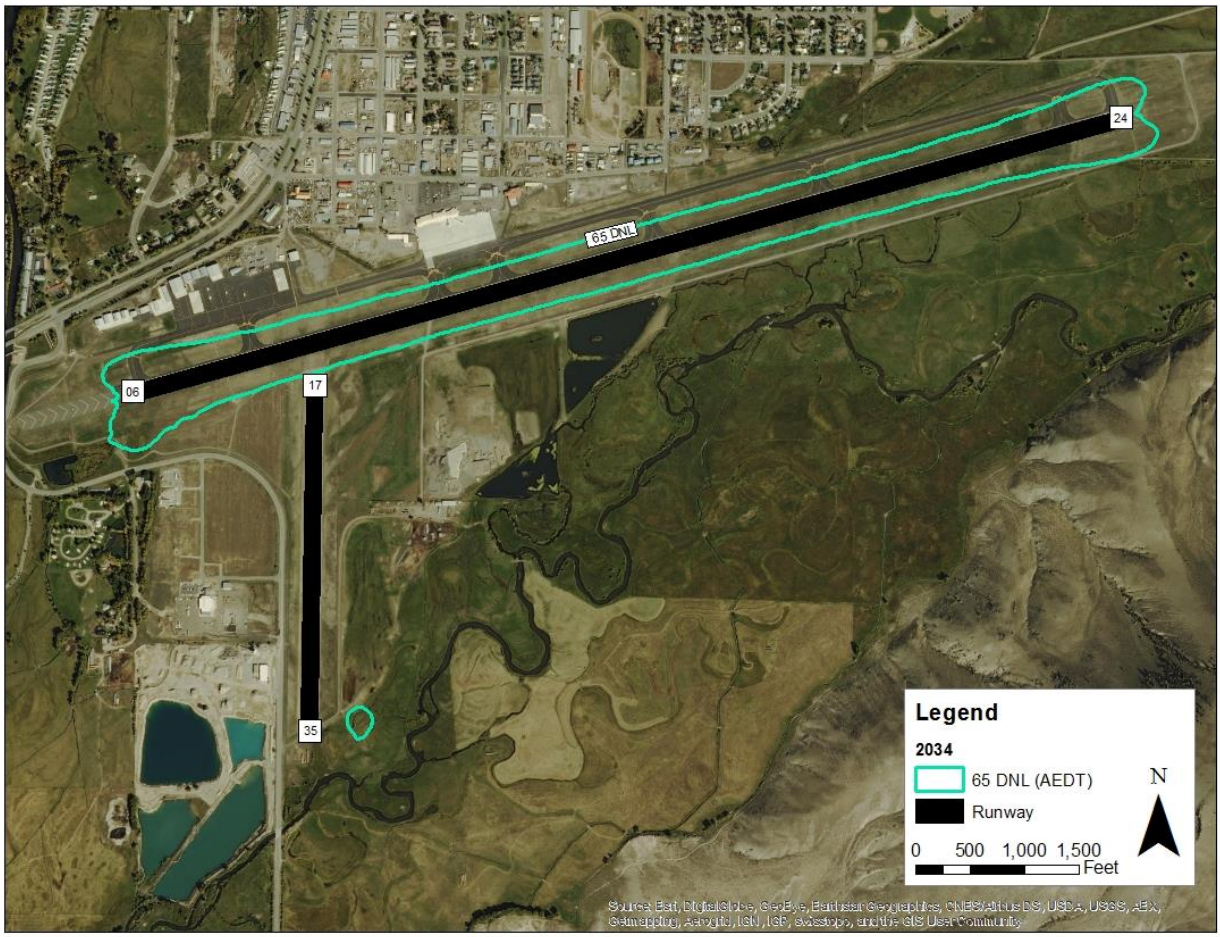
The DNL 65 dB contour for the 2034 scenario is presented in **Figure 4-1.** Of note, the DNL 65 dB contour does not encompass Runway 17-35 due to the low number of operations on the runway; and, the DNL 70 and 75 dB contours are too small to be displayed on the map. **Table 4-3** provides the area, in acres, of each contour interval (i.e., DNL 65-69 dB, 70-74 dB, and 75 dB and greater). As shown, the total area encompassed by the 2034 DNL 65 dB contour is 121 acres. The 2034 DNL 65 dB contour is slightly larger than the 2014 DNL 65 dB contour due to the forecast increase in operations. As with the Existing Conditions, the DNL 65 dB contour remains within the airport's property boundary. There are no residences or other noise sensitive land uses within the contour.

Table 4-3. 2034 Noise Contour Areas

DNL (dB)	Area (Acres)
65 – 69	72
70 – 74	37
75 +	13
Total	*121*

Note: Values and totals reflect rounding.
Source: AEDT 2b

Figure 4-1. Future 2034 DNL Contours



Source: KB Environmental Sciences, Inc.

SECTION 5

Conclusion

Noise Exposure Maps were prepared as part of the Gunnison-Crested Butte Regional Airport Master Plan. DNL contours were modeled to identify existing and future noise exposure levels surrounding the airport. The DNL 65 dB contours for the Existing Conditions 2014 and Future Conditions 2034 scenarios were within the airport's property boundary. Therefore, no incompatible land uses (residences, schools, places of worship, etc.) were within the limits of the DNL 65 dB contours.

