

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

_____)	
Application of)	
)	
SKYWEST CHARTER, LLC)	Docket DOT-OST-2022-0071
)	
for authority to conduct scheduled)	
passenger operations as a commuter air)	
carrier under 49 U.S.C. § 41738)	
_____)	

**RESPONSE OF THE
AIR LINE PILOTS ASSOCIATION, INTERNATIONAL (ALPA)
TO FILINGS OF JSX AND JETBLUE**

Introduction: Essential Air Service is *Scheduled* Air Service

The Essential Air Service (“EAS”) program requires “scheduled service,” subject to a narrow exception for a discretionary grant of money by the Department to a community for charter flights. 49 U.S.C. §§ 41732(a), 41745(a)(3)(B). The line between scheduled service and on-demand charters, however, has been blurred beyond recognition. A complicated regulatory loophole allows charter flights to run so frequently that enterprising carriers can market them as scheduled service, but be free from the Part 121 safety regime that governs most scheduled flights. In practice, without DOT action, this regulatory sleight of hand would allow SkyWest to take a Part 121 passenger jet, remove 20 seats, re-label “scheduled” flights as “on-demand charters”

that look and feel just like scheduled service, become certificated as a commuter air carrier, and as a result morph itself into a Part 135 charter operator called “SkyWest Charter.” As previously fully explained (ALPA Answer, *passim*), if the Department allows SkyWest Charter to use the loophole, then the charter exception will swallow the EAS scheduled rule. If sanctioned by DOT, it may also use the loophole to enter non-EAS markets as well.

JSX Does Not Participate in EAS, Flies Between Major Cities, and Is Abusing a Loophole that Should Be Closed in the Best Interest of Safety

Interested party JSX does not participate in the EAS program, but it does use the loophole today for different, affluent markets. Unlike EAS, those markets are large ones with existing, abundant service from multiple airlines.¹ While JSX touts service to several small airports, these airports are actually part of larger metro areas.² If one

¹ Specifically, JSX served 22 airports in the YE Q1 2023. Of these airports, 16 (or 73%) are Class I Part 139 certified airports able to handle large aircraft for scheduled service (Part 121 aircraft). In fact, 13 of these 16 airports are large or medium hubs.

² For example, CCR (Concord-Napa Valley) and MRY (Monterey) are part of the San Francisco Bay Area, BJC (Denver Rocky Mountain Airport) is part of the Denver area and HPN (White Plains) is part of the New York area. Moreover, JSX does not serve underserved rural communities under EAS or otherwise: routes from the East Bay of San Francisco to Hollywood (Concord/Napa to Burbank, CA), or from the place with the highest median income in the New York City metropolitan area (Scarsdale/Westchester Country/White Plains, NY) to Dallas Love Field, Miami International Airport, and Orlando, are by no means underserved routes to small, rural communities. See <https://Planning.westchestergov.com>. Nor is Las Vegas, called by the CEO “the engine of JSX.” See Interview of JSX CEO Alex Wilson on “Airlines Confidential” podcast by Ben Baldanza and Scott McCartney (April 5, 2023) (Airlines Confidential podcast), transcript attached. That explains why JSX caters to “high net worth individuals who appreciate and are willing to pay for the service that we deliver,” according to its Chief Commercial Officer. Chris Sloan, *How a US Scheduled Charter Is Attracting An Upscale Customer*, Aviation Week (Apr. 11, 2023).

includes these airports as part of the large metro areas that they are part of, only 4% of JSX passengers flew to or from small communities in the 12 months ended March 2023.³

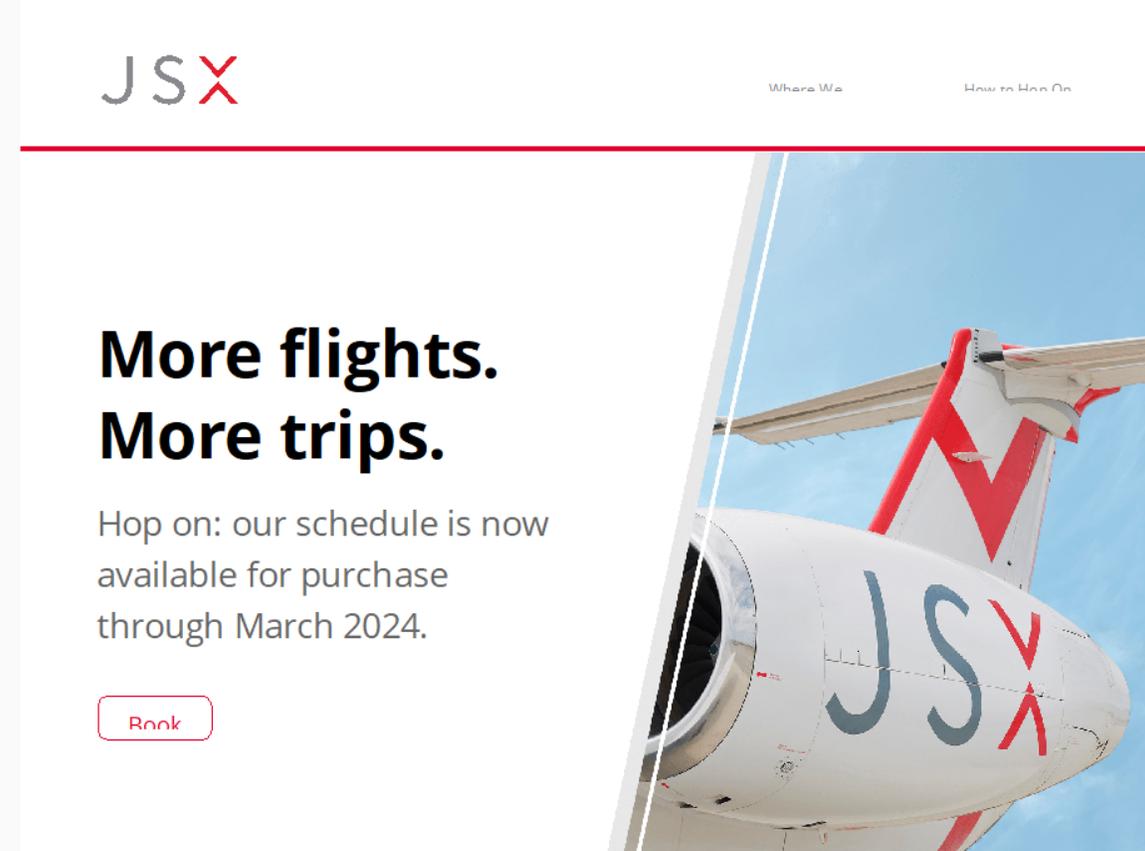
In its June 6th filing, to which ALPA now responds, JSX defends the loophole by contending that it doesn't exist. It relies on FAA regulations which expressly carve out "charters" that run so frequently that they would otherwise be considered "scheduled." Therefore, JSX says there can be no such thing as "scheduled charters." JSX Response at 5-6. JSX asserts that it falls on the charter side of the line, pure and simple.

