

205759

OST-97-2706-26

Option 1

**Arizona Express Airlines
Air Service to be provided at
Page, AZ(PGA)
Calculation of Subsidy Requirement**

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DEPT OF TRANSPORTATION
FORESIGHTS 243

Departures	PGA-PHX	1848	Mileages	PGA-PHX	
	<u>Total</u>	<u>1848</u>			
Block Hours	PGA-PHX	2217.6			
	<u>Total</u>	<u>2218</u>			

Operating Revenue				
	# of PAX		Average Fare	
Passengers: PGA-PHX	6,560.00	X	\$ 89.00	= \$ 583,840.00
Freight:		@ 0.7% of PAX revenue		\$ 4,086.88
Total Operating Revenue				\$ 587,926.88

Direct Operating Expenses				
Aircraft Lease	\$ 284,712.00	X (% utilized on this route)	80%	= \$ 227,769.60
Hull Insurance	\$ 57,600.00	X (% utilized on this route)	80%	= \$ 46,080.00
Flying Operations Crew	\$ 87.50	per hour X (block hours)	2,218	= \$ 194,040.00
Flying Operations Other	\$ 19.18	per hour X (block hours)	2,218	= \$ 42,533.57
Fuel & Oil, HII-PHX	\$ 1.79	per gallon X 149 gallons	2,218	= \$ 591,456.10
Maintenance	\$ 263.00	per block hour	2,218	= \$ 583,226.80
Total Direct Operating Expenses				\$ 1,685,108.08

Indirect Operating Expenses				
PHX Landing Fees	\$ 17.09	per landing	924	= \$ 15,791.16
PGA Landing Fees	\$ 400.00	per month	12	= \$ 4,800.00
PGA Facility lease	\$ 1,200.00	per month	12	= \$ 14,400.00
Station Agents	\$ 26,000.00	per person	4	= \$ 104,000.00
Liability Insurance	Included in Hull Insurance above			= \$ -
Advertising				= \$ 15,000.00
Passenger Overhead				= \$ 69,800.00
Administration				= \$ 78,130.00
Total Indirect Operating Expenses				\$ 301,921.16

Total Operating Expenses	\$ 1,987,029.22
Operating Loss	\$ 1,399,102.34
Profit Element @ 5%	\$ 899,351.46
Subsidy Requirement	\$ 1,498,453.81
Subsidy / Departure	\$ 810.85
Subsidy / Passenger	\$ 228.42

Option 2

Arizona Express Airlines
Air Service to be provided at
Vernal, UT(VEL) / Moab, UT(CNY)
Calculation of Subsidy Requirement

Departures SLC-VEL	1840	Mileages SLC-VEL	131
SLC-CNY	1224	SLC-CNY	183
Total	3064		

Block Hours SLC-VEL	1288
SLC-CNY	1101.6
Total	2389.6

Operating Revenue					
	# of PAX		Average Fare		
Passengers: SLC-VEL	4,200.00	X	\$ 89.00	=	\$ 373,800.00
Passengers: SLC-CNY	7,320.00	X	\$ 89.00	=	\$ 651,480.00
Freight:			@ 0.7% of PAX revenue		\$ 7,178.96
Total Operating Revenue					\$ 1,032,456.96

Direct Operating Expenses					
Aircraft Lease	\$ 284,712.00	X (% utilized on this route)	100%	=	\$ 284,712.00
Hull Insurance	\$ 57,600.00	X (% utilized on this route)	100%	=	\$ 57,600.00
Flying Operations Crew	\$ 87.50	per hour X (block hours)	2,390	=	\$ 209,090.00
Flying Operations Other	\$ 19.18	per hour X (block hours)	2,390	=	\$ 45,832.53
Fuel & Oil: SLC-VEL	\$ 1.98	per gallon X 93 gallons	1,288	=	\$ 237,172.32
Fuel & Oil: SLC-CNY	\$ 1.98	per gallon X 130 gallons	1,102	=	\$ 283,551.84
Maintenance Station SLC				=	\$ 211,350.00
Maintenance	\$ 285.00	per block hour	2,390	=	\$ 681,036.00
Total Direct Operating Expenses					\$ 2,010,344.69

Indirect Operating Expenses					
SLC Landing Fees	\$ 23.60	per landing	1532	=	\$ 36,155.20
VEL Landing Fees	\$ 2.50	per landing	920	=	\$ 2,300.00
SLC Deicing	\$ 125.00	per application	115	=	\$ 14,375.00
VEL Deicing	\$ 125.00	per application	115	=	\$ 14,375.00
CNY Deicing	\$ 125.00	per application	134	=	\$ 16,750.00
SLC Facility lease	\$ 1,340.00	per month	12	=	\$ 16,080.00
VEL Facility lease	\$ 870.00	per month	13	=	\$ 11,310.00
CNY Facility lease	\$ 400.00	per month	14	=	\$ 5,600.00
Station Agents	\$ 26,000.00	per person	6	=	\$ 156,000.00
Liability Insurance		Included in Hull Insurance above		=	\$ -
Advertising				=	\$ 30,000.00
Passenger Overhead				=	\$ 134,510.00
Administration				=	\$ 281,976.00
Total Indirect Operating Expenses					\$ 719,431.20