CHAPTER 6 APPENDICES

APPENDIX 6-A

Guidance on Airport Recycling, Reuse, and Waste Reductions Plans

Federal Aviation Administration Memorandum

September 30, 2014

U.S. Department of Transportation
Federal Aviation Administration

Memorandum

Subject: **ACTION:** Guidance on Airport Recycling, Reuse, and Waste Reductions Plans

Date: September 30, 2014

From: Frank SanMartin
Manager, Airports Financial Assistance Division, APP-500

Danielle J. Rinsler, AICP
Acting Manager, Airport Planning and Environmental Division, APP-400

Reply to Attn. of: Patrick Magnotta
202-267-9609

To: Regional Airports Division Managers

The purpose of this memorandum is to provide guidance on preparing airport recycling, reuse, and waste reduction plans as an element of a master plan or master plan update, within a sustainability planning document, or as a stand-alone document.

This is an initial version of the guidance. It may be updated based on stakeholder input. Direct any comments to the above point of contact.

1. Legislative Background

The *FAA Modernization and Reform Act of 2012* (FMRA), which amended Title 49, United States Code (U.S.C.), included a number of changes to the Airport Improvement Program (AIP). Two of these changes are related to recycling, reuse, and waste reduction at airports.

a. Section 132 (b) of the FMRA expanded the definition of airport planning to include "developing a plan for recycling and minimizing the generation of airport solid waste, consistent with applicable State and local recycling laws, including the cost of a waste audit."

b. Section 133 of the FMRA added a provision requiring airports that have or plan to prepare a master plan, and that receive AIP funding for an eligible project, to ensure that the new or updated master plan addresses issues relating to solid waste recycling at the airport. This includes:

(1) The feasibility of solid waste recycling at the airport;

(2) Minimizing the generation of solid waste at the airport;

(3) Operation and maintenance requirements;

(4) Review of waste management contracts; and

(5) The potential for cost savings or the generation of revenue.

For the purposes of this guidance, "recycling" refers to any program, practice, or opportunity to reduce the amount of waste disposed in a landfill. This includes reuse and waste reduction as well as the recycling of materials.

2. Applicability

This guidance is immediately applicable to all Federally-obligated airports that are preparing or updating an airport master plan, sustainability master plan (a master plan that includes analysis of airport sustainability initiatives), or stand-alone airport recycling, reuse, and waste reduction plan.

Preparing an airport recycling, reuse, and waste reduction plan in accordance with the format and content contained in this guidance will meet the requirements of Section 133 of the FMRA. The format and content described herein may also be used as a basis for the recycling section of an airport sustainability plan, a planning document that focuses on airport sustainability initiatives.[1] Section 7 includes additional information on the deliverables for each of these document types.

3. References

a. 49 U.S.C. § 47102(5) and 47106(a): These provisions outline the legislative requirements for airport recycling, reuse, and waste reduction plans as an element of an airport master plan.

b. FAA Order 5100.38D, AIP Handbook: Published on September 30, 2014, FAA Order 5100.38D outlines AIP grant eligibility for airport recycling, reuse, and waste reduction plans, including the cost of a waste audit.

c. *FAA Synthesis Document: Recycling, Reuse, and Waste Reduction Plans at Airports*: The Office of Airports (ARP) prepared this synthesis document in collaboration with a team of industry partners. Published on April 24, 2013, it is a resource for airport sponsors that are developing or broadening their recycling programs. The synthesis document compiles airport recycling and waste minimization best practices. Lessons learned and case studies from 16 airports are included.

d. Advisory Circular (AC) 150/5200-34A, Construction or Establishment of Landfills near Public Airports and AC 150/5200-33B, Hazardous Wildlife Attractants On or Near Airports: Siting criteria for waste disposal operations on or near airports are identified in these ACs. Any waste disposal operations in an airport recycling, reuse, and waste reduction plan for a federally-obligated airport must be sited in accordance with these documents.

e. Other Resources: Sources for additional information include the Airport Cooperative Research Program, U.S. Environmental Protection Agency, and airport websites. ARP personnel, airport sponsors, and others in the airport industry are encouraged to evaluate the

[1] For the purposes of AIP grant administration, an airport sustainability plan (formerly called a sustainability management plan) is the sustainability element of an airport master plan.

latest information on recycling from a variety of sources. ARP will incorporate this information into future orders, ACs, and guidance as appropriate.

4. Types of Solid Waste Generated at Airports

Airports generate various types of solid waste. This guidance addresses the recycling, reuse, and reduction of municipal solid waste (MSW) and other materials that can be legally disposed of in a 42 U.S.C. §§ 6941-6949a landfill or equivalent state-permitted facility.

Any reference to MSW for recycling, reduction, or reuse in this guidance includes construction and demolition (C&D) debris, organic compostable material such as food and yard waste, and deplaned waste. Definitions of these terms are provided below. Airports can recycle, reuse, or minimize many of the materials described below.

This guidance does not address other types of solid waste such as hazardous waste, universal waste (i.e., batteries, fluorescent bulbs, electronics, etc.), or industrial waste. These materials are often subject to Federal, state, and local laws with specific disposal and recycling requirements. The guidance applies to the following:

a. *Municipal Solid Waste (MSW)* consists of everyday items that are used and discarded. Recyclable MSW at airports includes, but is not limited to, aluminum and steel, glass bottles and containers, plastic bottles and containers, packaging, bags, paper products, and cardboard.

b. *Construction and Demolition (C&D) Debris* is generally categorized as MSW. C&D debris is any non-hazardous solid waste that results from land clearing, excavation, or construction, demolition, renovation, or repair of structures, roads, and utilities.

