

Proposal to Provide Essential Air Service Docket OST-1997-3005-5

MCKDOT

DEPT. OF TRANSPORTATION
DOCKETS

01-08-97 11:30

Great Lakes Aviation, Ltd.
Proposal to Provide Essential Air Service at McCook, Nebraska
Calculation of Compensation Requirement

Departures: MCK-DEN	1,708	Mileages: MCK-DEN	218
		Available Seat Miles:	7,074,184
Block Hours:	1,765	Revenue Passenger Miles:	1,027,652

Operating Revenue:

Passenger	4,700	MCK-DEN passengers @ \$87.55 average fare	\$411,485
	14	Other passengers @ \$87.55 average fare	\$1,226
Total passenger revenue	4,714		\$412,711
Other	0.0062	Of passenger revenue of \$412,711	\$2,559
Total operating revenue			\$415,270

Operating Expense:

Direct operating expense:			
Aircraft lease	\$130.00	per block hour 1,765	\$229,450
Hull insurance	\$12.29	per block hour 1,765	\$21,687
Flying operations	\$149.05	per block hour 1,765	\$263,073
Maintenance (a)	\$97.28	per block hour 1,765	\$171,699
Maintenance (b)	\$109.26	per departure 1,708	\$186,616
Fuel & oil	\$1.0876	per gallon 237,929	\$258,772
Total direct operating expense			\$1,131,297

Indirect operating expense	\$10.25	4,714 total passengers	\$48,319
Passenger-related	\$1.25	4,714 total passengers	\$5,893
Commercial war risk liability insurance	\$0.03	4,714 total passengers	\$141
FAA war risk liability insurance	\$0.03	1,028 1,000 RPM's	\$31
Liability insurance	\$0.0079	1,027,652 RPM's	\$8,118
General and administrative	\$0.0171	7,074,184 ASM's	\$120,969
Local marketing	\$5,000	1 community	\$5,000
Denver station expense	\$318.10	854 departures	\$271,657
McCook station expense	\$9,524	12 months	\$114,288
Total indirect operating expense			\$574,416

Total operating expense			\$1,705,713
Operating loss			\$1,290,444
Profit element	0.05	\$1,705,713 Total operating expense	\$85,286
Compensation requirement			\$1,375,729