JSX simply is wrong. If it looks, swims, and quacks like a duck, it is a duck. Since JSX does in fact provide scheduled service, it should be deemed to do so, regardless of the fictitious regulatory disguise that it dons. JSX unequivocally holds out to the public scheduled service with advertisements such as: "**Schedule extended! Book our flights through March 2024**" and "Hop on: our schedule is now available for purchase through March 2024." (Underlined emphasis added, bold in original). JSX's emailed advertisement to potential customers makes the pitch:

JSX incorrectly asserts its service "focus[es] on smaller airports and underserved communities..." JSX Response at 2-3. In JSX's highly affluent and well-served markets, JSX caters to elite discretionary travelers who do not want to wait in the TSA security line with the likes of Essential Air Service passengers.

³ U.S. DOT T-100 data, *available at* bts.gov/browse-statistical-products_and_data/bts-publications/data-bank-28ds-t-100-domestic (link to March 2023 data); FAA, *Airport Categories*, faa.gov/airports/planning-capacity/categories (last visited June 29, 2023).

From: JSX <ourcrew@jsx.com>
Date: April 16, 2023 at 2:44:47 PM EDT
Subject: Schedule extended! Book JSX flights through March 2024.
Reply-To: ourcrew@jsx.com



JSX Where We How to Hop On

**More flights.
More trips.**

Hop on: our schedule is now available for purchase through March 2024.

[Book](#)

JSX’s public advertising to consumers belies its filing.⁴ JSX’s legal position is that if it were not for the FAA’s carveout, JSX’s flights – and by implication, SkyWest Charter’s proposed flights – would be unquestionably and legally “scheduled.” To the consumer, unaware of fine-line regulatory distinctions or even the fine print buried in JSX’s advertisements, JSX’s flights are scheduled – just like its Part 121 competitors.

⁴ The charter disclaimer appears in light gray fine print at the bottom of the pictured e-mail.

JSX's Size and Scale Makes the Charter/135 Loophole Untenable

The scale of JSX's operations confirm that its use of FAA's charter carveout is untenable, blurring what it means to be "scheduled service." JSX applied to operate 110,305 scheduled departures in 2022 with its 37-aircraft operating fleet — more scheduled departures than comparably-sized regional Part 121 operators.⁵ An illuminating side-by-side comparison of JSX, Commutair, and Piedmont is attached as a demonstrative exhibit.⁶ Accordingly, American Airlines has called on the Department to provide "regulatory clarity on the use of ... public charter regulations to provide a facsimile of common carriage scheduled service...."⁷

JSX's scale underscores the point of ALPA and American: allowing these public charter operations to use a loophole to mimic scheduled service under Part 380's consumer rules and Part 135's safety regulations undermines the scheduled commercial service rules, as well as the highest-standard-of-safety rules under Part 121, that exist to avoid a repeat of the industry's history of aviation disasters. *See* compilation of accidents in ALPA Answer at 8-10.

⁵ Soon JSX could be considerably larger. Chris Sloan, *How a US Scheduled Charter Is Attracting An Upscale Customer*, Aviation Week (April 11, 2023) (37 aircraft in operation as of March 2023; of the 70-plus aircraft on property in total, the rest are being refurbished for service or, for older aircraft, used for spare parts).

⁶ JSX departures listed in DOT Charter Report - 2022 Prospectuses, Numbers 22-108 and 22-146, <https://www.transportation.gov/sites/dot.gov/files/2023-05/Charters%202022%20%285-19-23%29.pdf>.

⁷ American Airlines Response (May 16, 2023).

JSX's response that the loophole is legal misses the point. While legal, a loophole "is an ambiguity, omission, or exception (as in a law or other legal document) that provides a way to avoid a rule without violating its literal requirements." BLACK'S LAW DICTIONARY (11th ed. 2019) (online Westlaw). Using this loophole to swap "scheduled" for "charter" and thereby trade the highest standard of safety for a lesser one is an abuse of the public trust that must be corrected in the public interest.

The Balance of JSX's Points Are Circular and Unpersuasive

Stripped of its rhetoric (and there is a lot of it), JSX's response offers several other arguments, but none are persuasive. First, it (like SkyWest Charter) asserts that it has a Safety Management System program beyond what Part 135 requires. But such action is voluntary and the FAA has not yet mandated such a program under Part 135.⁸ More importantly, even if JSX cherry picks which Part 121 safety elements it wants to comply with, it still does not meet the host of other Part 121 safety measures such as the First Officer Qualification requirements (colloquially but misleadingly known as the "1500 hour rule"), significant Flight Duty and Rest requirement differences, centralized dispatch, age 65 pilot retirement, and secondary flight deck barriers, among others.⁹

While JSX implies that its safety programs surpass Part 121, JSX declines to embrace the

⁸ FAA, NPRM, *Safety Management Systems*, 88 Fed. Reg. 1932 (proposed Jan. 11, 2023).

⁹ In particular, there is a wide difference between the Flight Duty and Rest requirements of FAR 117 that apply to FAR 121 scheduled airline operations as compared to FAR 135 operations (FAR 135.267).

whole of Part 121. Its stance begs the question why it, and SkyWest Charter, refuse the Part 121 safety regime.