C&D debris includes, but is not limited to, concrete, wood, metals, soil, bricks and masonry material, asphalt, rock, stone, gravel, sand, roofing materials, drywall, carpet, plastic, pipe, rocks, earthwork, land-clearing debris, cardboard, and salvaged building components.

In some instances, C&D debris requires special handling and may be subject to special requirements. Examples include tar-impregnated roofing materials and asbestos-containing building materials. Materials that may be subject to special requirements are not addressed in this guidance.

c. *Compostables* are also categorized as MSW. They are sometimes referred to as green waste and food waste. Green waste consists of tree, shrub, and grass clippings, leaves, weeds, small branches, seeds, pods, and similar debris generated by landscape maintenance activities. Food waste is food that is not consumed, or generated during food preparation activities and discarded.

d. *Deplaned Waste* is MSW that is removed from passenger aircraft. These materials include bottles and cans, newspaper and mixed paper, plastic cups and utensils, food waste, food-soiled paper, magazines, unconsumed or surplus food, and paper towels.

With the exception of Canada, waste from international flights must be processed separately, as this waste can introduce plant pests and diseases. The United States Department of Agriculture regulates international waste. It must be handled in accordance with procedures in the Manual for Agricultural Clearance. Therefore, waste from international flights is not discussed in this guidance.

5. Factors Influencing the Scope and Nature of Airport Recycling Programs

Many airports currently implement solid waste recycling programs. However, program scope varies considerably. This variability may occur due to the size and location of different airports, the amount of waste being produced, and external factors that affect the scope of recycling programs. Variables include, but are not limited to:

a. Local markets for recyclable commodities;

b. Cost for transport and processing recyclables;

c. Local recycling infrastructure;

d. Willingness of an airport and its tenants to implement recycling programs;

e. The nature of an airport's waste stream;

f. Competition between recycling and landfilling firms; and

g. Airport layout and logistics.

6. Contents of an Airport Recycling, Reuse, and Waste Reduction Plan

The content and scope of an airport recycling, reuse, and waste reduction plan will vary depending on the unique conditions at each airport. For airports that already have recycling programs, certain tasks (such as a new waste audit) may not need to be completed.

Document scope is governed by the extent and accuracy of available information. This includes information on the airport's current recycling program, the types and amounts of airport waste, and factors that influence the scope of the program. Plans for small, low activity airports may also be less detailed.

Though certain tasks may not need to be completed to prepare a plan, review and documentation of each of the five (5) elements listed in the FMRA is required in airport master plans and master plan updates (including sustainability master plans) (see also 49 U.S.C. § 47106(a)(6)).

The following subparagraphs describe the sections that should be included in an airport recycling, reuse, and waste reduction plan.

a. Facility Description and Background: This section should:

(1) Include background information about the airport. This includes, but is not limited to, airport location, hub or general aviation classification, governance, operational statistics, and layout. Airport recycling and waste collection areas can be depicted on maps and/or figures. Operational information such as number of based aircraft, number and type of aircraft operations, carriers that serve the airport, and enplaned passengers should be included as well.

(2) Describe the scope of the existing recycling program. This can be delineated between:

(a) Facilities over which the airport has direct control of waste management (i.e., public space, office space, concourses, and the airfield);

(b) Areas over which the airport has no direct control, but may have influence (i.e., tenant facilities and deplaned waste); and

(c) Areas over which the airport has no direct control or influence. These areas can be excluded from the plan. This section should identify the areas and include justification for the decision to exclude. A waste audit, described in next subsection, may be needed to complete this portion of the plan.

(3) Describe the airport's current waste management program and how it fits into the local municipality's waste management program (ordinances, requirements, permits, etc.).

The following should be included for airports with active recycling programs:

(4) Drivers for implementing/maintaining a recycling program.

(5) A description and inventory of infrastructure in place, both on and off- airport, that supports airport recycling. This includes the location of equipment and facilities used to collect, store, process, and transport waste, and compactors, recycling bins, composting bins, waste sorting facilities, and scales. Off-airport infrastructure includes accessible off-site recycling facilities, existing arrangements with hauling companies for recycling, availability of commodity markets for metals, paper, cardboard, organic material, wood, and other MSW. As stated, maps/figures can be used to depict these areas.

(6) A description of the airport's current solid waste recycling, reuse, and waste reduction efforts, including instances when tenants recycle materials. This description should include:

(a) The date recycling was initiated for various materials;

(b) Recycled or reused material, along with the quantities of various materials being diverted from the landfill. If the information is available, this should be expressed by annual volume or weight, material type, and the percentage of total generated waste; and

(c) Waste minimization efforts.

(7) A description of program performance. This should include:

(a) Any recycling, reuse, and waste reduction goals or targets;

(b) Performance indicators (e.g. tons of waste per passenger, percentage of total waste diverted from the landfill by waste type or area, etc.);

(c) Description of any community outreach/stakeholder involvement during development or review of the recycling program;

(d) Methods of reporting program performance; and

(e) Any challenges or barriers to implementation.

