

Mesa Air Group
Essential Air Service to be Provided at
Massena, Ogdensburg and Watertown, New York
Calculation of Annual Compensation Requirement

Frequency: 3 round trips per service day
 Route: PIT-ART-MSS-OGS-ART-PIT

<u>Passenger Revenue</u>	<u>Fare</u>	<u>Passengers</u>	<u>Revenue</u>
ART-PIT	\$105	7,140	\$749,700
OGS-PIT	\$91	4,080	\$371,280
MSS-PIT	\$99	<u>8,568</u>	<u>\$848,232</u>
		19,788	\$1,969,212
Freight @ 1% of psgr. revenue			<u>\$19,692</u>
Total			\$1,988,904

Direct Operating Expenses (Beech 1900)

Flight Operations	.019788 per ASM <u>1/</u>	\$285,431
Fuel & Oil	.023227 per ASM	\$335,037
Aircraft	.031900 per ASM	\$460,140
Maintenance	.035300 per ASM	<u>\$509,183</u>
Total		\$1,589,791

Indirect Operating Expenses

Traffic Related	0.0291 per ASM	\$419,751
Departure Related	0.0243 per ASM	\$350,514
Local Advertising	0.01 of revenue	\$19,692
G & A	0.0191 per ASM	<u>\$275,507</u>
Total		\$1,065,465

Total operating expense	\$2,655,255
Operating loss	\$666,351
Profit element @ 5 percent of total operating expense	<u>\$132,763</u>

Compensation requirement	\$799,114
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Subsidy per passenger: \$40.38

1/ ASM's computed as follows:

OGS-MSS: 3 flights x 35 miles x 19 seats x 313 days x .98 =	611,946
MSS-ART: 3 flights x 87 miles x 19 seats x 313 days x .98 =	1,521,124
OGS-ART: 3 flights x 55 miles x 19 seats x 313 days x .98 =	961,630
ART-PIT: 6 flights x 324 miles x 19 seats x 313 days x .98 =	<u>11,329,748</u>
	14,424,448