Second, JSX argues that the security treatment of its passengers is sufficient and that it would be nonsensical for it to use an airport terminal style security system because it doesn't use a terminal. Indeed, JSX emphasizes that its passengers can avoid the rigorous TSA security procedures – and security lines – and the resulting speed to the plane in its sales pitch. Transcript of Airlines Confidential podcast, *supra* (“[at Boulder Airport] you can be out of your car and on the plane in 20 minutes. I challenge anybody to get from a car to an airplane in 20 minutes at DIA [Denver Int'l Airport].”). See also JSX website, www.jsx.com (“Hassle-free[:] Valet your vehicle and stroll right in, just 20 minutes before your flight[:] Crowd-free[:] Wave goodbye to long lines and say hello to seamless, non-invasive security and a spacious, private oasis [:] Yes, that easy[:] Sip and sit back with business class amenities. After landing, be on your way in a matter of minutes.”) (emphasis added).

This argument ignores the threshold issue of why strict terminal security is required. Given that JSX offers a pre-set schedule to the public that is published and available for sale six months into the future, combined with its volume of flights, and its fleet of large jet aircraft, JSX should be required to use the terminal and ensure its passengers are subject to Part 121 scheduled commercial carrier TSA screening protocols to protect passengers and the rest of the country. TSA's no-fly terrorism

screening list under its “TFSSP” program by itself does not accomplish that task, which is why strict terminal security is appropriate. Indeed, to its credit, SkyWest Charter does not suggest flouting normal TSA airport security screening as it would deliver mostly connecting passengers to and from major airline gate areas.

Stated succinctly, the purpose of TSA and its rigorous security policies and procedures that were prescribed in response to the attacks of September 11, 2001, is to prevent another aircraft hijacking and to prevent that aircraft from being used as a missile against a populated or important government building. JSX flies large, turbo-jet regional aircraft – *i.e.*, Embraer ERJ-135 and ERJ-145 aircraft – with the only difference being it reduced the number of seats on the aircraft. Regardless of the number of seats, an ERJ-135 or ERJ-1445 can be hijacked and can be used as a missile, especially when a set schedule is published months into the future and the public can purchase individual tickets. Although TSA’s procedures are beyond the Department’s jurisdiction, the safety and security of air travelers is a proper subject of the Department’s attention. Just as the FAA advocated for “One Level of Safety,” the Department should encourage “One Level of Security.” It can do so by declaring that JSX flights be subject to the Part 121 safety regime that goes hand-in-hand with normal TSA screening. Allowing JSX’s passengers and passenger baggage to bypass the screening regime that all other scheduled commercial airline passengers and bags must go through – including

passengers and baggage on comparable regional airlines – is another loophole that must be closed.

Third, JSX argues that its scheme stimulates competition. However, DOT and FAA regulations facilitate competition by defining the playing field and how competitors are permitted to compete. Loopholes, and abuse of loopholes, undermine those rules. And the public interest demands consideration of more than mere counterfeit competition to determine a public “good.” The United States has the safest air system in the world precisely because carriers compete under Part 121 scheduled service. By circumventing Part 121 Federal Aviation safety requirements, JSX undermines public safety and stimulates a race to the bottom. That does not serve the public interest.

Finally, JSX asserts that ALPA’s concerns are fake and an attempt to run JSX out of business. JSX cites no evidence to support this accusation. Rather, ALPA’s consistent position seeks to protect the safety of scheduled airline operations and the flying public created through compliance with Part 121. If JSX decides it cannot or will not comply with those requirements, it has only the designers of its business plan to blame.¹⁰

¹⁰ JSX’s recitation of the actions of other labor unions is incorrect in any event. The Association of Flight Attendants sued to block the application of Virgin America because British money and influence so dominated that carrier that the application violated the Department’s U.S. carrier ownership and control rules and thus would compete unfairly against Alaska Airlines. *AFA v. U.S. DOT*, 564 F.3d 462 (D.C. Cir. 2009). Although the AFA lost in court (on standing), the DOT in fact forced the company to re-structure its ownership to allay these exact concerns, although not to the AFA’s satisfaction. *Compare* DOT Order 2006-12-23, (Show Cause) at 1, Docket No. OST-2005-23307 (Dec. 27, 2006) with DOT Order 2007-5-11

JetBlue's Filing Does Not Address the Central Issues

ALPA's fundamental concerns in this case were not addressed by JetBlue's filing either. JetBlue's pleading defended JSX, in which it has invested money and holds an ownership stake. JetBlue likened this matter to the very different case brought by the U.S. global passenger carriers and labor unions against unfair competition created by market-distorting subsidies that some Middle Eastern governments injected into their national airlines. But this docket is centered on domestic air safety, not international competition: specifically, an end-run around domestic safety rules that would enable SkyWest Charter's proposed small-town domestic scheduled service, not unbridled Gulf carrier subsidies. In any case, no business model, however clever, should take precedence over flight safety and security. Respectfully, JetBlue's offered comparison is inapposite and does not assist the Department in deciding this case.

The Business Models of SkyWest Charter and JSX are Different but Both Illustrate Why the Scheduled Charter Loophole Must be Closed

JSX's business model, which is not at the core of this docket, does not rely on small, rural community flying, EAS or not. SkyWest Charter's plan, which is the focus of the application under review, does. It bears repeating that SkyWest has constructed a plan for its subsidiary's public charter business to avoid Congress' scheduled service

(Final) at 5, Docket No. OST-2005-23307 (May 18, 2007). Similarly, the Machinists opposed JetBlue because the waiver of New York airport slot rules it sought would have enabled the new entrant to compete with lower wages against existing airlines with IAM representation. DOT Order 99-8-12, Docket OST-99-5616 (Aug. 13, 1999). The Machinists' argument against special regulatory favors was forthright and logical, if unsuccessful.

mandate for EAS (although it suggests that it could use authority sought here for non-EAS markets in the future). If its focus is on EAS markets, then SkyWest Charter's business plan relies entirely on Department discretion in one of two ways: (1) a discretionary Department grant of monies under the Alternative Essential Air Service program (which would eviscerate the main Essential Air Service program as we know it), or (2) a discretionary Department waiver of Congress' scheduled mandate (which the Department previously and unequivocally said it has no power to do). *EAS at Ironwood, MI, et al.*, DOT-OST-1996-1266 & -1711, Order 2011-1-16 at 7 (Jan. 22, 2011) (reaffirming Order 2010-9-26). The Department should reinforce, not undermine, the hard-earned One Level of Safety for the traveling public. And setting aside the financial, managerial, and technical criteria of the alter-ego applicant, the Department ought not use its discretionary power to enable – or subsidize – a business plan for an alter-ego so conceived.