If the recycling plan is an element of an airport master plan, master plan update, or sustainability planning document, some information in this section may be included in other chapters of the document. In these instances, the recycling, reuse, and waste reduction plan need only reference the applicable chapters.

b. Waste Audit: Results of a waste audit should be documented in this section. A waste audit is conducted to identify and document the source, composition, and baseline quantity of MSW waste streams generated at an airport. It should include all areas under direct control of the sponsor, and when applicable, areas over which the sponsor has influence. The baseline information can be used to identify recycling, reuse, and waste reduction opportunities and priorities, and gauge program effectiveness over time. Include:

(1) The annual quantity and composition of generated MSW and C&D debris;

(2) The sources and activities that generate waste; and

(3) The generators (owners and facilities/areas) of various waste streams.

c. Review of Recycling Feasibility: This section should:

(1) Describe the technical and economic factors that currently affect the airport's ability to recycle. This includes analysis of the local market for recyclable commodities, logistical considerations (e.g., haulers, space for compactors, etc.), contractual issues (i.e., janitorial, airline consortiums, etc.), requirements on how waste is handled, haulers and landfill requirements, costs, and other factors.

(2) Reference and describe any Federal, state, or local guidelines or policies that aid or hinder recycling efforts.

(3) Identify any other incentives for implementing/maintaining a recycling program.

(4) Identify logistical constraints. This includes space for containers in certain areas, facility layouts, and access to secure areas.

d. Operation and Maintenance (O&M) Requirements: This section should describe waste handling, and the parties responsible for each area and waste stream. Include the department/section/organization responsible for implementation of each aspect of the airport's recycling program, and their roles and responsibilities. This includes data collection/reporting/tracking, collection procedures, transport to containers, procurement of containers and service(s) providers, contract management, maintenance of waste and recycling equipment, etc. O&M requirements should be articulated for each waste stream (MSW to landfills, recyclables, organic materials, and C&D debris).

e. Review of Waste Management Contracts: This section should:

(1) Describe current contracting for waste management at the airport. The purpose of this description is to identify opportunities for improving program scope and efficiency, as well as identifying constraints. Review and documentation of all contracts involving the collection, hauling, disposal, and recycling of MSW, and handling of C&D debris, should be completed.

(2) Describe how existing contracts encourage or impede the purchase/use of environmentally-preferred products (e.g., products with high recycled content, minimal packaging, capabilities for duplexing documents, environmentally-friendly cleaning products, etc.). This task can be accomplished by reviewing contracts that include responsibilities for implementing recycling program elements (e.g., janitorial contracts, tenant leases, contract specifications for construction [including tenant construction]). The nature and scope of each contract, procedure, and policy should be articulated.

(3) Identify tenant leases and service contracts with corresponding expiration, extension, and/or renewal dates. This information can signal the airport's next opportunity to add recycling, reuse, and waste reduction objectives to existing leases and contracts.

(4) Describe how waste handling and recycling is funded.

This information, when combined with the roles and responsibilities of each entity involved in the program in the preceding section, should provide a comprehensive understanding of how the recycling program functions.

f. Potential for Cost Savings or Revenue Generation: This section presents recycling program recommendations developed following review of the preceding work, and compare the cost of landfilling waste with recycling, composting, or reuse. This is accomplished through financial analysis of the overall waste management program, the current airport recycling program, and potential recommendations that will enhance and broaden the program.

The purpose of this analysis is to help airport sponsors evaluate the cost of the current program and determine if proposed enhancements should be implemented. There is a perception that recycling costs more than landfilling. This is not true in every case. The economics are dependent on the available infrastructure to support recycling, availability and proximity to commodity markets, market demand for certain materials, and the types of waste being generated at the airport.

The financial analysis should evaluate all program components. This includes, but is not limited to capital costs for containers, tipping fees, hauling cost, market/recycling rebates, and labor. The comparison of initial costs and cost reductions from robust recycling practices can result in overall savings.

The initial cost of the current program and recommended enhancements can be expressed within the annual O&M costs over some period of the life of the program. The time period an airport contemplates depends on several factors. This includes the availability of reliable financial data or a master plan's implementation period. If cost savings are realized from recycling practices, maximizing resale of commodities, and other activities, they can be expressed as annual O&M cost reductions during the same period of time.

By compiling and analyzing the information in the preceding subsections, the airport will have sufficient data to make informed solid waste management decisions over time. If recycling is not technically or economically feasible at this time, this information will help an airport determine when increased recycling might be feasible.

g. Plan to Minimize Solid Waste Generation: This section documents the final recycling, reuse, and waste reduction program recommendation(s). It is based on the information obtained in the waste audit, analysis of recycling feasibility, and financial analysis to determine the effectiveness of the current program (if one is currently in place) and identify opportunities for improvement. It should:

(1) At a minimum, document the airport's program to recycle paper (newspaper and magazines), plastic bottles and aluminum cans, and plastic cups. If external factors prevent this minimum level of recycling, the rationale should be articulated.

(2) Present the airport's plan for a comprehensive approach to reduce the amount of waste being disposed of in landfills. Objectives and targets should be established.

(3) Other factors to consider include updated arrangements/contracts/leases between the airport and tenants, new development specifications (to include containers and space for material collection, sorting, and recycling), and new purchasing policies/requirements. These should be documented and, when applicable, linked to objectives and targets.

(4) If aspects of the plan require capital improvements, these should be referenced in the plan and included in the Airport Capital Improvement Plan, as appropriate.

