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REGIONS AIR, INC.

Using Saab 340A Aircraft

PROPOSAL TO PROVIDE ESSENTIAL AIR SERVICE

**FOR
Manhattan and Salina, Kansas**

(To St. Louis, Missouri)

Docket OST-2003-15483 -16
Docket OST-2003-11376 -63

December 9, 2005

REGIONS AIR, INC.

**PROPOSAL TO PROVIDE ESSENTIAL AIR SERVICE
AT MANHATTAN AND SALINA, KANSAS**

SUMMARY

December 9, 2005

**Docket OST-2003-15483
Docket OST-2003-11376**

RegionsAir is proposing 3 daily combined round-trips for a combined total of 36 weekly departures between Manhattan and Salina, Kansas and St. Louis, Missouri. The service will be operated as AmericanConnection, which will augment our existing service and provide seamless connections to over 200 daily flights to over 65 destinations on American Airlines and partners.

The proposed aircraft is the 30-seat Saab 340A, which will introduce these communities to cabin-class service and most likely increase traffic in itself. In addition, American Airlines, American Eagle, and AmericanConnection provide approximately 213 daily non-stop flights from the St. Louis hub, compared to a mere 38 for US Airways and affiliates from the Kansas City hub. In conclusion, a larger aircraft with a larger hub network in terms of connections will increase traffic substantially and possibly eliminate the reliance on subsidies in the future.

REGIONS AIR, INC.
ANNUAL COMPENSATION REQUIREMENTS FOR ESSENTIAL AIR SERVICE AT
MANHATTAN and SALINA, KANSAS
Using Saab 340A Aircraft

			Manhattan St. Louis	Salina St. Louis	Salina Manhattan	Total
Weekly Departures			25	11	25	61
Completion Factor			97.5%	97.5%	97.5%	97.5%
Annual Departures			1,268	558	1,268	3,093
Average Block Time (in minutes)			105	121	21	73
Annual Block Hours			2,220	1,127	441	3,788
Average Stage Length (statute miles)			339	391	57	233
Available Seat Miles (30 seats)			12,895,560	6,545,340	2,168,280	21,609,180
Load Factor						25%
Passengers			-	-	-	23,198
Revenue Passenger Miles			-	-	-	5,402,411
Average Fare						\$ 115.00
Revenue:						
Passenger			-	-	-	2,667,770
Other		0.5% of Pax Rev	-	-	-	13,339
Total Revenue			-	-	-	2,681,109
Direct Expenses:						
Crew and Training	\$	235.00 Per Blk Hr	521,719	264,806	103,705	890,230
Fuel & Into Plane Fees	\$	284.00 Per Blk Hr	630,503	320,021	125,329	1,075,853
Maintenance	\$	271.30 Per Blk Hr	602,302	305,708	119,723	1,027,733
Aircraft Lease	\$	114.85 Per Blk Hr	254,970	129,414	50,682	435,066
Hull Insurance	\$	27.83 Per Blk Hr	61,785	31,360	12,281	105,426
Total Direct Expenses			2,071,279	1,051,309	411,720	3,534,308
Indirect Expenses:						
EAS Station			165,000	165,000	-	330,000
Hub Station	\$	150.00 Per Dep.	190,200	83,700	-	273,900
EAS Landing Fees		Per Dep.	-	-	-	-
Hub Landing Fees	\$	141.58 Per Dep.	179,691	79,075	-	258,766
Commis, Cr Cds, etc.		2.9% of Pax Rev	-	-	-	77,365
Res, Tkting, CRS Fees	\$	6.60 per Pax	-	-	-	153,107
Liability Insurance	\$	6.90 per Pax	-	-	-	160,066
General & Admin/Other		9.75% of Direct	201,950	102,503	40,143	344,596
Total Indirect Expenses						1,597,800
Total Operating Expenses						5,132,108
Operating Loss			-	-	-	2,450,999
Profit Element at 5% of Total Expenses			-	-	-	256,605
Compensation Requirement			\$ -	\$ -	\$ -	\$ 2,707,604
Per Departure			\$ -	\$ -	\$ -	\$ 875.40

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RegionsAir proposes the following weekly frequency to/from STL: MHK - 36; SLN - 36.

Both Salina and Manhattan will have nonstop and one-stop service to St. Louis for a combined 36 weekly departures for each community. Specifically, Salina will have 11 nonstop and 25 one-stop departures per week; Manhattan will have 25 nonstop and 11 one-stop departures per week.

<u>Routing</u>	<u>Flight #</u>	<u>Departs</u>	<u>Arrives</u>	<u>Freq.</u>
SLN MHK	5230	6:00	6:21	X67
MHK STL	5230	6:36	8:21	X67
STL SLN	5231	9:00	11:01	X67
SLN MHK	5231	11:16	11:37	Daily
MHK STL	5231	11:52	13:37	Daily
STL MHK	5233	14:15	16:00	Daily
MHK SLN	5233	16:15	16:36	Daily
SLN STL	5233	16:51	18:52	X6
STL MHK	5235	19:30	21:15	X6
MHK SLN	5235	21:30	21:51	X6

Flight schedules will be adjusted from time to time to ensure maximum connecting opportunities at St. Louis with American Airlines.

All flights will be operated as AmericanConnection using Saab 340A aircraft.