CONCLUSION

Part 135 operators have an appropriate, limited role in the national aviation network. But JSX and SkyWest Charter share or propose to share common use of a loophole that abuses the intent of charter rules and Part 135's safety regulations. For the

reasons set forth here and in ALPA's prior pleadings, the Department should close the loophole and deny the application.

Dated: July 6, 2023

Respectfully submitted,

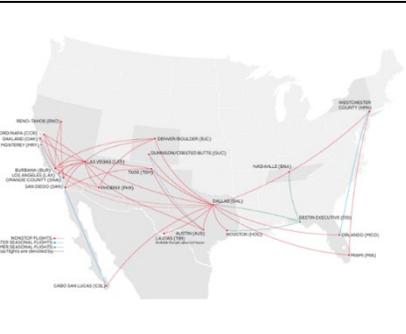


David M. Semanchik
Sr. Managing Attorney

AIR LINE PILOTS ASSOCIATION,
INTERNATIONAL
Legal Department
7950 Jones Branch Drive, Suite 400S
McLean, VA 22102
David.Semanchik@alpa.org
(703) 481-2421

Exhibit: Comparison of Commutair, Piedmont, and JSX

Commutair (operating as United Express), *Piedmont* (operating as American Eagle), and *JSX*

Aircraft type: Embraer 145 ¹	Route map ²	Seats per plane ³	Operating fleet size ⁴	Number of departures in 2022 ⁵	Safety regulatory regime	Economic regulatory regime
		50	50	77,683	Part 121	Scheduled air carrier
		44	47	89,093	Part 121	Scheduled air carrier
		30	37	110,305	Part 135	On-demand charter

¹ Photo credits: Airliners.net, Len Schwartz (Commutair and Piedmont photos), Mark L. Pollio (JSX photo).

² Map, seat, and fleet size sources: ALPA Economic & Financial Analysis Department (Piedmont), JSX.com (JSX), Aviation Week article, April 2023, *supra*.

³ *Id.*

⁴ *Id.*

⁵ Sources: ALPA Economic & Financial Analysis Department (Commutair and Piedmont); DOT 2022 Charter Prospectuses, *supra* (JSX).

Exhibit: Transcript of Airlines Confidential podcast

Transcript of “Airlines Confidential” podcast with Ben Baldanza and Scott McCartney, April 5, 2023¹

Interview begins at timestamp 00:18:39 into the podcast

Portions of interview referenced in ALPA filing are highlighted in yellow

Ben: We're very excited to have with us today, Alex Wilcox, the CEO of JSX Aviation. Alex, welcome to the show and tell us about yourself and what got you into aviation early in your career.

Alex: Hey Ben, thanks for having me. Thanks to you and Scott, I'm excited to be here today. You know, I traveled a lot as a child. My mother is Swiss and from the French speaking part; my father's a New Yorker, and I was born in London. And so, I flew a lot as a child and probably like many of your listeners, I just love airplanes. I love flying. I love seeing places that were new to me. So, I just kind of got the bug, you know, very, very early. I actually remember as a kid being asked what I wanted to do when I grew up and invariably I'd say I want to be in the airline industry. And also, invariably they say, oh, you want to be a pilot. And I'd say no, no, no. I don't want to be a pilot. I want to help run an airline and most people would just look at me like I was crazy. Because they didn't understand that they're people that did that. Yeah, as a kid, I also enjoyed programming computers, and once I thought about starting an ISP. And probably financially it would be a lot better off if I just stuck in that direction. But for better, for worse, I followed my first passion, which was that which was fine.

[20:06] Scott: And Alex, you, you, you co-founded JSX. It was Jet Suite X at the time you were involved in starting up JetBlue. You've had many different roles, but, but JSX is a different animal. Explain the JSX business model and who are your customer targets and how does that fit into the competition among the big boys and the regional airlines.

Alex: And thanks, Scott. I mean the JSX model is actually quite simple. It's, it's even in our name. So JSX stands for a “joyful simple experience,” right, JSX. And our basic purpose is to help somebody get from point A to point B as quickly and easily as possible. And then our secret sauce is that we want them to be happier at the destination than they were at the start of their journey. Right. So, we don't really think a lot or spend a whole lot of time thinking about where or how we fit in in the industry. We just focus on pleasing our customers, right - we kinda ripped off the Amazon playbook, which is don't worry so much about your competitors. Just focus on pleasing your customers and everything else will take care of itself. So we consistently, better than anybody else, better than any other motor transportation. It's not just airlines, it's buses, it's cars, limos, private jets, trains, you know, whatever. As long as we're the preferred solution to our customers, in our markets and they see value in paying for our services, we've got it made.

[21:30] Ben: Oh, I love the idea of arriving happier than when you departed. So, tell us where JSX is flying today and what are your growth plans based on what you just said. Everyone's gonna want you in their town.