(5) Describe any plan recommendations that may conflict with existing plans and programs. Examples include an airport's stormwater pollution prevention plan. When applicable, identify the procedures or best management practices (such as reducing the potential for stormwater violations through operational and maintenance practices) that will address these conflicts.

(6) Include a discussion about how recycling will be contemplated and implemented as part of new development projects. When articulating these goals, the information and timeframe needed to meet the goals should be included.

(7) Discuss how the airport will track and report on the recommendations, and how this will be reviewed in order to come up with ideas to improve performance. Effective tracking and periodic review will ensure a cycle of continuous improvement is established.

(8) If known, include a description of what, if any, program enhancements will be considered in the future. This can be a later point in the planning period or during the next planning period.

(9) Earlier sections may have identified constraints to improving recycling performance that are outside of the airport's control. For example, there may be no current market for cardboard or other commodities in the area. This section should describe conditions that will trigger re-evaluation.

(10) Describe planned efforts for education and outreach to employees, tenants, and the travelling public on recycling.

7. Deliverables

a. For airport recycling, reuse, and waste reduction plans prepared in accordance with Section 133 of the FMRA, FAA must review and accept draft and final versions of the plan. In these cases, the plan may be a section or appendix in an airport master plan or master plan update. FAA review will coincide with review of the master plan.

b. Recycling, reuse, and waste reduction is typically a sustainability category in sustainability master plans.[2] When completing a sustainability master plan, the recycling, reuse, and waste reduction plan can be included with the other sustainability categories (i.e., emissions reduction, energy efficiency, etc.).

(1) Sustainability master plans typically include a baseline analysis of identified sustainability categories, a list of initiatives for each category, and a plan for tracking and implementing initiatives. Any recycling initiatives identified in a recycling plan should be included in that list.

(2) For airports that are preparing a stand-alone airport sustainability plan, the scope of the recycling plan may be narrower due to funding constraints, and the need to analyze multiple sustainability categories in a single document. In these cases, airports may focus on certain aspects of the recycling plan (waste audit, review of contracts, etc.) to develop a more focused set of objectives. Airports should strive to address the five (5) elements of a recycling plan in the FMRA whenever possible, as this will aid development of meaningful sustainability initiatives.

[2] For additional information on airport sustainability planning, consult FAA's Airport Sustainability Webpage and the AIP Handbook (FAA Order 5100.38D).

8. Updates to this Guidance

As noted earlier, the FAA will continue to update this guidance based on additional stakeholder input. In addition, this guidance will eventually be incorporated into a forthcoming update to AC I50/5070-6B, Airport Master Plans, which will supersede this guidance at that time.

APPENDIX 6-B

Federal Aviation Administration Order 1050.1F

Environmental Impacts: Policies and Procedures

July 16, 2015

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

ORDER 1050.1F

Effective Date:
7/16/15

SUBJ: Environmental Impacts: Policies and Procedures

This Order serves as the Federal Aviation Administration's (FAA) policy and procedures for compliance with the National Environmental Policy Act (NEPA) and implementing regulations issued by the Council on Environmental Quality (CEQ). The provisions of this Order and the CEQ Regulations apply to actions directly undertaken by the FAA and to actions undertaken by a non-Federal entity where the FAA has authority to condition a permit, license, or other approval. The requirements in this Order apply to, but are not limited to, the following actions: grants, loans, contracts, leases, construction and installation actions, procedural actions, research activities, rulemaking and regulatory actions, certifications, licensing, permits, plans submitted to the FAA by state and local agencies for approval, and legislation proposed by the FAA. The Order was last revised in 2006.

This Order updates FAA Order 1050.1E to: 1) provide a clear, concise, and up-to-date discussion of the FAA's requirements for implementing NEPA; and 2) clarify requirements in order to facilitate timely, effective, and efficient environmental reviews of FAA actions, including NextGen improvements.

Rich Swayze
Assistant Administrator
Policy, International Affairs & Environment

Chapter 5: Categorical Exclusions

5-1. General. The CATEXs listed in Paragraphs 5-6.1 through 5-6.6 are for types of actions that the FAA has found do not normally have the potential for individual or cumulative significant impacts on the human environment.

a. Scope of CATEX. The responsible FAA official must determine whether a proposed action is within the scope of a CATEX listed in this chapter. If a proposed action is within the scope of a CATEX, but the responsible FAA official determines that extraordinary circumstances exist, an EA or EIS must be prepared. If a proposed action is not within the scope of a CATEX, an EA or EIS must be prepared. The CATEX determination process is described in flowchart form in Exhibit D-1 of Appendix D.

b. Segmentation. A CATEX should not be used for a segment or an interdependent part of a larger proposed action.

5-2. Extraordinary Circumstances.

a. Extraordinary Circumstances. Extraordinary circumstances are factors or circumstances in which a normally categorically excluded action may have a significant environmental impact that then requires further analysis in an EA or an EIS. For FAA proposed actions, extraordinary circumstances exist when the proposed action meets both of the following criteria (see 40 CFR § 1508.4, CEQ Regulations):

(1) Involves any of the circumstances described in Subparagraph b. below; and

(2) May have a significant impact (see 40 CFR § 1508.4, CEQ Regulations).

