

BD

Before the  
United States Department of Transportation  
Washington, D.C.  
May 21, 2003

2003 JUN -5 A 11:15

DEPT OF TRANSPORTATION  
PROCES

Essential Air Service at

Athens, GA

Docket: OST-1997-11348

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 2003-4-21 for Competitive Proposals between Athens, Georgia and Charlotte, North Carolina.**

Communications with respect to this document should be directed to:

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## Mesa Air Group, Inc.

### Subsidy Calculation for: AHN-CLT

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

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		<u>Explanation</u>
Aircraft	Beech 1900D	
Completed Departures	1,797	See Exhibit 2
Block Hours per Flight	0.92	
Total Block Hours	1,647	See Exhibit 2
Average Seats per Departure	19	
Round Trip Mileage	322	
Average Mileage per Trip	161	See Exhibit 2
Passengers per Trip	4.3	
Total Passengers	7,750	See Exhibit 2
ASM's	5,497,390	See Exhibit 2
RPMs	1,247,750	See Exhibit 2
Load Factor	22.7%	
Average Fare	\$ 60.00	See Exhibit 2
<b><u>Revenues</u></b>		
Passenger Revenue	\$465,000	See Exhibit 2
Other Revenue	<u>\$4,650</u>	1% of Passenger Revenue
Total Revenue	\$469,650	
<b><u>Direct Expenses</u></b>		
Flight Crew	\$315,371	Cost per BH = \$191.44
Hull Insurance	\$14,266	Cost per BH = \$8.66
Fuel & Oil	\$242,986	Cost per BH = \$147.50
Maintenance	\$595,570	Cost per BH = \$361.53
Aircraft Rent	<u>\$169,036</u>	Cost per BH = \$102.61
Total Direct Expenses	\$1,337,228	
<b><u>Indirect Expenses</u></b>		
Traffic (RPM) Related	\$93,581	Cost per RPM = \$0.075
Marketing	\$5,000	EAS Allocation/City = \$5,000
Capacity (departure) Related	\$304,845	Cost per Departure = \$169.63
Capacity (ASM) Related	<u>\$130,563</u>	Cost per ASM = \$0.02375
Total Indirect Expenses	<u>\$533,990</u>	
Total Operating Expenses	\$1,871,218	
Return	<u>\$93,561</u>	5% of Total Operating Expenses including Marketing Expenses
Operating Profit (Loss)	(\$1,495,129)	
Compensation Required	\$1,495,129	
Subsidy per Departure	\$ 831.96	
Subsidy per Passenger	\$ 192.92	

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MESA AIR GROUP, INC.

Proposed Schedule  
AHN-CLT

Beech 1900D - 19-Seat Aircraft

AHN-CLT - Tentative Schedule

FL.#	ORG-DEST	DEP	ARR	BLK TIME	FREQ
100	AHN-CLT	6:35	7:30	0.917	123456_
101	AHN-CLT	12:15	13:10	0.917	12345_7
102	AHN-CLT	18:05	19:00	0.917	12345_7
103	CLT-AHN	11:00	11:55	0.917	123456_
104	CLT-AHN	16:55	17:50	0.917	12345_7
105	CLT-AHN	21:50	22:45	0.917	12345_7

Average Block Time: 1.042

Mileage Calculation

EQUIP	M-F Miles	Sa Miles	Su Miles
BE19	161	161	0
BE19	161	0	161
BE19	161	0	161
BE19	161	161	0
BE19	161	0	161
BE19	161	0	161
Plane Miles	966	322	644
ASMs	18354	6118	12236
Weekly ASMs			110,124
Annual ASMs			5,726,448
Ann. Completed ASMs			5,497,390
Weekly Plane Miles			5,796

Block Hour Calculation

M-F Hours	Sa Hours	Su Hours
0.917	0.917	0.000
0.917	0.000	0.917
0.917	0.000	0.917
0.917	0.917	0.000
0.917	0.000	0.917
0.917	0.000	0.917
5.50	1.83	3.67
Weekly Block		33
Annual Block		1,716
Ann. Completed Block		1,647

Trip Calculation

M-F	SA	SU
1	1	0
1	0	1
1	0	1
1	1	0
1	0	1
1	0	1
6	2	4
Weekly Trips		36
Annual Trips		1,872
Annual Completed Trips		1,797