Total Operating Expenses **\$ 2,729,775.89**

Operating Loss **\$ 1,697,318.93**

Profit Element @ 5% **\$136,488.79**

Subsidy Requirement **\$ 1,833,807.72**

Subsidy / Departure **\$ 598.50**

Subsidy / Passenger **\$ 159.18**

Option 3

Arizona Express Airlines
Air Service to be provided at
Page, AZ(PGA) / Vernal, UT(VEL) / Moab, UT(CNY)
Calculation of Subsidy Requirement

Departures	PGA-PHX	1848	Mileages	PGA-PHX	243
	PGA-CNY	720		PGA-CNY	157
	SLC-VEL	1840		SLC-VEL	131
	SLC-CNY	1224		SLC-CNY	183
	<u>Total</u>	<u>5632</u>			

Block Hours	PGA-PHX	2217.6
	PGA-CNY	540
	SLC-VEL	1286
	SLC-CNY	1101.6
	<u>Total</u>	<u>5147.2</u>

Operating Revenue			
	# of PAX	Average Fare	
Passengers: PGA-PHX	6,830.00	X \$ 89.00	= \$ 607,870.00
Passengers: PGA-CNY	600.00	X \$ 25.00	= \$ 15,000.00
Passengers: SLC-VEL	4,200.00	X \$ 89.00	= \$ 373,800.00
Passengers: SLC-CNY	7,320.00	X \$ 89.00	= \$ 651,480.00
Freight:			= \$ 651,480.00
		@ 0.7% of PAX revenue	= \$ 11,537.05
Total Operating Revenue			\$ 1,689,667.05

Direct Operating Expenses			
Aircraft Lease	\$ 284,712.00	X (% utilized on this route)	180% = \$ 512,481.60
Hull Insurance	\$ 57,800.00	X (% utilized on this route)	180% = \$ 103,680.00
Flying Operations Crew	\$ 82.50	per hour X (block hours)	5,147 = \$ 424,844.00
Flying Operations Other	\$ 19.18	per hour X (block hours)	5,147 = \$ 98,723.30
Fuel & Oil: PGA-PHX	\$ 1.79	per gallon X 145 gallons	2,218 = \$ 575,578.06
Fuel & Oil: PGA-CNY	\$ 1.79	per gallon X 111 gallons	540 = \$ 107,292.60
Fuel & Oil: SLC-VEL	\$ 1.79	per gallon X 93 gallons	1,288 = \$ 214,413.36
Fuel & Oil: SLC-CNY	\$ 1.79	per gallon X 130 gallons	1,102 = \$ 256,342.32
Maintenance	\$ 254.00	per block hour	5,147 = \$ 1,307,388.00
Total Direct Operating Expenses			\$ 3,800,544.06

Indirect Operating Expenses			
PHX Landing Fees	\$ 17.09	per landing	924 = \$ 15,791.16
PGA Landing Fees	\$ 400.00	per month	12 = \$ 4,800.00
SLC Landing Fees	\$ 23.60	per landing	1532 = \$ 36,155.20
VEL Landing Fees	\$ 2.50	per landing	820 = \$ 2,300.00
PGA Deicing	\$ 125.00	per application	115 = \$ 14,375.00
SLC Deicing	\$ 125.00	per application	115 = \$ 14,375.00
VEL Deicing	\$ 125.00	per application	115 = \$ 14,375.00
CNY Deicing	\$ 125.00	per application	115 = \$ 14,375.00
PGA Facility lease	\$ 1,200.00	per month	134 = \$ 18,750.00
SLC Facility lease	\$ 1,340.00	per month	11 = \$ 13,200.00
VEL Facility lease	\$ 870.00	per month	12 = \$ 18,080.00
CNY Facility lease	\$ 400.00	per month	13 = \$ 11,310.00
Station Agents	\$ 28,000.00	per person	14 = \$ 5,800.00
Liability Insurance		Included in Hull Insurance above	10 = \$ 280,000.00
Advertising			= \$ -
Passenger Overhead			= \$ 60,000.00
Administration			= \$ 198,560.00
			= \$ 356,713.00
Total Indirect Operating Expenses			\$ 1,830,384.36

Total Operating Expenses **\$ 4,630,928.42**

Operating Loss **\$ 2,971,241.37**

Profit Element @ 5% **\$231,646.42**

Subsidy Requirement **\$ 3,202,787.78**

Subsidy / Departure **\$ 568.88**

Subsidy / Passenger **\$ 169.01**