

# The Columbus Dispatch

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## A flying force

### Republic Airways operates plenty of daily flights from Port Columbus, but not under its own brand

By Marla Matzer Rose THE COLUMBUS DISPATCH

Republic Airways operates more than a quarter of the 150 daily flights at Port Columbus and employs nearly 1,000 people in the area. But chances are you've never heard of them.

That's because nearly all of the company's 40 daily flights in Columbus are flown on behalf of other airlines, on jets that are painted with the names of United, US Airways and the like.

A close look at one of these carriers' websites might say your flight to New York, Atlanta or Chicago is being "operated by" Republic Airlines, Chautauqua Airlines or Shuttle America. All three are units of Republic.

"Republic is deeply invested in Columbus," said David Whitaker, vice president of business development for the Columbus Regional Airport Authority.

"Our geography and market size is very conducive to the 50-to 70-seat regional jet" that Republic flies, "and it allows us service to markets that we might not otherwise have."

Republic's roots go back to Chautauqua Airlines, then a Jamestown, N.Y.-based commuter carrier that began flying turboprop airplanes in 1973 for Allegheny Airlines.

As Chautauqua expanded, it moved its headquarters to Indianapolis in 1994 and formed holding company Republic Airways in 2001 to incorporate its other units, including Republic Airlines, Lynx Aviation and Shuttle America.

In 2003, Republic considered moving its headquarters again, and Columbus was a contender. The company ultimately decided to stay in Indianapolis, but Columbus ended up gaining jobs in the years that followed as the company expanded.

Now, Columbus is on par with Indianapolis in terms of overall jobs and is second only to Denver in terms of employees now that Republic controls Denver-based Frontier Airlines.

About half of Republic's Columbus-area employees work in maintenance-related positions at the hangar on 5th Avenue, next to Port Columbus. The rest of Republic's

local employees are flight personnel, who might work all over the country but make their home here.

The primary function of Republic's 300,000-squarefoot facility is maintaining the aircraft the company uses. The warehouse is stocked with thousands of routine parts, from nuts and bolts to seats and tires.

"These are high-quality jobs we're adding to the tax base," said Wayne Heller, executive vice president and chief operating officer of Republic. That has "tax implications and ripple effects" for Columbus even though the company does not have its headquarters here, he said.

The type of plane Republic now favors has put it "ahead of the curve" competitively speaking, said Colorado-based aviation consultant Mike Boyd.

It has moved away from the 30- to 50-seat planes in favor of 50- to 90-seat jets, closer in size to the smaller aircraft used by the major carriers.

"They saw what other (regional carriers) didn't, to get out of the small (regional jets)," Boyd said. "Today, those small (regional jets) are being parked. You can't make money with them these days with higher fuel prices. They're just not efficient."

The next step for Republic is entering the "branded" airline business — but it's not using the Republic name.

The company purchased two financially struggling carriers last year, Frontier and Midwest airlines, and is in the process of integrating the two under the Frontier name. The company is now booking flights that have been under the Midwest banner, including those at Port Columbus, on the Frontier Airlines system and soon will be changing all its signs and planes to reflect that.

The move is a major shift, Boyd said. Typically, regional jet companies have contracts with the major airlines that guarantee a profit. In contrast, almost all the airlines familiar to consumers have lost money in recent years.

But the move also offers the potential for rewards.

"Our move into the branded side of the business comes with more risk. We have to be very focused on costs," Heller said. "But the primary reason we're growing as a company today is because of our branded operation."

Republic's 2009 results clearly show the direction the industry is going. Its revenue from flying for other airlines fell nearly 20 percent last year compared with 2008, but total revenue and operating income were up as the company's branded operations contributed.

Midwest, soon to be Frontier, has had a small but growing presence at Port Columbus, with three daily flights to Milwaukee and one to Kansas City, Mo.

Ian Arthur, vice president of marketing and branding for Republic and the Frontier brand, said the company's routes and markets served remain a work in progress, and tweaks might be made. He emphasized that Republic will be poised to take advantage of changes made by major carriers, which have been rapidly changing their business models.

"You've seen a de-hubbing. They're focusing on feeding the international markets, which is where they're making their money," Arthur said. "We're able to serve the North American market more cost-effectively than the majors are. They're really focused on their lucrative, high-frequency travelers. The general public is traveling less frequently but in greater sheer numbers."

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## Republic Airways

- **Founded:** 1996
- **2009 operating revenue:** \$1.48 billion
- **Brands:** Owns Frontier Airlines and Midwest Airlines (the Midwest brand is being changed to Frontier); flies aircraft under the Continental, Delta, United and US Airways names in Columbus
- **Headquarters:** Indianapolis
- **Employees:** 11,000 nationwide, 947 in Columbus
- **Flights operated at Port Columbus:** about 40 per day



Most of the planes Republic Airways operates carry the logo of one of the major carriers. That will change once the company integrates its purchases of Frontier and Midwest Airlines.



**CHRIS RUSSELL DISPATCH PHOTOS**

Half of the Republic Airways workers based in Columbus are assigned to the maintenance hangar, servicing the company's fleet, mainly on the night shift. Port Columbus is the base for the second-largest number of company workers.



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Greg Blumer adds oil to an engine in routine service at the Republic Airways hangar. Republic bought financially troubled Midwest Airlines and is rebranding it as Frontier.