

Before the United States Department of Transportation

Washington, DC

January 3, 2007

Essential Air Service at

CLOVIS, NEW MEXICO
SILVER CITY/HURLEY/DEMING, NEW MEXICO

Docket OST-1996-1902
Docket OST-1996-1903

under 49 U.S.C. 41731 et.seq.

This contains the response of Great Lakes Aviation, LTD. to Order 2006-11-24 requesting proposals for Clovis & SilverCity/Hurley/Demig, New Mexico.

Great Lakes Aviation, Ltd. is pleased to submit these proposals to provide essential air transportation at these service points in New Mexico.

In light of the instructions in the order to provide a "last and final" offer for the service to these points, Great Lakes has provided several options from which the Department and the communities may choose from.

All proposals contemplate the use of 19 seat Beech 1900D airliner equipment.

Questions and comments may be referred to:

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Table of Contents:

Proposal Number	Service Point(s)	Hub(s) Served	Round Trips	Equipment	Subsidy Requirement	Passengers Forecast	Hub	Average Fare
1	Clovis and Silver City	Albuquerque & Denver	2-SVC to ABQ 2-CVN to ABQ	1900D	\$2,457,877	4,670 4,700	ABQ only ABQ & DEN	\$88.52 \$98.84
1-CVN to DEN via Amarillo, Santa Fe or Pueblo at Great Lakes discretion (Note this is the current service pattern offered by Great Lakes)								
2	Silver City	Phoenix	2	1900D	\$992,799	5,200		\$100.00
3	Clovis	Denver CVN to DEN via Amarillo, Santa Fe or Pueblo at Great Lakes discretion	2	1900D	\$699,968	4,000		\$105.57
4	Clovis	Denver CVN to DEN via Amarillo, Santa Fe or Pueblo at Great Lakes discretion	3	1900D	\$999,932	6,000		\$104.89

Great Lakes Aviation, Ltd.

Annual Compensation Requirements for Essential Air Service at
Clovis, New Mexico
Status Quo service patterns
(at 96 percent completion)
Proposal # 1

Departures:	3,005
Block Hours:	2,564

Operating Revenues:			Average Fare	
Passenger:	CVN	4,700	\$98.34	\$462,198
Passenger:	SVC	4,670	\$88.52	\$413,388
Other: CVN (at 0.62% of passenger revenue)				\$2,866
Other: SVC (at 0.62% of passenger revenue)				\$2,563

Total Operating Revenues:	\$881,015
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Operating Expenses:		
Direct:	Aircraft and Hull Insurance	\$491,043
	Fuel and Oil	\$907,290
	Flying Operations	\$399,266
	Maintenance	\$634,068

Total Direct Expenses:	\$2,431,667
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Total Indirect Expenses:	<u>\$748,230</u>
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Total Operating Expenses:	\$3,179,897
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Operating Loss	(\$2,298,882)
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Profit Element (5.0% of Total Operating Expenses)	\$158,995
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Annual Compensation Requirement:	\$2,457,877
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Bid assumes current schedule would serve as a representative schedule

Great Lakes Aviation, Ltd.

Annual Compensation Requirements for Essential Air Service at

Clovis, New Mexico

Three Round Trips - B1900

(at 96 percent completion)

Denver Hub

Proposal # 2

Departures:	1,803
Block Hours:	1,052
Revenue Passenger Miles:	570,000
Available Seat Miles:	3,254,198

Operating Revenues:					
Passenger:	CVN-DEN	6,000	psgrs at	\$104.89	\$629,340

Other:	(at 0.62% of passenger revenue)				\$3,902
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Total Operating Revenues:					\$633,242
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Operating Expenses:					
Direct:	Aircraft and Hull Insurance				\$332,101
	Fuel and Oil				\$363,248
	Flying Operations				\$163,817
	Maintenance				\$328,186

Total Direct Expenses:					\$1,187,352
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Total Indirect Expenses:					<u>\$368,051</u>
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Total Operating Expenses:					\$1,555,404
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Operating Loss					(\$922,162)
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Profit Element (5.0% of Total Operating Expenses)					\$77,770
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Annual Compensation Requirement:					\$999,932
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Representative Schedule

Flt #	Freq	Flow	Schedule	Time	Equip
471	123456	CVN-AMA	0600-0635	35	BE1
452	123456	AMA-CVN	1000-1035	35	BE1
453	12345 7	CVN-AMA	1140-1245	35	BE1
462	12345 7	AMA-CVN	1525-1630	35	BE1
463	12345 7	CVN-AMA	1645-1720	35	BE1
472	12345 7	AMA-CVN	2000-2035	35	BE1

Great Lakes Aviation, Ltd.

Annual Compensation Requirements for Essential Air Service at

Clovis, New Mexico

Two Round Trips - B1900

(at 96 percent completion)

Denver Hub

Proposal # 3

Departures:	1,202
Block Hours:	701
Revenue Passenger Miles:	380,000
Available Seat Miles:	2,169,466

Operating Revenues:					
Passenger CVN-DEN	4,000	psgrs at	\$105.57	\$422,280	

Other:	(at 0.62% of passenger revenue)	\$2,618
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Total Operating Revenues:	\$424,898
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Operating Expenses:

Direct:	Aircraft and Hull Insurance	\$219,187
	Fuel and Oil	\$245,165
	Flying Operations	\$109,160
	Maintenance	\$218,755

Total Direct Expenses:	\$792,267
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Total Indirect Expenses:	<u>\$279,034</u>
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Total Operating Expenses:	\$1,071,301
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Operating Loss	(\$646,403)
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Profit Element (5.0% of Total Operating Expenses)	\$53,565
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Annual Compensation Requirement:	\$699,968
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Representative Schedule

Flt #	Freq	Flow	Schedule	Time	Equip
471	123456	CVN-AMA	0600-0635	35	BE1
452	123456	AMA-CVN	1000-1035	35	BE1
463	12345 7	CVN-AMA	1645-1720	35	BE1
472	12345 7	AMA-CVN	2000-2035	35	BE1

Great Lakes Aviation, Ltd.

Annual Compensation Requirements for Essential Air Service at

Silver City, New Mexico

Two Round Trips - B1900

(at 96 percent completion)

Phoenix Hub

Proposal # 4

Departures:	1,202
Block Hours:	1,402
Revenue Passenger Miles:	1,201,200
Available Seat Miles:	5,275,227

Operating Revenues:					
Passenger:	SVC-PHX	5,200	psgrs at	\$100.00	\$520,000

Other:	(at 0.62% of passenger revenue)	\$3,224
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Total Operating Revenues:	\$523,224
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Operating Expenses:

Direct:	Aircraft and Hull Insurance	\$166,051
	Fuel and Oil	\$399,168
	Flying Operations	\$218,319
	Maintenance	\$294,064

Total Direct Expenses:	\$1,077,601
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Total Indirect Expenses:	<u>\$366,230</u>
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Total Operating Expenses:	\$1,443,832
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Operating Loss	(\$920,608)
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Profit Element (5.0% of Total Operating Expenses)	\$72,192
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Annual Compensation Requirement:	\$992,799
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Representative Schedule

Flt #	Freq	Flow	Schedule	Time	Equip
5231	123456	PHX-SVC	0730-0840	70	BE1
5234	123456	SVC-PHX	0850-1000	70	BE1
5235	12345 7	PHX-SVC	1540-1650	70	BE1
5238	12345 7	SVC-PHX	1700-1810	70	BE1