Alex: So our operation started seven years ago was our very first ticket sale for Jetsuite X at the time now JSX. Our operation started from Concord, a little Airport in the East Bay of San Francisco, close to Walnut Creek and went down to Burbank. And that was our very first market. Our second market was from Burbank to Las Vegas. So, Nevada and California is where we started and that's certainly where we're biggest today. We've got many different kinds of markets. For example, we'll fly four round trips a week say from LA to or Dallas down to Cabo. But we also do, you know, 14 flights a day, seven round trips today between Burbank and Las Vegas. Las Vegas is definitely the engine of JSX, it's our bread and butter. But we also do very well up and down the coast of California and during the pandemic we

¹ <https://podcasts.apple.com/us/podcast/airlines-confidential-podcast/id1488637686?i=1000607462568>

started flying out of Dallas where we saw demand coming back first. And we had many successful markets from here already from here in Dallas, where I'm talking to you from. We also fly on the East Coast now: we fly from White Plains to Miami a couple times a day at fares that are great compared to the other, you know, semi private options I'll call them. But we also really like airports that nobody else uses, you know, a good example is BJC, Boulder, Colorado, where we have a real advantage over the major airport, you know which we actually call West Kansas Airport, also known as Denver International. [laughter] BJC is like 20 minutes to downtown Denver, or 20 minutes to downtown Boulder. They're actually closer to both of those and then the so-called Denver airport is and you can be out of your car and on the plane in 20 minutes. [chuckle/snort] [23:14] I challenge anybody to get from a car to an airplane in 20 minutes at DIA. So, you know, if you're on a JSX flight from Denver to Dallas, for example, or to Boulder or to Las Vegas or to Phoenix or to Burbank, you know, we'll have your destination pretty much the time to be pushing back from DIA if you if you took that as an option. So that's a real advantage. You know, so there's Concord, we fly out of Taos, we're the only game in town in Taos, we like that as well. But we don't really have a single strategy, you know. We've got some daily markets. We've got some multiple times a day markets. We've got some few times a week markets. We got about 35 airplanes flying today, a number of them are on frequent year-round routes, a number of them are on actually pure charters, and a number of them are on, you know, the old school Allegiant model where we only fly sporadically and seasonally in certain markets. You know these are 20-year-old airplanes, we bought them right, and that gives us a lot of flexibility in how to deploy them.

[24:08] Ben: And Alex, what plane is it you're flying?

Alex: We fly highly modified Embraer 145, I never call it an RJ or original jet. We kind of banned that word from our vocabulary. We just call it the EMB-145. Because there's nothing sort of regional or bus like about them.

We bought them, we've actually got 16 -135s and the rest of the fleet, it's all 145s and every airplane we will be plugging in now will be a 145. And we get them typically out of the desert, and we put them through a C Check and we put it in a new interior, basically gut the interior. We replace all the plastic, all the airline stuff with, you know, more kind of, a highly durable but still more luxurious fabrics. It's a nice white cabin. The biggest visible difference is that, you know, we don't have those fluorescent yellow flickering bulbs in there anymore, we replace them with bright white LEDs and so you've got all new headliner, you know, new side walls, you got recovered seats, you got new carpets and then the biggest difference is that we take the overhead bins out, and if you're familiar with a 145, and I know, Ben, you like to jump out of overhead bins [laughter], but you wouldn't fit in one of those, so you're not actually losing anything on JSX. We take the overhead bins out which creates a whole lot more headroom and you know the, the cousin or the sister ship of the 145, is a Legacy 600 or 650 and no one ever thinks of the 145 as a comfortable airplane until they experience it, you know in the JSX format. Because there's a whole lot of headroom, it's bright white, it's lit and we take out the middle seats too. So, we can only fly 30 seats under Part 135 and so that gives us a lot of room, particularly in the 145 so we've got a 1 by 1 configuration, the middle seat is gone, replaced by cocktail table that goes up and down the middle of the cabin. So, you're never sitting next to somebody, you're always across the aisle from them or they're in front or behind you. And it's a totally different, totally different feeling, totally different airplane. So, we're taking, you know, on average, a 30,000-cycle airplane that's 20 years old, and we're making it, you know, look and smell brand new again. And you know you can see pictures on our website, JSX.com. But if you haven't, you know, experienced that, you really can see what a visceral difference. It is so we love the airplane.

Scott: And some of my friends do too, particularly the Dallas-Austin run is a is a favorite. Now, it's the big airlines are grappling with increased pilot wages, family seating policies, sustainable fuel, lots more. Do you deal with the same issues?

[26:39] Alex: Yes, Scott, of course. I mean, you know, we operate in the same market as everybody else. You know we we've got much lower capital costs than most, but we got much higher, you know, operating costs than other carriers, particularly on a per seat basis, since we only amortize the costs across 30 seats. Now like I said, the planes are 20 years old. We bought them right, but they burn fuel like everybody else does. And we do everything that we can to reduce that fuel burn. You know, seating policies - they don't really affect us because all of our seats are great and we can easily move people around the cabin. Because no one's gonna complain. You know if they're in row 2 or row 12, it's basically the same experience, and so we don't really have problems sitting people together. We do sell seats ahead of time. So, you can book whatever seat you want. But we've, to my knowledge, never had a complaint about, you know, separating a family. The only complaint we do get sometimes if you have, like a three-year-old or a child that's too big to be on the lap and they are all the way across the aisle from Dad or Mom and it can actually present some challenges because you're too far away from you because we know they can't, they can't be literally physically next to you. Your listeners might like a bit of trivia our one by two on our 135s are still in a more conventional one by two, but lots of legroom. And we actually sell more seat assignments, a lot more seat assignments, in one by two configuration because there is an exit row that's a little bit more spacious and there is that kind of differentiated single seat on the left-hand side versus a double on the right-hand side. So, we sell a lot of seat assignments on the 135 flights which are pretty much the West Coast and Las Vegas and then we sell very few seat assignments, relatively speaking, on the 145s because like I said, there's not a bad seat in the house that you get, the you get your built-in cocktail table from the right side. But on the left side you still by yourself and so people don't seem to have a huge preference, frankly.

[28:25] Scott: And in terms of pilots, because you're part 135?

Alex: Yep.

Scott: So, part 135 are, are you still subject to the 1500-rule or can pilots build hours at JSX before they head off elsewhere?

