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DEPT. OF TRANSPORTATION
DOCKETS

**BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.**

02 MAY -3 AM 10: 54

Essential Air Service at)
)
ALTOONA, PENNSYLVANIA)
JOHNSTOWN, PENNSYLVANIA)
)
under 49 U.S.C. 41731 *et seq.*)
_____)

Docket OST-2002-11446 — 6
Docket OST-2002-11451

**PROPOSAL OF COLGAN AIR, INC., D/B/A USAIRWAYS EXPRESS
TO PROVIDE ESSENTIAL AIR SERVICE
AT ALTOONA AND JOHNSTOWN, PENNSYLVANIA**

Communications with respect to this document should be addressed to:

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President
Colgan Air, Inc.
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May 3, 2002

Colgan Air, Inc., d/b/a USAirways Express
Compensation Requirement for EAS at Altoona, PA and Johnstown, PA - Proposal
Two-Year Period Ended July 31, 2004

	Full Aircraft Per Market				1/2 Aircraft Per Market	
	Option 1		Option 2		Option 3	
	AOO	JST	AOO	JST	AOO	JST
	3 r.t./day	3 r.t./day	4 r.t./day	4 r.t./day	3 r.t./day	3 r.t./day
Total Revenue	\$1,574,106	\$1,574,106	\$2,098,808	\$2,098,808	\$1,311,755	\$1,331,936
Flight Hours	1,062	708	1,416	944	1,062	708
Dept	2,124	2,124	2,832	2,832	2,124	2,124
Total Pax.	24,217	26,235	32,289	34,980	20,181	22,199
Flying Ops. @ \$137.98/hr.	\$146,555	\$97,704	\$195,407	\$130,272	\$146,555	\$97,704
Fuel @ \$154.98/hr.	\$164,612	\$109,741	\$219,483	\$146,322	\$164,612	\$109,741
Maintenance @ \$343.94/hr.	\$365,316	\$243,544	\$487,088	\$324,725	\$365,316	\$243,544
Lease	\$340,500	\$340,500	\$340,500	\$340,500	\$170,250	\$170,250
Insurance	<u>\$278,400</u>	<u>\$278,400</u>	<u>\$278,400</u>	<u>\$278,400</u>	<u>\$139,200</u>	<u>\$139,200</u>
Total Direct Expenses	\$1,295,383	\$1,069,889	\$1,520,878	\$1,220,219	\$985,933	\$760,439
PIT Grd Hndlg @ \$4.3/ pax.	\$104,133	\$112,811	\$138,844	\$150,415	\$86,778	\$95,455
PIT Ldg Fees	\$22,040	\$22,040	\$29,386	\$29,386	\$22,040	\$22,040
Station Salaries & Security	\$99,081	\$99,081	\$99,081	\$99,081	\$99,081	\$99,081
AOO or JST Ldg Fees	\$16,994	\$16,994	\$22,659	\$22,659	\$16,994	\$16,994
AOO or JST Rent	\$10,020	\$10,020	\$10,020	\$10,020	\$10,020	\$10,020
USAir Pax. Fees @ \$12.12/pax.	\$293,510	\$317,969	\$391,347	\$423,959	\$244,592	\$269,051
USAir Rev Related Fees 6.3%	\$99,169	\$99,169	\$132,225	\$132,225	\$82,641	\$83,912
Marketing & Promotion	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000
Crew Training	\$40,237	\$40,237	\$40,237	\$40,237	\$40,237	\$40,237
G&A @ 12%	<u>\$240,548</u>	<u>\$217,465</u>	<u>\$289,041</u>	<u>\$258,264</u>	<u>\$193,478</u>	<u>\$170,548</u>
Total Indirects	\$949,732	\$959,786	\$1,176,841	\$1,190,246	\$819,860	\$831,338
Total Operating Expenses	\$2,245,116	\$2,029,675	\$2,697,719	\$2,410,465	\$1,805,793	\$1,591,777
Profit @ 5%	<u>\$112,256</u>	<u>\$101,484</u>	<u>\$134,886</u>	<u>\$120,523</u>	<u>\$90,290</u>	<u>\$79,589</u>
Economic Cost	\$2,357,371	\$2,131,159	\$2,832,604	\$2,530,988	\$1,896,083	\$1,671,366
Comp. at 97% Completion	\$783,265	\$557,053	\$733,796	\$432,180	\$584,328	\$339,430
Subsidy per Pax.	\$32	\$21	\$23	\$12	\$29	\$15
Subsidy per Dept	\$ 431.31	\$ 306.75	\$ 404.07	\$ 237.98	\$ 321.77	\$ 186.91
FH Utilization/Day	2.91	1.94	3.88	2.59	2.91	1.94

Revenue Based on \$65 per passenger for AOO and \$60 per passenger for JST
Assumes 3 rt or 4rt per day seven days per week. Flight time
estimated at 30 minutes per departure for AOO and 20 minutes per departure for JST
Load Factor assumed at 60% for AOO and 65% for JST for option 1 and 2. Option 3
assumes 50% and 55%, respectively due to less optimal timing of flights
Full Aircraft per market assumed no other use of aircraft. 1/2 aircraft assumes additional
utilization in other markets or a combination of JST and AOO on 1 aircraft