

**SKYWEST AIRLINES
ESSENTIAL AIR SERVICE
AT CRESCENT CITY, CALIFORNIA**

Passengers	30,000
Average fare	\$75.83
Passenger Revenue	\$2,274,900
<u>Freight Revenue @ .6%</u>	<u>13,649</u>
<u>Total Revenue</u>	<u>\$2,288,549</u>
Stage Length	304 miles
Block Time	85 minutes
Block Hours	2,519
RPM's	9,120,000
Departures	1,778
ASM's	16,219,008
Fuel @ \$101.94 ^{1/}	\$ 256,787
<u>Non-fuel @ \$492.27/Hr.</u>	<u>1,240,028</u>
<u>Total Directs</u>	<u>\$1,496,815</u>
Flight Attendants @ \$24.51/Hr.	\$ 61,741
Traffic Related @ \$.03 per RPM	273,600
Weighted Departure @ \$172.49 ^{2/}	306,687
<u>Capacity Related @ \$.021/ ASM</u>	<u>340,599</u>
Total Indirects	\$982,627
Total Operating	\$2,479,442
<u>Profit @ 5%</u>	<u>123,972</u>
Total Economic Cost	\$2,603,414
Annual Subsidy	\$314,865

^{1/} Fuel expense is estimated for the quarter ended September 30, 1999. All other expenses are based on Schedule F-2, YE 6/30/99.

^{2/} Brasilia's weighted at 25,900 lbs. landing weight, CRJ's weighted at 51,000 lbs.

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EFFECTIVE PERIOD	January 1, 2000, through December 31, 2001
SERVICE	18 nonstop or one-stop round trips each week between Crescent City and Sacramento. Carrier may substitute nonstop service to San Francisco for service to Sacramento on a one-for-one basis.
AIRCRAFT TYPE	Embraer Brasilia, 30 seats
TIMING OF FLIGHTS	Flights must be well-timed and well-spaced to ensure full compensation
ANNUAL SUBSIDY	\$314,865
SUBSIDY RATE PER ARRIVAL/DEPARTURE	\$ 177.09 ^{1/}
COMPENSATION CEILING EACH WEEK	\$6,375.24 ^{2/}

NOTE: The carrier understands that it may forfeit its compensation for any flights that it does not operate in conformance with the terms and stipulations of the rate order, including the service plan outlined in the order and any other significant elements of the required service, without prior approval. The carrier understands that an aircraft take-off and landing at its scheduled destination constitutes a completed flight; absent an explanation supporting subsidy eligibility for a flight that has not been completed, such as certain weather cancellations, only completed flights are considered eligible for subsidy. In addition, if the carrier does not schedule or operate its flights in full conformance with this order for a significant period, it may jeopardize its entire subsidy claim for the period in question. If the carrier contemplates any such changes beyond the scope of the order during the applicable period of these rates, it must first notify the Office of Aviation Analysis in writing and receive written approval from the Department to be assured of full compensation. Should circumstances warrant, the Department may locate and select a replacement carrier to provide service on these routes. The carrier must complete all flights that can be safely operated; flights that overfly points for lack of traffic will not be compensated. In determining whether subsidy payment for a deviating flight should be adjusted or disallowed, the Department will consider the extent to which the goals of the program are met and the extent of access to the national air transportation system provided to the community.

If the Department unilaterally, either partially or completely, terminates or reduces payments for service or changes service requirements at a specific location provided for under this order, then, at the end of the period for which the Department does make payments in the agreed amounts or at the agreed service levels, the carrier may cease to provide service to that specific location without regard to any requirement for notice of such cessation. Those adjustments in the levels of subsidy and/or service that are mutually agreed to in writing by the parties to the agreement do not constitute a total or partial reduction or cessation of payment.

Subsidy contracts are subject to, and incorporate by reference, relevant statutes and Department regulations, as they may be amended from time to time. However, any such statutes, regulations, or amendments thereto shall not operate to controvert the foregoing paragraph.

FOOTNOTES

^{1/} Annual compensation of \$314,865 divided by the estimated annual completed departures and arrivals at a 95 percent completion factor: 36 flights/week x 52 weeks x .95 = 1,778.

^{2/} Subsidy rate per arrival/departure of \$177.09 multiplied by 36 subsidy-eligible arrivals and departures each week.