

**Before the
United States Department of Transportation
Washington, D.C.
May 13, 2003**

DEPT. OF TRANSPORTATION
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Essential Air Service at

Brookings/Huron, SD

Docket: OST-1997-2785

Docket: OST-2000-7138

Under 49 U.S.C. §41731 *et seq.*

Response of Mesa Air Group on behalf of its wholly-owned subsidiary Air Midwest, Inc. to Request for Proposals 2003-4-5 for Competitive Proposals between Brookings/Huron, South Dakota and Omaha, Nebraska.

Communications with respect to this document should be directed to:

Scott Lyon
Vice President of Planning
Mesa Air Group
410 N 44th St, Suite 700
Phoenix, AZ 85008

Telephone: 602-685-4368
Fax: 602-685-4352
E-mail: scott.lyon@mesa-air.com

Mesa Air Group, Inc.

Subsidy Calculation for:

HON/BKX-OMA

Operated By Air Midwest, Inc. (a wholly-owned subsidiary)

2 RT Option

		<u>Explanation</u>
Aircraft	Beech 1900D	
Completed Departures	2,396	
Block Hours per Flight	0.98	
Total Block Hours	2,346	
Average Seats per Departure	19	
Round Trip Mileage	282	
Average Mileage per Trip	141	
Passengers per Trip	1.8	
Total Passengers	4,250	
ASM's	6,419,313	
RPMs	546,000	
Load Factor	8.5%	
Average Fare	\$ 82.94	
<u>Revenues</u>		
Passenger Revenue	\$352,500	
Other Revenue	<u>\$3,525</u>	
Total Revenue	\$356,025	
<u>Direct Expenses</u>		
Flight Crew	\$449,118	Cost per BH = 191.44
Hull Insurance	\$20,316	Cost per BH = \$8.66
Fuel & Oil	\$346,035	Cost per BH = \$147.50
Maintenance	\$848,149	Cost per BH = \$361.53
Aircraft Rent	<u>\$240,723</u>	Cost per BH = \$102.61
Total Direct Expenses	\$1,904,341	
<u>Indirect Expenses</u>		
Traffic (RPM) Related	\$40,950	Cost per RPM = \$0.075
Marketing	\$5,000	EAS Allocation/City = \$5,000
Capacity (departure) Related	\$406,433	Cost per Departure = \$169.63
Capacity (ASM) Related	<u>\$152,459</u>	Cost per ASM = \$0.02375
Total Indirect Expenses	<u>\$604,842</u>	
Total Operating Expenses	\$2,509,183	
Return	<u>\$125,459</u>	5% of Total Operating Expenses including Marketing Expenses
Operating Profit (Loss)	(\$2,278,617)	
Compensation Required	\$2,278,617	
Subsidy per Departure	\$ 951.01	
Subsidy per Passenger	\$ 536.15	

MESA AIR GROUP, INC.

**Proposed Schedule
HON/BKX-OMA**

Beech 1900D - 19-Seat Aircraft

HON/BKX-OMA - Tentative Schedule

Flt. #	ORG-DEST	DEP	ARV	BLK TIME	FREQ
101	HON-BKX	6:00	6:40	0.667	123456_
102	BKX-OMA	7:00	8:15	1.250	123456_
103	OMA-BKX	9:00	10:15	1.250	123456_
104	BKX-HON	10:30	11:15	0.750	123456_
105	HON-BKX	14:30	15:10	0.667	12345_7
106	BKX-OMA	15:30	16:45	1.250	12345_7
107	OMA-BKX	17:15	18:30	1.250	12345_7
108	BKX-HON	18:45	19:30	0.750	12345_7

Average Block Time: 0.979

Mileage Calculation

EQUIP	M-F Miles	Sa Miles	Su Miles
BE19	70	70	0
BE19	212	212	0
BE19	70	70	0
BE19	212	212	0
BE19	212	0	70
BE19	70	0	212
BE19	212	0	70
BE19	70	0	212
Plane Miles	1,128	564	564
ASMs	21432	10716	10716
Weekly ASMs		128,592	
Annual ASMs		6,686,784	
Ann. Completed ASMs		6,419,313	
Weekly Plane Miles		6,768	

Block Hour Calculation

M-F Hours	Sa Hours	Su Hours
0.667	0.667	0.000
1.250	1.250	0.000
1.250	1.250	0.000
0.750	0.750	0.000
0.667	0.000	0.667
1.250	0.000	1.250
1.250	0.000	1.250
0.750	0.000	0.750
7.833	3.917	3.917
Weekly Block		47
Annual Block		2,444
Ann. Completed Block		2,346

Trip Calculation

M-F	SA	SU
1	1	0
1	1	0
1	1	0
1	1	0
1	0	1
1	0	1
1	0	1
1	0	1
8	4	4
Weekly Trips		48
Annual Trips		2,496
Annual Completed Trips		2,396

RPM Calculations

	PAX	AVG	REV	Itin Mileage	RPMs
HON-BKX	2,500	\$ 85.00	\$212,500	70	175,000
BKX-OMA	1,750	\$ 80.00	\$140,000	212	371,000
	4,250	\$ 82.94	\$352,500	128	546,000

Average Stage Length 141
Annual Completion 96%