

Proposal
397565

Docket 2649-16



April 25, 2006

Dennis J. DeVany
Office of Aviation Analysis
US Department of Transportation
400 Seventh Street, S.W.
Washington, D.C. 20590

OST-97-2649-16

2006 MAY - 8 AM 9:24
SUBMISSIONS
NO ANSWERS

Re: Crescent City, California (CEC)

Dear Mr. DeVany:

Attached is the SkyWest proposal for continued service to Crescent City, California (CEC)

We have provided three different proposals, each summarized below:

Proposal 1

Continuation of our current service pattern which consists of six weekly round trips to San Francisco (SFO) and twelve weekly one-stop round trips to Sacramento (SMF). The subsidy requirement for this proposal is \$957,025. On the Sacramento one-stop service, we only cost the CEC to Arcata (ACA) portion, but commit to the down line service to SMF.

Proposal 2

Twelve weekly round trips to SFO. This service pattern concentrates on the SFO route with the greater passenger demand. The total subsidy required is similar to our current service pattern due to the long stage length, however many more passengers are served for the same money. Total subsidy required is \$915,503

Proposal 3

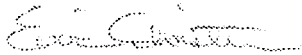
Similar to proposal two (twelve weekly round trips to San Francisco) plus six weekly one-stop trips to SMF. Our schedule shows a subsidy requirement of \$1.3 million however, we would agree to this service pattern for the same price as Proposal 1, \$957,023.

All flights will be operated as United Express, pursuant to a code-sharing arrangement with United Airlines and we will provide access to the national transportation system in San Francisco. The service will be provided with 30-passenger Embraer Brasilia aircraft.

Please enter in the docket in our behalf at the appropriate time.

Thank you for your consideration and we are available to answer any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric Christensen".

Eric Christensen
Vice President Planning
SkyWest Airlines

SkyWest Airlines
CEC Subsidy Renewal 2006

	Proposal #1 / Current service			Proposal #2 / 14 trips			Proposal #3 / 18 trips		
	CEC/SFO	CEC/ACV/SMF	Total	CEC/SFO	CEC/ACV/SMF	Total	CEC/SFO	CEC/ACV/SMF	Total
Number of trips per week	6	12	18	12	12	18	12	6	18
Aircraft Type - Embraer Brasilia									
Passenger Revenue	13,411	1,014	14,425	18,346	679	19,025	18,346	679	19,025
Passengers	81,000	121,339	202,339	91,000	121,339	212,339	91,000	121,339	212,339
Average Fare	1,220,368	1,343,457	1,351,517	1,669,450	82,470	1,751,919	1,669,450	82,470	1,751,919
Revenue	7,322	739	8,061	10,017	495	10,512	10,017	495	10,512
Freight	1,227,680	123,827	1,351,517	1,679,466	82,964	1,762,431	1,679,466	82,964	1,762,431
Block Time	86	26	112	86	26	112	86	26	112
Average block time	612	1,223	1,835	1,223	612	1,835	1,223	612	1,835
Annual trips at 98%	877	530	1,406	1,753	265	2,018	1,753	265	2,018
Annual block time at 98%									
RPMS	13,411	1,014	14,424.63	18,346	679	19,024.96	18,346	679	19,024.96
Passengers	304	56	360	304	56	360	304	56	360
Stage Length	4,076.833	56,784	4,133.617	5,577.062	38,045	5,615.108	5,577.062	38,045	5,615.108
ASMs	612	1,223	1,835	1,223	612	1,835	1,223	612	1,835
Trips	304	56	360	304	56	360	304	56	360
Stage length	30	30	30	30	30	30	30	30	30
Available Seats	5,577,062	2,054,707	7,631,770	11,154,125	1,027,354	12,181,479	11,154,125	1,027,354	12,181,479
Passenger Revenue	1,227,690	123,827	1,351,517	1,679,466	82,964	1,762,431	1,679,466	82,964	1,762,431
Direct Operating Expenses	806,898	487,892	1,294,790	1,613,796	243,946	1,857,742	1,613,796	243,946	1,857,742
Flight attendant	30,97	27,149	58,116	54,298	8,208	62,506	54,298	8,208	62,506
Bk Hr	0.02	75,936	76,994	103,880	709	104,588	103,880	709	104,588
RPMS related	305.40	186,757	187,062	373,514	186,757	560,271	373,514	186,757	560,271
Departures related	162,955	60,036	222,991	325,910	30,018	355,928	325,910	30,018	355,928
ASMs related	1,259,696	938,916	2,198,611	2,471,399	469,638	2,941,037	2,471,399	469,638	2,941,037
Total Operating Cost	(32,006)	(815,088)	(847,094)	(791,933)	(386,673)	(1,178,606)	(791,933)	(386,673)	(1,178,606)
Operating income (loss)	62,985	46,946	109,931	123,570	23,482	147,052	123,570	23,482	147,052
5% profit margin	34,991	852,034	887,025	845,500	410,155	1,255,655	845,500	410,155	1,255,655
Subsidy requirement	155.34	704.83	860.17	748.55	670.71	1,419.26	748.55	670.71	1,419.26
Per trip	7.08	850.13	857.21	49.90	603.72	653.62	49.90	603.72	653.62
Per passenger	73.1%	2.8%	54.2%	50.0%	3.7%	46.1%	50.0%	3.7%	46.1%
Load factor	1,437.17	1,771.59	1,563.18	1,409.79	1,772.27	1,457.39	1,409.79	1,772.27	1,457.39
Cost per block hour			66.35	49.90		69.68	49.90		69.68
Subsidy per passenger									

	CEC SMF	CEC ACV
avg fair	123.12	58.13
pax	4,700	27
rev	578,664	1,570
CEC/ACV mileage prorate factor		21%
CEC/SMF prorate rev to CEC/ACV		121,519
Total CEC ACV rev		123,089
CEC/SMF prorate pax to CEC/ACV		987
Total CEC ACV pax		1,014