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Docket OST-2002-13983
Proposed To Provide
Essential Air Service

December 23, 2003

OST-2002-13983-23

Mr. Dennis Devany
Office of Aviation Analysis
U. S. Department of Transportation
400 7th St., SW
Washington, DC 20590

DEPT OF TRANSPORTATION
OFFICE OF AVIATION ANALYSIS
WASHINGTON, DC 20590

Re: Docket # 13983

Dear Mr. Devany:

Enclosed are two proposals for Grand Island, NE. One envisions one-stop service to St. Louis over Kansas City utilizing 19 seat J32 aircraft. The projected cost covers only the GRI-MCI flying, and nothing for the MCI-STL leg.

The other proposal is based on the utilization of 30 seat EM2 equipment serving St. Louis non-stop from Grand Island.

We would operate either proposed service as American Connection.

In have included only one copy of each proposal. If you need addition copies or an email version, please let me know.

Sincerely,

Fred S. Breeden
Executive Vice President &
Chief Financial Officer
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CORPORATE AIRLINES, INC.
PROPOSAL TO PROVIDE ESSENTIAL AIR SERVICE
AT
GRAND ISLAND, NE

Docket OST-2002-13983

December 23, 2003

CORPORATE AIRLINES, INC.
Annual Subsidy Calculation for Grand Island, NE
3 Round Trips between GRI and STL with EM2 aircraft

Completed Departures	959		
Completed Operations	1,917		Exhibit 2
Block Hours per Flight Segment	2,015		
Total Block Hours	3,863		
Average Seats per Departure	30		
Mileage	448		
Passengers/Trip	11.00		
Total Passengers	21,087		
RPMs	9,446,976		
ASMs	25,764,480		
Load Factor	36.67%		
Average Fare	\$120.00		
REVENUES:			
Passenger Revenue	2,530,440		
Other Revenue @ .25%	6,326		
Total Revenue	<u>2,536,766</u>		
DIRECT EXPENSES			
Crew	628,085	162.59	
Flight att. Related	154,520	40.00	
Fuel	599,229	155.12	
Maintenance	878,601	227.44	
Aircraft Lease	500,000		Dedicated aircraft
Other	354,430	91.75	
Total Direct Expense	<u>3,114,865</u>		
INDIRECT EXPENSES			
GRI Station	160,000		
STL Station	179,345	187.11	Per Departure
GRI Landing Fees	23,301	24.31	Per Departure
STL Landing Fees	80,830	84.33	Per Departure
Agent/Credit	69,587	2.75%	
Ticketing	169,750	8.05	
Liability Insurance	158,574	7.52	Per Passenger
General & Admin.	485,828	12.28%	% of Expenses
Total Indirect Expense	<u>1,327,215</u>		
Total Operating Expense	4,442,080		
Return	222,104	5% of Expenses	
Interest	17,768	0.4% of Expenses	
Total Economic Costs	<u>4,681,952</u>		
COMPENSATION NEEDED	<u>2,145,186</u>		
Subsidy per Arrival/Departure	<u>1,119.03</u>	Subsidy per Passenger	<u>101.73</u>

CORPORATE AIRLINES, INC.
Proposed Schedule
Embraer EM2 Brazilia Aircraft

Grand Island (GRI) service to St. Louis (STL)

Routing		Flight #	Departs		Arrives		Block	Equip	Freq.
GRI	STL	5942	6:30	CST	8:29	CST	1:59	EM2	X7
STL	GRI	5943	8:55	CST	10:59	CST	2:04	EM2	X7
GRI	STL	5944	11:30	CST	13:29	CST	1:59	EM2	Daily
STL	GRI	5945	14:00	CST	16:04	CST	2:04	EM2	Daily
GRI	STL	5946	16:30	CST	18:29	CST	1:59	EM2	X6
STL	GRI	5947	19:00	CST	21:04	CST	2:04	EM2	X6

Avg 2:015

	<u>GRI</u>	<u>STL</u>
Operations per weekday	6	68
Number of weekdays	<u>5</u>	<u>5</u>
Total weekday operations	30	340
Operations per Saturday	4	32
Operations per Sunday	<u>4</u>	<u>46</u>
Total scheduled operations per week	38	418
Number of weeks	<u>52</u>	<u>52</u>
Scheduled operations per year	<u>1,976</u>	<u>21,736</u>
Completion Factor	<u>97.0%</u>	<u>97.0%</u>
Completed Operations	<u>1,917</u>	<u>21,084</u>