Alex: So, we can actually recruit the most experienced pilots in the market because we do fly under Part 135 and the regulations are a little bit different. So, there's no hard age limit under Part 135. They're talking about allowing a 70-year-old rule here. But we take probably a third of our pilots are actually airline retirees. So, we do get them at the end of their careers and we also get them as you suggest at the beginning of their careers. And so, we've got a big differentiation in terms of, you know, the kinds of pilots that we can hire. So, if you've got - there are military pilots that are flying fighter jets that have, you know, under 1000 hours of total time. So, it's really not about the time or the experience they've got necessarily it's more about, you know, do you have [chuckle] 1500 hours experience or do you have 10 hours of experience, you know, 150 times. Uh there's a big difference. And so, we focus really on the quality of training, so we have, like I said, a third of our pilots probably have over 15,000 hours. And a third of them probably have, you know, under 2000 hours. We typically don't hire many without at least 1000 hours and then a third of them are kinda lifers. They're somewhere in between, you know, people that like the lifestyle that we can offer them, getting them home most nights as opposed to sitting them after, you know, far reaches of the world. People with young families, they like to, you know, see their kids and time and time and not spend their life in a break room or on a long-haul trip on reserve somewhere. So yeah, we do definitely have I guess an advantage in terms of the pilots, the kind of pilots that we can hire. But I don't want that thing misconstrued. You know we go way beyond, above and beyond Part 135 in terms of our SMS. You know we have real safety management system that basically

mimics the 121 air carrier. We've been a real FOQA program. We have a real ASAP Program. So those tools that the 121 carriers have developed over time, to really, you know, enhance and create what's the safest transportation industry in the world. We take advantage of all the programs that really, that do enhance safety.

[30:40] Ben: Alex, a while ago on this show, we had Tony Lafave on. Tony is the President of Signature Aviation and he was saying on his interview that he felt the pandemic opened up a new market for private aviation. We've talked on this show a lot about the change in business travel and the emergence of the bleasure, or blended traveler. Do you think what's happened over the last couple of years has been good for the JSX model in terms of people looking for different solutions?

Alex: Yeah, I would say yes. You know, certainly when the pandemic came on people were looking for different ways to travel. They were open to change. You know, it's very hard to change behavior. And so it was definitely an enforcing mechanisms that allow people to think, you know, about what is really the best way to get from here to there and so people became open to alternatives. So I think that the you know the change in business travel and kinda the awareness of this blended travel has helped a lot and certainly the pandemic helped a lot for similar reasons. You know we are highly indexed to discretionary travel at JSX. You know we're underweight, in corporate travel - by corporate travel, I mean typical Fortune 500 managed travel programs. We do fine with small, medium businesses, people that you know control their budgets, but we don't fit into the distribution models or the market share models or the bribery models that Fortune 500 travel programs seem to operate under. So, you know, we think that business will move to us over time, just because of the strength of our product and the convenience of our product and service because we save so much of what matters to people, and by that I mean time. But you know, we don't play with the same kinds of things that the network carriers try to use against us.

[32:32] Scott: Alex, you were an early employee of JetBlue at its founding. Does anything surprise you about how that airline has grown and changed over the last 20 years?

Alex: Yes, David Neelmann hired me two weeks before the company was founded. I was living in Connecticut at the time and I picked him up one night - I think in 1997 - at White Plains airport. We had dinner in Stamford, CT, a dinner I'll never forget. And the next day we drove the Van Wyck about 12 times between La Guardia and JFK. And at the time everyone was telling him that no one would ever drive to JFK for a domestic flight. And he was convinced, and obviously was proven right that, you know, for the right product and the right fare of course they would. By the way, the average time was like 12 to 16 minutes between the 2 airports. They're not that far, outside of rush hour. So, but JetBlue - to your question - JetBlue's growth has been really satisfying to watch. I think the team there does a great job operating in very difficult markets. You know, I never imagined first class on board or imagined narrow body transatlantic flights and I really admire how they have executed on Mint and on the transatlantic. I got the chance to fly it myself not too long ago. JetBlue's obviously been an extremely supportive investor and partner with JSX as well. They've got innovation over blood. You know they were first with Live TV, first with free Internet. And I think the industry is really better off for them being in the market.

[33:59] Ben: You know, Alex, you go out to eat and you've got everything from McDonald's to Mortons. And you buy a car and you got the Ford Focus to a luxury Tesla or maybe even better than that. Do you think there's enough diversity in the business models of the airlines? You can fly for real cheap on like a Frontier or in much better luxury on an airline like yours or even private aviation. What do you think? Is there room for any more here?

Alex: Yes, I mean it's a leading question obviously and I think, Ben, that the industry is woefully lacking in its offerings to consumers. You know, I've spent a lot of time thinking about why that is. If you look at

the use of restaurants, if you look at hotel industry, it's a similar kind of deal. You know there's really something for everybody. I think Marriott alone has 16 brands. Hiltons got like a dozen, and of course, there's many boutique chains. There's lots of independent hotels. They've even got AirBnB right, which is like Uber I guess for rooms. And now the brands are actually pivoting to give you the private house that you want from an AirBnB but with high [unintelligible] you'd expect from a brand. So in aviation we really have none of that. You know, in the airport experience, whether in first class or whether you're you know on that subscription deal from Frontier, for 95% of our customers the airport experience is totally undifferentiated right? Everybody has to use the same small piece of the airport to get on that plane. Everybody has to go through the same parking lot, the same front door, the same checkpoint, walk through the same shopping mall, sit in the same gate area. You know, go down the same jet way. And once you get on board, you're sitting on a plane built by one of four manufacturers in a seat made by one of two or three OEMs, served by someone who belongs to one of two or three unions. And you know the one thing we do well in this industry, to its credit, is safety. We already talked about that and it's an important thing to have, of course. It's safer to get on a commercial plane than it is to go to bed.

[35:50] But, you know, and I credit that to the operators and the safety specialists and the FAA, TSA, DOT, NTSB and the SMS programs I named earlier. But I think other than that from a customer service standpoint the industry is really just the lowest common denominator across the board. And I think the reason for that is 'cause the barriers to entry are just so high. And, so it's probably going to stay this way for a long time.

