

APPENDIX B

COLGAN AIR, INC., d/b/a CONTINENTAL EXPRESS
 ANNUAL COMPENSATION REQUIREMENT FOR ESSENTIAL AIR SERVICE AT
 BECKLEY AND BLUEFIELD/PRINCETON, WEST VIRGINIA

Flight Hours		2,775 <u>1/</u>
Operating Revenues:		
Passenger: 13,270 psgrs at \$112.00	\$1,486,240	
Total Operating Revenues		\$1,486,240
Operating Expenses:		
Direct:		
Flying Operations (\$94.46/flt hr)	262,127	
Fuel (\$138.61/flt hr)	384,643	
Maintenance & Reserve (\$181.00/flt hr)	502,275	
Aircraft Ownership	426,228	
Insurance	105,000	
Total Direct Expenses		1,680,273
Indirect:		
Station Salaries	157,487	
Ground Handling: 1,164 x \$65.00 at IAD	75,660	
Enplanement & Deplanement fees:		
\$2.66 + \$0.96/psgr at IAD	46,710	
Landing Fees: 1,164 x \$20.75 at IAD	24,153	
\$225.00/mo at BKW	2,700	
\$350/mo at BLF	4,200	
Rents: \$584.34/mo at BKW	7,012	
\$525.00/mo at BLF	6,300	
\$700.00/mo for BLF hangar	8,400	
Miscellaneous Station Expenses	7,165	
State Taxes	28,855	
Psgr-related at \$12.12/psgr	160,832	
Rev-related at 6.3%	93,633	
Marketing & Promotions	34,440 <u>2/</u>	
G&A at 10.9% of other expenses	254,822	
Total Indirect Expenses		<u>912,369</u>
Total Operating Expenses		\$2,592,642
Operating Loss		\$1,106,402
Profit Element at 5.0% of Total Operating Expenses		\$ 129,632
Annual Compensation Requirement		\$1,236,034

1/ Weekdays: 570 min/60 x 261 x .97 completion = 2,405
 Weekends: 440 min/60 x 52 x .97 completion = 370
 2,775

2/ Includes \$24,000 for advertising.