An impact involving one or more of the circumstances described below in connection with a proposed action does not require the preparation of an EA or EIS unless the additional determination is made that the proposed action may have a significant environmental impact (i.e., that the circumstances rise to the level of extraordinary circumstances). The FAA uses screening and other analyses and consultation, as appropriate, to assist in determining extraordinary circumstances (see supporting guidance in the 1050.1F Desk Reference for information to determine the potential for significant environmental impacts and Paragraph 4-3 of this Order for the FAA's significance thresholds and factors to consider in evaluating significance). When extraordinary circumstances exist and the proposed action cannot be modified to eliminate the extraordinary circumstances, an EA or EIS must be prepared. If extraordinary circumstances do not exist or are eliminated, a CATEX may be used. If it is uncertain whether the proposed action involves an extraordinary circumstance, the LOB/SO should consult with AEE and AGC for guidance.

b. Circumstances. An extraordinary circumstance exists if a proposed action involves any of the following circumstances and has the potential for a significant impact:

(1) An adverse effect on cultural resources protected under the National Historic Preservation Act of 1966, as amended, 54 U.S.C. §300101 et seq.;

(2) An impact on properties protected under Section 4(f);

5-6.4. Categorical Exclusions for Facility Siting, Construction, and Maintenance. This category includes the list of CATEXs for FAA actions involving acquisition, repair, replacement, maintenance, or upgrading of grounds, infrastructure, buildings, structures, or facilities that generally are minor in nature. *An action included within this list of categorically excluded actions is not automatically exempted from environmental review under NEPA. The responsible FAA official must also review Paragraph 5-2, Extraordinary Circumstances, before finalizing a decision to categorically exclude a proposed action.*

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a. Access road construction, and construction, relocation, or repair of entrance and service roadways that do not reduce the level of service on local traffic systems below acceptable levels. (ATO, ARP, AST)

b. Acquisition of land and relocation associated with a categorically excluded action. (ATO, ARP)

c. Installation, modification, or repair of radars at existing facilities that conform to the current American National Standards Institute/Institute of Electrical and Electronics Engineers (ANSI/IEEE) guidelines for maximum permissible exposures to electromagnetic fields and do not significantly change the impact on the environment of the facility. (All)

d. Federal financial assistance, Airport Layout Plan (ALP) approval, or FAA installation of de-icing/anti-icing facilities that comply with National Pollutant Discharge Elimination System (NPDES) permits or other permits protecting the quality of receiving waters, and for which related water detention or retention facilities are designed not to attract wildlife hazardous to aviation, as defined in FAA Advisory Circular 150/5200-33, *Hazardous Wildlife Attractants on or Near Airports*. (ATO, ARP)

e. Federal financial assistance, licensing, or Airport Layout Plan (ALP) approval for the following actions, provided the action would not result in significant erosion or sedimentation, and will not result in a significant noise increase over noise sensitive areas or result in significant impacts on air quality.

- Construction, repair, reconstruction, resurfacing, extending, strengthening, or widening of a taxiway, apron, loading ramp, or runway safety area (RSA), including an RSA using Engineered Material Arresting System (EMAS); or
- Reconstruction, resurfacing, extending, strengthening, or widening of an existing runway.

This CATEX includes marking, grooving, fillets and jet blast facilities associated with any of the above facilities. (ARP, AST)

f. Federal financial assistance, licensing, Airport Layout Plan (ALP) approval, or FAA construction or limited expansion of accessory on-site structures, including storage buildings, garages, hangars, t-hangars, small parking areas, signs, fences, and other essentially similar minor development items. (ATO, ARP, AST)

g. Construction of Remote Transmitter/Receiver (RT/R), or other essentially similar facilities and equipment, to supplement existing communications channels installed in the Airport Traffic Control Tower (ATCT) or Flight Service Station (FSS). (ATO)

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h. Federal financial assistance, licensing, or Airport Layout Plan (ALP) approval for construction or expansion of facilities—such as terminal passenger handling and parking facilities or cargo buildings, or facilities for non-aeronautical uses at existing airports and commercial space launch sites—that do not substantially expand those facilities (see the FAA's presumed to conform list (72 *Federal Register* 41565 (July 30, 2007))). (All)

i. Demolition and removal of FAA buildings and structures, or financial assistance for or approval of an Airport Layout Plan (ALP) for the demolition or removal of non-FAA owned, on-airport buildings and structures, provided no hazardous substances or contaminated equipment are present on the site of the existing facility. This CATEX does not apply to buildings and structures of historic, archaeological, or architectural significance as officially designated by Federal, state, tribal or local governments. (ATO, AST, ARP)

j. Removal or extension of water, sewage, electrical, gas, or other utilities of temporary duration to serve construction. (ATO, AST)

k. Placing earthen fill into previously excavated land with material compatible with the natural features of the site, provided the land is not delineated as a wetland; or minor dredging or filling of wetlands or navigable waters for any categorically excluded action, provided the fill is of material compatible with the natural features of the site, and the dredging and filling qualifies for an U.S. Army Corps of Engineers nationwide or a regional general permit. (ATO, AST, ARP)

l. Federal financial assistance for, licensing or approval of the grading of land, the removal of obstructions to air navigation, or erosion control measures, provided those activities occur on and only affect airport property, a commercial space launch site, or FAA-owned or leased property. (ATO, ARP, AST)

m. Lease of space in buildings or towers. (ATO, AST)

n. Minor expansion of facilities, including the addition of equipment such as telecommunications equipment, on an existing facility where no additional land is required, or when expansion is due to remodeling of space in current quarters or existing buildings. Additions may include antennas, concrete pad, and minor trenching for cable. (ATO, AST)

