

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
Block Hours: 3,800	RPM's: 6,866,088
Departures: 4,601	ASM's: 14,424,448 1/

<u>Revenue</u>	<u>Average Fare</u>	<u>Passengers</u>	<u>Revenue</u>
Massena	\$125	8,008	\$1,001,000
Ogdensburg	\$125	3,800	\$475,000
Watertown	\$125	6,600	\$825,000
Freight @ 1% of psgr. revenue			\$23,010
Total		18,408	\$2,324,010

Direct Operating Expenses (Beech 1900)

Flight Operations	\$126.57	Per BH	\$480,966
Fuel & Oil	\$168.63	Per BH	\$640,794
Aircraft Ownership	\$165.70	Per BH	\$629,660
Other	\$13.94	Per BH	\$52,972
Maintenance	\$173.91	Per BH	\$660,858
Total			\$2,465,250

Indirect Operating Expenses

Traffic Related	0.010194	per RPM	\$69,993
Departure Related	115.27	per Dep	\$530,357
Capacity related	0.014221	per ASM	\$205,130
Marketing			\$5,000
Total			\$810,480

Total operating expense	\$3,275,730
Operating loss	\$951,720
Profit element @ 5 percent of total operating expense	\$163,787

Compensation requirement **\$1,115,507**

Subsidy per passenger: \$60.60

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 =	11,329,748
	14,424,448