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How Connect Airlines intends to carve a niche in the US airline market

By [Jon Hemmerdinger](#) 10 June 2022

US start-up Connect Airlines is banking on the efficiency of turboprops and an independent business model to help it carve a niche in the US air travel market.

That is according to Connect chief executive John Thomas, who says the Massachusetts company aims to begin flying as soon as August from Chicago and Philadelphia to Billy Bishop Toronto City airport.

“We thought there was a great opportunity for a US carrier to go into Billy Bishop... To connect that [airport] to some of the major routes in the US,” Thomas tells FlightGlobal on 10 June. “The point-to-point traffic to Toronto is very important, but the connecting traffic will really underpin the economics of the operation.”



Source: Connect Airlines

Connect, which is still awaiting final operating authority from the US Federal Aviation Administration, will initially operate 76-seat De Havilland Canada Dash 8-400 turboprops, of which it now has two, says Thomas, a longtime airline executive whose jobs have included chief executive of Virgin Australia Airlines.

It leased those two aircraft from Canada's Chorus Aviation Capital and holds agreements to lease another three yet-undelivered Dash 8s from Irish lessor Nordic Aviation Capital, says Thomas.

Two other US start-ups have launched since the pandemic started – Breeze Airways and Avelo Airlines, both of which operate large jets. By contrast, Connect will be a regional airline with only (at least initially) turboprops.

Propeller aircraft generally fell from favour in the USA in recent decades because, according to airlines, passengers typically shun the types, viewing them as outdated and noisy. Nearly all regional airlines in the USA now operate regional jets. Because regional jets cost so much to operate, Thomas says, the economics of the regional airline business sank with the transition.

Noise aside, Thomas insists turboprops make far more sense. Dash 8-400s are 40% more efficient per seat than regional jets on shorter routes, he says, adding that turboprops can replace hundreds of small, ageing regional jets – types like Bombardier CRJ200s and Embraer 145s.

INTERLINES, CODESHARES

Connect's business plan calls for partnerships with major US airlines, though not in the same manner as has become typical in recent decades. These days, nearly all US regional airlines operate under capacity purchase agreements (CPAs) with major US carriers. CPAs are deals via which majors pay the smaller airlines to operate regional flights – and regionals get paid regardless of how many seats are filled.

Connect has no plans to sign CPAs. Rather, it intends only to have interline and codeshare agreements with major US carriers. Under those arrangements, Connect will remain independent and face the burden of filling its seats, though it will benefit from access to the majors' immense distribution networks.

“We are more than willing to take the revenue risk,” Thomas says. “If we can codeshare – or in the very least interline – with the majors, we can tap into their distribution network.”



Source: Connect Airlines

Connect Airlines CEO John Thomas, left

Connect Airlines is a brand under an existing company called Waltzing Matilda Aviation, which is based in Bedford, Massachusetts and operates Cessna Citation Excels, Bombardier Challenger 604s and ERJ135s.

Thomas, who is also Waltzing’s co-founder, was CEO of Virgin Australia Airlines in 2016 and 2017. He also has experience as an airline consultant in the USA, having worked on projects including the Delta Air Lines-Northwest Airlines merger, Delta’s joint business with Virgin Atlantic and Alaska Airlines’ purchase of Virgin America.

Connect chose initially to serve Billy Bishop because Toronto is among the largest North American air travel markets, and because Billy Bishop has limited competition, Thomas says. Porter Airlines flies to 12 cities from the airfield, and Air Canada serves two. Most of Air Canada’s flights, as well as those of other airlines serving the city, depart from the much larger Toronto Pearson airport.

Connect has secured 16 slots – allowing for eight daily round-trip flights – at Billy Bishop during the northern summer season and expects to secure more for the coming winter. It intends first to serve Billy Bishop from Chicago O’Hare and Philadelphia, and later to add flights to Toronto from other large US cities like Baltimore, says Thomas.

The FAA has already completed much of the work to certificate Connect’s operation, having reviewed the airline’s manuals, processes, and safety management system, says Thomas. The airline still must conduct proving flights for the FAA. But first, the US Department of Transportation (DOT) must complete its review and issue an order allowing proving flights to commence, says Thomas.

The DOT recently completed its review ahead of issuing that order, he adds. “We are now in a bit of a holding pattern, waiting for the DOT.”

Additionally, Connect needs to secure a foreign air operating certification from Transport Canada. If all goes to plan, Thomas thinks Connect will launch revenue flights “around mid-August”.

Though Connect will start service using Dash 8s, the carrier on 9 June disclosed it signed an order with Universal Hydrogen to equip 75 ATR 72-600s with hydrogen-fueled powerplants. Thomas says Connect expects to receive the first of those converted “zero emission” turboprops in 2025 – though the design requires approval from aviation regulators.

Story updated on 13 June to note that Thomas was CEO of Virgin Australia Airlines, not Virgin Australia, which is parent to the airline.