[36:12] [unintelligible] fighting for a third way. Not a private jet because that's just too expensive for the vast majority of people. Not an airline but an easier way of getting from Point A to Point B. I mean if I'm going on a 16-hour flight from Dallas to, I don't know – Asia or Doha - I don't really care about an hour at the airport, but do I need that same infrastructure for trip to Austin, you know as Scott mentioned? Do I need the same infrastructure to get to Austin 35 minutes down the road as to get to Doha 16 hours away. I think the answer is of course not, right? 60 to 90 minutes at an airport for 45 minutes in an airplane just doesn't make any sense at all. It's not what the Wright Brothers intended.

[36:49] And so, if you look at the hype around this EV toll and hybrid-electric stole concepts that are being developed, I think the reason for that. By the way, I'm a skeptic, I'll talk about that if you want. But I think the reason for the hype is because people are just desperate for another way of getting around. So, I do not believe in the EV toll market. But I strongly believe in the hybrid-electric market, maybe someday all-electric fixed wing market that can take maybe 6 or 8 or 9 people at a chasm equivalent to a 220 passenger say Spirit 321 neo but in much, much smaller markets. I think the equations basically this, you know, we put up with airports that we have because we want the low cost. The JSX model, yeah, we can fix the convenience, but we can't fix the cost. We can't touch the cost. So if you want convenience and the cost, you gotta go small. And you have to have an alternative power plan. And that's when I see the so-called future mobility, [unintelligible]. But small is beautiful and [unintelligible] and cheap is beautiful for cost. And if you can get, you know, if you and can get convenient and low cost then together those things are unbeatable. [37:55] I think that's what the promises of fixed wing, you know, call it [unintelligible] hybrid-electric aviation has, and we certainly intend to be at the forefront of that.

Ben: That's a great summary of where things are going and the pluses and minuses of the various models. Something more routine. How do people book JSX? Is it all direct booking? Are you in Expedia? Are you in the the GDS's?

[38:22] Alex: So glad you asked. Yes, our preferred method of booking for us, of course, in terms of distribution costs is go to JSX.com and buy a ticket. But I'm very happy to say that we also have distribution from our friends at JetBlue, our friends and investors at JetBlue where you can actually buy

tickets on JSX at JETBLUE.com. You can also access most of our inventory, almost all of our routes with certain exceptions through the GDS's, but via the JetBlue codeshare. So we have a real code share with JetBlue. It's the first ever Part 380 135/, you know, 121 code share so JetBlue once again, you know, helped break new ground in achieving that. And all of the DOT approvals that we were required to achieve that. And we're very grateful for them for that. And we also have an interline arrangement with United Airlines and so United [unintelligible] with United and you can go to UNITED.com and again buy most of our routes at UNITED.com. And you can also get True Blue miles and the United Miles, you know, when you fly with, when you fly with us, whatever you choose. And so we're very, very proud of our partnerships with JetBlue and with United and we're also very happy to sell tickets directly through JSX.com.

[39:32] Ben: Sounds great, Alex. You know, earlier in your career, you worked at what I will say, normal airlines, bigger airlines. What surprises have you found moving to a 135 operation and the JSX kind of operation?

Alex: Well, I wasn't really surprised, but I'm reminded pretty much, every day that doing something new is really hard to do, you know? And change has its enemies. And one of our biggest challenges is actually, you know, real estate, airport real estate. You show up to a new airport. They haven't heard of you. They don't really know what your offer is. And they say, oh, you're an airline. Okay, well, here's the terminal. You know, here's the gate contract. Here's a different kind of contract now. No, no, no guys, we don't fly from terminals. This is our all [unintelligible] platform, our own facilities. Oh, oh, you're private aviation. Okay, go to the go to the FBO. We're like no, we're not going to the FBO because, as much as I like Tony. And by the way, we're big partners with Signature, we're tenants with Signature in many places. But typically an FBO charges substantially more for fuel and services than an airline is willing to pay. And so you know we tell the airports that, hey, we want a third way you know again. We want a direct relationship with you. Because typically the airports outsource all of their real estate, non-commercial airline, non-121 airline real estate to an FBO. And they'll just basically give them monopoly position or duopoly position [40:51] with respect to general aviation. And I think that's one of the reasons you see the valuations you've seen as FBO's have traded. And so we go in there and say, hey, guys, we can't be in the terminal because that's not our, that's not how we operate. And we don't want to be with FBO. And so we're, we're looking for a third way. And so the airports that get it accommodate us very quickly. We find lots of airports are not Part 139, so we couldn't even take those people into the terminal if we wanted to. And so the biggest challenge for us has been, you know, explaining not to the market, but to the airport operators, you know, how and why we're different. And, you know, there's a cliché that you've seen one airport, you've seen one report. And I can tell you that that is very true in our experience as well.

[41:30] Ben: Alex, what else should our listeners know about working for JSX or flying JSX?

Alex: Well, for people who want to work here, you know, they should know that we want JSX. JSX, a joyful, simple, experience, not just for our customers, but also for our crew members. Everybody here is part of the crew like JetBlue, we total straight rip off. We call everyone a crew member, not an employee. Because everybody's job has something to do with getting airplanes off the ground. While JSX is still very much an adolescent organization; we're seven years old tomorrow. We strive to make the experience of our crew members as joyful as that of our customers. We're realistic, you know, we're realistic and I can promise that to our crew members as well. In fact, I make one promise in all of our orientations. I promise our new people that there gonna be bad days. There is going bad weather. There's going to be broken airplanes. There's going to be sick crew members. I mean there are many things out of our control that frustrate our efforts and our desire to provide joy to our customers.

[42:23] But knowing that on the front side means that we don't have to have an emotional reaction, you

know, to a predictable event. And it means we can be better prepared. To apologize and recover regardless of whose fault it is. We don't even talk about faults even if it's not, you know, quote unquote, our fault. We just apologize. And so, you know, if you want to be part of the future of aviation and if you want to have fun at work, if you want to be part of an organization that's loved by its customers and that's got many, many, many of its best days ahead of us, you should definitely come work for JSX. And if you're a customer or a potential customer and you have tried this yet, you will not be disappointed. And if you are, tell me. And if you're not, tell all your friends.