o. Minor trenching and backfilling where the surface is restored and the excavated material is protected against erosion and run-off during the construction period. (ATO, ARP, AST)

p. New gardening, landscaping, and/or maintenance of existing landscaping that does not cause or promote the introduction or spread of invasive species that would harm the native ecosystem; use of landscape practices that reflect recommendations provided in *Guidance for Presidential Memorandum on Environmentally and Economically Beneficial Landscape Practices on Federal Landscaped Grounds*, 60 *Federal Register* 40837 (August 10, 1995); and that do not attract wildlife that is hazardous to aviation. (ATO, ARP, AST)

q. Construction and installation, on airports or commercial space launch sites, of noise abatement measures, such as noise barriers to diminish aircraft and commercial space

launch vehicle engine exhaust blast or noise, and installation of noise control materials. (All)

r. Purchase, lease, or acquisition of three acres or less of land with associated easements and rights-of-way for new facilities. (ATO)

s. Repairs and resurfacing of existing access to remote facilities and equipment such as Air Route Surveillance Radar (ARSR), Remote Center Air/Ground Communications Facility (RCAG), Remote Communications Outlet (RCO), and VHF Omnidirectional Range (VOR) with Ultra-High Frequency Tactical Air Navigation Aid (VORTAC). (ATO)

t. Federal financial assistance for, or Airport Layout Plan (ALP) approval of, a new heliport on an existing airport or commercial space launch site that would not significantly increase noise over noise sensitive areas. (ARP, AST)

u. Approval of an Airport Layout Plan (ALP) for installation of on-airport, aboveground storage tanks or underground storage tanks (USTs) on airport property or FAA installation, repair, or replacement of USTs and aboveground storage tanks at FAA facilities. These actions must comply with FAA Order 1050.15, *Fuel Storage Tanks at FAA Facilities,* and EPA regulations, 40 CFR parts 112, 280, and 281, as applicable. This CATEX includes the closure and removal of a fuel storage tank, and remediation of contaminants resulting from a fuel storage tank at an FAA facility or on an airport, provided those actions occur in accordance with the order and the regulations noted above. The establishment of bulk fuel storage and associated distribution systems is not within the scope of this CATEX. Those actions are subject to Paragraph 3-1.2.b.(5) of this Order. (ATO, ARP)

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v. Replacement or reconstruction of a terminal, structure, or facility with a new one of similar size and purpose, where location will be on the same site as the existing building or facility. (ATO, ARP, AST)

w. Repair and maintenance of existing roads, rights-of-way, trails, grounds, parking areas, and utilities, including, for example, snow removal, vegetation control, and erosion control work. (All)

x. Routine facility decommissioning, exclusive of disposal. (ATO, AST)

y. Takeover of non-Federal facilities by the FAA. (ATO)

z. Federal financial assistance, licensing, Airport Layout Plan (ALP) approval, or FAA action related to topping or trimming trees to meet 14 CFR part 77, *Safe, Efficient Use, and Preservation of the Navigable Airspace,* standards for removing obstructions which can adversely affect navigable airspace. (All)

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aa. Upgrading of building electrical systems or maintenance of existing facilities, such as painting, replacement of siding, roof rehabilitation, resurfacing, or reconstruction of paved areas, and replacement of underground facilities. (ATO, AST)

bb. Airport Layout Plan (ALP) approval and/or Federal financial assistance for actions

CHAPTER 7 - APPENDIX

FINANCIAL PLAN OVERVIEW / SUMMARY

GUNNISON CRESTED BUTTE REGIONAL AIRPORT
Gunnison, CO
Airport Master Plan Financial Implementation Analysis

							Phase I						Phase I Total	Phase II Total	Phase I & II Total
Capital Improvement Program	2010	2011	2012	2013	2014	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2016-2021**	**2022-2023**	**2016-2023**
Anticipated Funding Sources for Capital Improvement Projects															
AIP Entitlement Grants	NA	NA	NA	NA	NA	NA	$1,100,000	$1,100,000	$1,103,624	$1,098,720	$1,100,000	$1,100,000	$6,602,344	$1,100,000	$7,702,344
AIP Entitlements from Prior Years							$90,000	$0	$0	$0	$0	$0	$90,000	$0	$90,000
AIP Discretionary							$6,710,000	$0	$0	$0	$2,000,000	$2,000,000	$10,710,000	$2,000,000	$12,710,000
Passenger Facility Charge (PFC)							$0	$0	$61,313	$61,040	$55,000	$55,000	$232,353	$55,000	$287,353
CDAG							$61,111	$61,111	$61,313	$61,040	$287,500	$236,000	$768,075	$380,062	$1,148,137
CDAG Rollover							$5,000	$0	$0	$0	$0	$0	$5,000	$0	$5,000
Airport Construction Fund							$61,111	$61,111	$0	$0	$61,111	$61,111	$244,444	$61,111	$305,555
Airport Construction Fund Rollover							$5,000	$0	$0	$0	$0	$0	$5,000	$0	$5,000
County Financial Instruments							$0	$0	$0	$0	$2,246,389	$1,267,889	$3,514,278	$0	$3,514,278
Private Investment							$0	$0	$0	$0	$0	$0	$0	$8,808,559	$8,808,559
TOTAL CAPITAL FUNDING							**$8,032,222**	**$1,222,222**	**$1,226,250**	**$1,220,800**	**$5,750,000**	**$4,720,000**	**$22,171,494**	**$12,404,732**	**$34,576,226**

Note: Future FAA & CDAG funding availability, and County revenue bonds, to be confirmed. Terminal Concept Study to develop detailed cost estimates and identify potential FAA, CDOT, and County shares of the project cost.

