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DEPT. OF TRANSPORTATION
WASHINGTON

BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

98 JAN 26 PM 3:12

Proposal of
GREAT LAKES AVIATION, LTD.

to provide Essential Air Service
at North Platte, Nebraska

Docket OST-97-2954

PROPOSAL OF GREAT LAKES AVIATION, LTD.
TO PROVIDE ESSENTIAL AIR SERVICE
AT NORTH PLATTE, NEBRASKA

In response to U.S. Department of Transportation order 97-12-8 in which the Department requested proposals from air carriers interested in providing essential air service at Alamosa, North Platte, Scottsbluff, Laramie, Riverton/Lander, Rock Springs and Worland, Great Lakes Aviation, Ltd. submits the following.

1. Identification of carrier.

Great Lakes Aviation, Ltd.
1965 330th Street
Spencer, IA 51301

Communications with respect to this document should be directed to:

Douglas G. Voss
President and Chief Executive Officer
Great Lakes Aviation, Ltd.
1965 330th Street
Spencer, IA 51301

Telephone: 712-262-1000
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2. Great Lakes Aviation currently provides subsidized essential air service between Denver, CO and a number of communities in Nebraska, Colorado, Kansas and North Dakota.
3. These flights are operated as United Express service under a comprehensive marketing agreement with United Airlines.
4. If selected to provide service in the markets covered in Order 97-12-8, Great Lakes Aviation proposes to operate flights at these communities as United Express and will request approval from United Airlines accordingly.
5. The schedule exhibits contained therein are constructed for the purpose of calculating revenues and expenses and, in actual practice, may vary some in consideration of maximizing connecting opportunities with other airlines at Denver as well as other operational factors. In some cases weekend service may exceed the levels shown.

Respectfully Submitted,


Douglas G. Voss
President and Chief Executive Officer

Spencer, Iowa
December 24, 1997

Great Lakes Aviation, Ltd.

EAS for : **North Platte (LBF), NE** 3 Weekday Round trips
 Selected Hub: **Denver (DEN), CO**
 Selected Aircraft: **Beech 1900** Available Seats **19**

Frequency	City	Schedule	Block Time	Miles	ASM's
12345	Grand Island	740			
	North Platte	820	40	125	2375
	North Platte	830			
	Denver	845	75	240	4560
	Denver	1015			
	North Platte	1225	70	240	4560
	North Platte	1235			
	Grand Island	1315	40	125	2375
12345	Grand Island	1335			
	North Platte	1415	40	125	2375
	North Platte	1425			
	Denver	1440	75	240	4560
	Denver	1520			
	North Platte	1730	70	240	4560
	North Platte	1745			
	Denver	1800	75	240	4560
12345	North Platte	1745			
	Denver	1800	75	240	4560
	Denver	1855			
	North Platte	2105	70	240	4560
	North Platte	2115			
	Grand Island	2155	40	125	2375
	Grand Island	740			
	North Platte	820	40	125	2375
6	North Platte	830			
	Denver	845	75	240	4560
	Denver	1015			
	North Platte	1225	70	240	4560
	North Platte	1235			
	Grand Island	1315	40	125	2375
	Grand Island	1335			
	North Platte	1415	40	125	2375
6	North Platte	1425			
	Denver	1440	75	240	4560
	Denver	1520			
	North Platte	1730	70	240	4560
	North Platte	1740			
	Grand Island	1820	40	125	2375
	Grand Island	740			
	North Platte	820	40	125	2375
7	North Platte	830			
	Denver	845	75	240	4560
	Denver	1015			
	North Platte	1225	70	240	4560
	North Platte	1235			
	Grand Island	1315	40	125	2375
	Grand Island	1335			
	North Platte	1415	40	125	2375
7	North Platte	1425			
	Denver	1440	75	240	4560
	Denver	1520			
	North Platte	1730	70	240	4560
	North Platte	1745			
	Denver	1800	75	240	4560
	Denver	1855			
	North Platte	2105	70	240	4560
7	North Platte	2115			
	Grand Island	2155	40	125	2375

Hours per Year	3,494	Annual ASMs	12,979,660
Completion Factor	98.00%		
Annual Block Hours	3,424	Net Annual ASMs	12,720,067
Subsidy Eligible Arr/Dpts	1,840	(98% Completion)	
Total Cycles	3,475	(98% Completion)	

Great Lakes Aviation, Ltd.

EAS for : North Platte (LBF), NE

Revenue Projection for proposed schedule

City Pair	Distance	Yield	Average Fare	Passengers	Revenue	RPMs
LBF-DEN	240	0.396	\$95.00	18000	\$1,710,000.00	4,320,000
GRI-DEN	365	0.288	\$105.00	9000	\$945,000.00	3,285,000
Totals				27000	\$2,655,000.00	7,605,000
Freight Revenue				1.00% of Pax Rev	\$26,550.00	
Grand Total Revenue					\$2,681,550.00	
Average yield					\$0.3526	

Direct Expense:

			Hours	Rate	Expense	
Aircraft Lease	100.00%	\$33,000	3,424		396,000	
Hull Insurance	100.00%	\$4,100,000	A/C Value	Rate / 1000	0.006695	27,450
Flying Operations	Equivalent	\$83.28	3,424	\$0.8224175	285,152	
Fuel & Oil	Hourly	\$106.79	3,424	\$0.87 DPT / \$0.8122 ABM	365,666	
Maintenance	Rate	\$95.98	3,424	\$30.85 DPT / \$0.8128 ABM	328,650	
Total Direct Expense					\$1,402,917	

Indirect Expense:

	Units	Rate	Expense	
LBF Facility Lease	12	\$625.00 Month	7,500	
LBF Landing Fee	12	\$600.00 Month	7,200	
LBF Local Advertising	1	\$5,000.00	5,000	
Station Manager		\$22,600.00 Year	22,600	
Station Agent		\$17,300.00 Year (3 Agents)	51,900	
GRI Turn Fee	715	\$71.00	50,765	
DEN Ground Handling and Facility Fee				
DEN Landing Fee				
DEN Airport Baggage System Fee	TOTAL	1022	\$203.74 Turn	208,222
DEN Airport Terminal Transit System Fee	27000	\$1.31 Passenger	35,370	
DEN United Baggage System Fee	27000	\$4.25 Passenger	114,750	
Liability Insurance	7,605,000 RPM's @	0.00429 per RPM	32,625	
Marketing	27,000	\$1.54 per passenger	41,580	
Communications	27,000	\$1.15 per passenger	31,050	
Reservations	27,000	\$7.44 per passenger	200,880	
Supplies	27,000	\$1.91 per passenger	51,570	
Commissions	\$2,681,550.00	7.50% of Revenue	201,116	
Training Expense	\$1,402,916.71	2.57% of directs	36,055	
Administrative	\$1,402,916.71	6.00% of directs	84,175	
Total Indirect Expense				\$1,182,359

Great Lakes Aviation, Ltd.

EAS for : North Platte (LBF), NE

Operating Revenue's	\$2,681,550.00
Operating Expense:	
Direct	\$1,402,916.71
Indirect	<u>\$1,162,358.94</u>
Total Operating Expenses	<u><u>\$2,585,275.66</u></u>
Operating Loss	(\$96,274.34)
Profit Element	5.00% <u>\$129,264</u>
Compensation Requirement	<u><u>\$32,989</u></u>
Grand Total Revenue Required	\$2,714,539.44
Subsidy per Passenger	\$1.22
Subsidy per Eligible Departure	\$17.93
Load Factor	59.79%
Breakeven Load Factor	57.64%