Ben: Alex, this has been terrific. I'm embarrassed to say that I haven't yet flown JSX, but I can't wait to. We really appreciate you coming on the show telling us all about your great product and some of the differences between both traditional airlines and private aviation.

Alex: Well, Ben and Scott, thank you very much for the opportunity. It's much appreciated and very much enjoy your podcast. Keep going.

Scott: Great to talk with you and you keep going too. It's a lot of fun watching what you're doing.

Alex: Thanks, Scott.

Ben: We'll be right back with more airlines confidential promotional consider. [43:39]

CERTIFICATE OF SERVICE

I hereby certify that I have this 6th day of July, 2023, served the foregoing document by email on the following persons:

SkyWest	michael.blaine.thompson@gmail.com
	egleimer@crowell.com
	mray@crowell.com
	Daniel.Belmont@skywest.com
JSX	dheffeman@cozen.com
	jfoggia@cozen.com
	mdeutsch@cozen.com
JetBlue	robert.land@jetblue.com
American Airlines	molly.wilkinson@aa.com
Dodge City Regional Airport	nickh@dodgecity.org
Wyoming DOT	brian.olsen@wyo.gov
Northeast Wyoming Regional Airport	todd.chatfield@cambellcountywy.gov
Southwest Wyoming Regional Airport	dbrubaker@flyrks.com
Central Wyoming Regional Airport	riverton@rivertonwy.gov
Sheridan County Airport	jstopka@sheridancountyairport.com
Hays Regional Airport	jsalter@haysusa.com
Johnstown-Cambria County Airport Authority	ccree@flyjst.com
Mason City Airport Commission	dsims@masoncity.net
Meridian Airport Authority	twilliams@meridianairport.com
Salina Airport Authority	trogers@salair.org
Sioux Gateway Airport	mcollett@sioux-city.org
	jkruse@sioux-city.org
Mayor Ty Coleman	tcoleman@ci.alamosa.co.us
Will Hickman	whickman@alamosacounty.org
Mayor Nicholas S. Gradisar	mayor@pueblo.us
Greg Pedroza	gpedroza@pueblo.us
Mayor Matt Bemrich	mbemrich@forddodgeiowa.org
Rhonda Chambers	rchambers@forddodgeiowa.org
Mayor Bill Schickel	mayor@masoncity.net
David Sims	dsims@masoncity.net
Mayor E. Kent Smoll	Ksmoll70@hotmail.com
Kellie Enlow	kellie@dodgecity.org

Mayor Mason Ruder	mruderhays@gmail.com
Mayor Connie Seigrist	e-mail@heyconniehey.com
Brian Fornwalt	Brian.fornwalt@cityofliberal.org
Mayor Trent W. Davis	citycommission@salina.or
Tim Rogers	trogers@salair.org
Mayor George P. Bray	gbray@paducahky.gov
Dennis Rouleau	dennis@flybarkley.com
Mayor Julie Moore Wolf	JMoore-Wolfe@decaturil.gov
Tim Wright	twright@decparcs.com
Dennis Hext	dhext@cmxairport.com
Mayor Ken Johnson	Ken.johnson@shorelinecity.com
Joel Burgess	jburgess@f3airport.com
Mayor Stacy Kinder	skinder@cityofcape.org
Katrina Amos	kamos@cityofcape.org
Mayor George A. Lauritson	Gmayor18@yahoo.com
Mayor Jerry Brown	mayor@waynesvillemo.org
Dorsey Newcomb	Dorsey.newcomb@leonardwoodinstitute.org
Mayor Ryan Stanley	Ryan.stanley@joplinmo.org
Steve Stockham	sstockham@joplinmo.org
Mayor Jimmie Smith	cityhall@meridianms.org
Tom Williams	twilliams@meridianairport.com
Mayor Toby Barker	mayor@hattiesburgms.com
Tom Heanue	tom.heanue@flypib.com
Mayor Richard Johnson	dickj@dvlnnd.com
John Nord	manager@devilslakeairport.com
Mayor Dwaine Heinrich	dheinrich@jamestownnd.gov
Katie Hemmer	jmsairport@daktel.com
Mayor Stanley Clouse	mayor@kearneygov.org
Michael Morgan	mmorgan@kearneygov.org
Mayor Brandon A. Kelliher	info@ci.north-platte.ne.us
Sam Seafeldt	lbfmanager@outlook.com
Mayor Jeanne McKerrigan	jmckerrigan@scottsbluff.org
Raul Aguallo	raguallo@flyscottsbluff.com
Cory Cree	ccree@flyjst.com
Mayor Jeff Bauknight	jbauknight@victoriatx.gov
Hon. Ben Zeller	bzeller@vctx.org
Lenny Llerena	vlllerena@vctx.org
Heather Ream	hream@flyshd.com

Mayor Kerry Kincaid	Kerry.kincaid@EC-citycouncil.com
Charity Zich	Charity.Zich@chippewavalleyairport.com
Mayor James Marino	jamesm@cityofclarksburgwv.com
Rick Rock	rrock@flyckb.com
Mayor Beverly White	mayor@lewisburg-wv.org
Brian Belcher	Brianb@gvairport.com
DOT	carol.petsonk@dot.gov
	joel.szabat@dot.gov
	robert.finamore@dot.gov
	brett.kruger@dot.gov
	benjamin.taylor@dot.gov
	laura.rem0@dot.gov
	damon.walker@dot.gov
	kevin.schlemmer@dot.gov
FAA	john.s.duncan@faa.gov
	wendy.l.grimm@faa.gov
Airline Info	info@airlineinfo.com

/s/ Nadia McIlhany _____
Nadia McIlhany, Sr. Paralegal
AIR LINE PILOTS ASSOCIATION,
INTERNATIONAL
Legal Department
7950 Jones Branch Drive, Suite 400S
McLean, VA 22102
Nadia.McIlhany@alpa.org
703-481-2438