



9-3-2020

VIA U.S. MAIL & E-MAIL (wrreed@dvdetr.org)

Mr. Wesley Reed
Statewide Rapid Response Coordinator
Nevada Department of Employment, Training and Rehabilitation
500 E. 3rd Street
Carson City, Nevada 89713

Re: WARN Act Notice of Layoffs and Temporary Furloughs Lasting More than 6 Months

Dear Mr. Reed:

Pursuant to the Worker Adjustment Retraining and Notification Act (WARN), 29 U.S.C. § 2101, I am writing to notify you that Grand Canyon Scenic Airlines must layoff 92 employees and must furlough 13 and/or extend the temporary furloughs it has implemented for a period of six months or longer for 13 employees. Employees affected by the layoffs and those affected by the new furloughs and/or extension of existing temporary furloughs beyond six months include workers at all of the Company's locations in Nevada, including its facilities at: Papillon Headquarters, 1265 Airport Road, Boulder City, Nevada 89005.

Some affected employees were placed on what were believed to be temporary furloughs following the federal and state declarations of emergency due to the global onset of the novel coronavirus (COVID-19) pandemic. At this time, it is necessary for the Company to layoff of some of its workforce, including some individuals who were furloughed previously. The Company continues to believe that for those remaining on or being placed on furloughs, the furloughs will be of a temporary duration but will last longer than six months.

On March 18, 2020, the Company provided notice to the affected employees that due to the economic impact of the coronavirus pandemic (COVID-19), coupled with the stay-at-home orders issued in several states (including in Arizona), it was necessary for the Company to furlough its employees. As the Company stated at that time, we believed the furloughs would be of a short duration, but would reassess periodically due to the uncertainty resulting from the pandemic.

At the end of April 2020, the Company believed that operations would resume at the end of May 2020 with the lifting of COVID-related restrictions and the reopening of the national parks. Unfortunately, after restrictions on some in-person activities were lifted, the number of COVID-related cases rose around the country, especially as we entered the summer months. That led to a resumption of the more restrictive recommendations that people stay at home and the closure of many businesses that had reopened. Domestic business for scenic air tours, the Company's focus, has remained at a standstill.

We also anticipated that some of the Company's business from international travel would return. However, that has not happened. The federal government has not lifted restrictions on travel for visitors from China, countries on the European Continent (commonly referred to as the Schengen Area), and the United Kingdom. On August 20, 2020, the United States, Canada and Mexico jointly announced that the

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prohibition on non-essential travel including tourism between the three countries was extended through at least September 21, 2020. The continued loss of the Company's international customers as we enter the closing months of the scenic air tour operating season now leads the Company to conclude that we are unlikely to see any improvement in our business this year.

As a result of this continued suspension of nearly all of our operations due to the pandemic, it is necessary for the Company to reduce its workforce through layoffs and to place some employees on furlough for a period longer than six months. We expect those furloughed to remain in that status until at least early 2021, when the tourist season usually begins. That estimate remains subject to change based upon global travel restrictions, the availability of an approved immunization for the coronavirus, and the resumption of tourism to the Company's locations.

The emergency and sudden and unexpected circumstances, coupled with the rapidly changing domestic and global situations have prevented the Company from determining prior to this time that it would be necessary for the Company to reduce some of its workforce through layoffs and that it would be necessary to extend the furloughs of those remaining employees for a period of longer than six months. Unfortunately, those factors prevented the Company from providing notice sooner.

As provided by 20 C.F.R. § 639.7(f), the following information is maintained on site and is readily accessible and available to you on request: (1) The schedule of the expected dates for implementing these job actions (if a schedule applies); (2) the job titles of positions to be affected, and the number of affected employees in each job classification; (3) an indication as to whether or not bumping rights exist, (4) the name of each union representing affected employees, if any; and (5) the name and address of the chief elected officer of each union, if any.

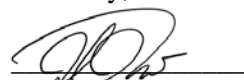
The information we have provided represents the best information available to the Company at the time this notice was issued.

Any questions regarding this letter may be directed to:

Mark Slack, Vice President Administration
Grand Canyon Scenic Airlines
1265 Airport Rd
Boulder City, NV 89005
Email msslack@flygcsa.com

As provided by the WARN Act, the Company will update you with any changes in this information as soon as practicable.

Sincerely,



Jake Tomlin
President GCSA