Capital Improvement Projects	**Period**	**Total Cost**	**FAA**	**CDOT**	**County**	**Airport**	**Private**
Phase I : Runway 6-24 & Associated Improvements	2016 - 2018	$9,908,444	$9,588,600	$159,922	$0	$159,922	$0
Phase I: Terminal Concept Study & Environmental Coord.	2015-2016	$572,250	$515,025	$28,613	$0	$28,613	$0
Phase I: Terminal Development Program & Associated Improvements	2018-2021	$11,690,800	$5,298,720	$584,540	$5,514,278	$293,262	$0
Phase II: GA Apron Rehab & Expansion + Corporate & T-Hangar Development	2022-2023	$12,404,732	$3,100,000	$380,062	$0	$116,111	$8,808,559
Total Cost Estimate	**2016-2023**	**$34,576,226**	**$18,502,345**	**$1,153,136**	**$5,514,278**	**$597,908**	**$8,808,559**

Note: Cost estimates and participation by individual agencies and parties subject to change and revision.

Project	**FAA**	**CDOT**	**County**	**Airport**	**Private**	**Total**
Rwy 6-24 Rehab	$9,588,600	$159,922	$0	$159,922	$0	$9,908,444
Terminal Concept Study + Environ Coord.	$515,025	$28,613	$0	$28,613	$0	$572,250
Terminal Program	$5,298,720	$584,540	$5,514,278	$293,262	$0	$11,690,800
Subtotal Phase I	**$15,402,345**	**$773,075**	**$5,514,278**	**$481,797**	**$0**	**$22,171,494**
GA Apron	$3,100,000	$380,062	$0	$116,111	$4,005,059	$7,601,232
Executive Hangars	$0	$0	$0	$0	$3,811,500	$3,811,500
GA Hangars	$0	$0	$0	$0	$992,000	$992,000
Subtotal Phase II	**$3,100,000**	**$380,062**	**$0**	**$116,111**	**$8,808,559**	**$12,404,732**
Total Phase I + II	**$18,502,345**	**$1,153,136**	**$5,514,278**	**$597,908**	**$8,808,559**	**$34,576,226**

Gunnison Airport Operations Fund

	2010-2015 CAGR	2016-2021 CAGR	Historic (Budgeted & Actual) 2010	2011	2012	2013	2014	2015	Projections 2016	2017	2018	2019	2020	2021	Total 2016-2021
Revenues	-0.63%	1.00%	$1,190,905	$1,199,380	$1,157,116	$1,164,677	$1,125,688	$1,153,623	$1,165,159	$1,176,811	$1,188,579	$1,200,465	$1,212,469	$1,224,594	$7,168,077
Expenses	-0.94%	1.00%	$1,185,345	$1,188,703	$1,423,632	$1,216,745	$1,231,358	$1,130,606	$1,141,912	$1,153,331	$1,164,864	$1,176,513	$1,188,278	$1,200,161	$7,025,060
Balance			$5,560	$10,677	-$266,516	-$52,068	-$105,670	$23,017	$23,247	$23,480	$23,714	$23,952	$24,191	$24,433	$143,017

Note: Source of 2010-2015 budget data - Gunnison County Budgets. Projected CAGR (2016-2021) balanced between historic budget & projected passenger enplanements.

Gunnison Airport Construction Fund

	2010-2015 CAGR	2016-2021 CAGR	Historic (Budgeted & Actual) 2010	2011	2012	2013	2014	2015	Projections 2016	2017	2018	2019	2020	2021	Total 2016-2021
Revenues	53.13%	NA	$305,355	$3,415,572	$1,533,767	$664,892	$2,875,381	$2,570,865	Refer to 2016 - 2021 CIP						NA
Expenses	37.98%	NA	$524,720	$2,735,610	$2,495,004	$266,485	$2,916,203	$2,623,890	Refer to 2016 - 2021 CIP						NA
Balance			-$219,365	$679,962	-$961,237	$398,407	-$40,822	-$53,025	Refer to 2016 - 2021 CIP						NA

Note: Source of 2010-2015 budget data - Gunnison County Budgets

Gunnison Airport Activity

	2010-2015 CAGR	2016-2021 CAGR	Historic (Budgeted & Actual) 2010	2011	2012	2013	2014	2015	Projections 2016	2017	2018	2019	2020	2021	Total 2016-2021
Commercial Aircraft Operations	-11.16%	0.15%	2,336	845	837	272	1,292	1,293	1,294	1,295	1,297	1,300	1,302	1,304	NA
GA Aircraft Operations	-1.28%	1.39%	5,664	5,682	6,745	5,220	5,235	5,312	5,389	5,466	5,543	5,620	5,697	5,774	NA
Passenger Enplanements	-1.28%	1.39%	37,135	36,730	32,228	30,771	30,831	31,372	31,913	32,454	32,995	33,540	34,081	34,622	NA

Note: GUC Airport is non-towered. Historic aircraft operations were estimated based on FAA and airport sources. Source: Mead & Hunt