RPM Calculations

PAX	AVG	REV	lin Mileage	RPMs
7,750	\$ 60.00	\$465,000	161	1,247,750
7,750	\$ 60.00	\$465,000	161	1,247,750

Average Stage Length 161

Annual Completion 96%

AHN-CLT

## Mesa Air Group, Inc.

### Subsidy Calculation for: AHN-CLT

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

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		<u>Explanation</u>
Aircraft	Beech 1900D	
Completed Departures	2,396	See Exhibit 2
Block Hours per Flight	0.92	
Total Block Hours	2,197	See Exhibit 2
Average Seats per Departure	19	
Round Trip Mileage	322	
Average Mileage per Trip	161	See Exhibit 2
Passengers per Trip	4.4	
Total Passengers	10,500	See Exhibit 2
ASM's	7,329,853	See Exhibit 2
RPMs	1,690,500	See Exhibit 2
Load Factor	23.1%	
Average Fare	\$ 62.50	See Exhibit 2
<b><u>Revenues</u></b>		
Passenger Revenue	\$656,250	See Exhibit 2
Other Revenue	<u>\$6,563</u>	1% of Passenger Revenue
Total Revenue	\$662,813	
<b><u>Direct Expenses</u></b>		
Flight Crew	\$420,647	Cost per BH = \$191.44
Hull Insurance	\$19,028	Cost per BH = \$8.66
Fuel & Oil	\$324,099	Cost per BH = \$147.50
Maintenance	\$794,382	Cost per BH = \$361.53
Aircraft Rent	<u>\$225,463</u>	Cost per BH = \$102.61
Total Direct Expenses	\$1,783,619	
<b><u>Indirect Expenses</u></b>		
Traffic (RPM) Related	\$126,788	Cost per RPM = \$0.075
Marketing	\$5,000	EAS Allocation/City = \$5,000
Capacity (departure) Related	\$406,461	Cost per Departure = \$169.63
Capacity (ASM) Related	<u>\$174,084</u>	Cost per ASM = \$0.02375
Total Indirect Expenses	<u>\$712,332</u>	
Total Operating Expenses	\$2,495,951	
Return	<u>\$124,798</u>	5% of Total Operating Expenses including Marketing Expenses
Operating Profit (Loss)	(\$1,957,936)	
Compensation Required	\$1,957,936	
Subsidy per Departure	\$ 817.11	
Subsidy per Passenger	\$ 186.47	

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MESA AIR GROUP, INC.

Proposed Schedule  
AHN-CLT

Beech 1900D - 19-Seat Aircraft

AHN-CLT - Tentative Schedule

FL.#	ORG-DEST	DEP	ARR	BLK TIME	FREQ	EQUIP
100	AHN-CLT	6:35	7:30	0.917	123456_	BE19
101	AHN-CLT	12:15	13:10	0.917	123456_	BE19
102	AHN-CLT	15:30	16:25	0.917	12345_7	BE19
103	AHN-CLT	18:05	19:00	0.917	12345_7	BE19
104	CLT-AHN	11:00	11:55	0.917	123456_	BE19
105	CLT-AHN	14:15	15:10	0.917	123456_	BE19
106	CLT-AHN	16:55	17:50	0.917	12345_7	BE19
107	CLT-AHN	21:50	22:45	0.917	12345_7	BE19

Average Block Time: 0.917

Mileage Calculation

	M-F Miles	Sa Miles	Su Miles
Plane Miles	1288	644	644
ASMs	24472	12236	12236
Weekly ASMs			146,832
Annual ASMs			7,635,264
Ann. Completed ASMs			7,329,853
Weekly Plane Miles			7,728

Block Hour Calculation

M-F Hours	Sa Hours	Su Hours
0.917	0.917	0.000
0.917	0.917	0.000
0.917	0.000	0.917
0.917	0.000	0.917
0.917	0.917	0.000
0.917	0.917	0.000
0.917	0.000	0.917
0.917	0.000	0.917
7.34	3.67	3.67
Weekly Block		44.016
Annual Block		2,289
Ann. Completed Block		2,197

Trip Calculation

M-F	SA	SU
1	1	0
1	1	0
1	0	1
1	0	1
1	1	0
1	1	0
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
10,500	\$ 62.50	\$656,250	161	1,690,500
10,500	\$ 62.50	\$656,250	161	1,690,500

Average Stage Length 161  
Annual Completion 96%

AHN-CLT