

From: Jude Bricker
Sent: Tuesday, April 17, 2018 1:27 PM
To: SCA All Employees
Subject: Operations Update

Hi Team,

I'm sure you've seen Sun Country in the media surrounding our flight cancellations that occurred due to the extreme weather over the weekend. I want you to give you an update on our operations and lay out all of the facts so you hear them directly from me—what we did right, what we could have done better, and how we're moving forward.

The blizzard significantly impacted all of our MSP operations as well as other carriers flying in and out of MSP. Due to the extreme weather, MSP was closed for a total of 9 hours on Saturday causing us to cancel 25 flights, combined with other carriers, the cancellation count came to 495. Network disruptions continued into Sunday. We had to cancel 15 of our flights, 315 flights were cancelled in total. As of yesterday, our operations are fully back up and running to support our regular schedule. No additional flights were cancelled yesterday, whereas, 47 flights from other carriers were cancelled. That is extremely commendable and I want to sincerely thank all of the folks working through this weather event in every capacity. We had airport personnel carry successive shifts to recover, SOC staff slept at Building C in order to be as responsive as possible, call center agents volunteered to work straight through (sleeping at HQ) to try and care for our customers as quickly as possible, crews took care of our rightfully frustrated passengers all over our network. Thank you all for going above and beyond.

Operationally, we have performed well given the circumstances. We should always use these events to find opportunities to improve, but here are the facts:

- On Saturday, we made the decision to cancel 40 flights in total. 25 were on Saturday, 15 on Sunday.
- The airport was effectively closed for 9 hours on Saturday due to record snowfall.
- We diverted five inbound flights to MSP. On Saturday night, we only had four RON aircraft. Usually we have 17, so about 13 of our aircraft were overnighiting somewhere they weren't planned to be.
- After the decision to cancel was made on Saturday, we didn't cancel any more flights. This is good, as rolling cancels are about the worst thing we can do for our customers.
- On Monday, we were back to flying a normal schedule.

We need to find ways to improve our customer communications as we failed in that area. Our customer care facility is here in Eagan. Due to the extreme weather conditions and road closures, many of our agents were unable to get to the office throughout the weekend. Many volunteered to come in or work extra shifts, but we still struggled to get to the planned staffing levels. Even if we had been able to staff per the plan, we could have not handled the roughly 6,000 passengers who were affected by a cancelled flight. And, there were many other customers who were inconvenienced that understandably wanted to talk to us over the weekend. Most calls were bounced (busy signal) beginning Saturday all the way through Monday. We're working hard to dig ourselves out of the situation. All of our customers (except for the passengers that were on the Saturday MZT and SJD cancelled flights) had a confirmed re-accommodation by midnight last night. Let's get into it as I'm sure you have questions.

For MZT and SJD, this was the last weekend we flew for the season. The last flight for MZT was Saturday. The last flight for SJD was Sunday but was already fully booked so we were unable to re-accommodate customers from the cancelled flight. When the originally scheduled flights were cancelled, the call center couldn't reliably receive inbound calls. We do not have interline agreements with other airlines, so our options to re-accommodate customers on other airlines are the same as their options to re-accommodate themselves and would have taken us much longer to do so. Many of our customers booked through travel agents or online travel providers which means we do not have access to the passenger's contact information. In cases that we do have the passenger's phone number, generally, we reach our customers about 20% of the time. Often times, the emails we send them route through the travel agent or online travel provider and don't arrive to the customer immediately. So, on Saturday, to communicate with our customers, we could send an email, post something to everyone via our social media channels or our website and hope that it reaches affected passengers. We decided the most efficient way to reach them was via email. After they received an email notifying them that their flight was cancelled, we could only email them with a response to their natural question of "what now?". That leaves us with sending one of three messages:

1. We'll refund your money. Book your own itinerary.
2. We'll fly a recovery flight on Monday. (Monday was the soonest day we had a forecast for reliable weather which would have required us to cancel a scheduled roundtrip that day displacing an additional 300 customers. All of our flights are full flying passengers impacted by the cancellations meaning many of these customers would have already been impacted by a cancellation.)
3. We'll fly a recovery flight in the future. You will hear from us by Monday as to when that flight will be scheduled. (On Saturday, we would have estimated that we could commit to an

aircraft until Monday, or charter another carrier. It turned out, we could have probably committed on Sunday night for a flight on Tuesday.)

If we went with options 2 or 3, many of our customers would want to get home earlier, booking alternative arrangements on another carrier. With hindsight, we should have flown a rescue flight to MZT as service options are limited. SJD has more service options and we felt the best option for those customers was giving them a full roundtrip refund on their Sun Country flight to make alternative arrangements as quickly as possible. Either way, for these routes we should have been reachable and covered their transportation costs if we didn't fly them home.

The past several days we have been hard at work to make contact with these passengers. Today, we expect to finish the process of reaching all passengers on Saturday's cancelled MZT and SJD flights. By day's end they'll have an email from us, a voicemail from us, or a conversation with us. In this communication, we have made that commitment that in addition to refunding their original roundtrip ticket on Sun Country (which we have expedited above all other refunds), we will also cover any additional reasonable transportation costs they incurred in excess of their original Sun Country roundtrip fare, not limited to the difference they paid on another carrier, but also including taxis, shuttles, any reasonable transportation costs required to get them to and from the airport. We have a special email address set up and staff dedicated to assist those passengers. We are committed to finding them a way home.

Clearly, going forward, we need to improve our ability to handle stresses to our system like what we experienced over the weekend. Automation will be central to that strategy. But, more on that later.

Again, thank you for everything you have done and are actively doing to recover from this weather event while continuing to run our regular operations.

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