

Remo, Laura <OST>

From: Pittaway, Rick <OST>
Sent: Friday, June 27, 2008 5:39 PM
To: Aaron A. Goerlich
Cc: Remo, Laura <OST>
Subject: RE: Air Greco, Inc. d/b/a Wings Air

DEPT. OF TRANSPORTATION
DOCKETS

2008 JUL -2 A 10:18

I am replying by e-mail instead of a letter as you requested in order to expedite the message.

There is already a Wingsair LLC helicopter and charter jet service in New York City. There is an air courier service named Wingsair, located in Dayton, OH which is a private company. Has Air Greco researched whether they have the legal right to use that name?

Your passenger prediction of 1,080 round trip passengers in Athens-Atlanta is higher than any month previously recorded. Your submission says you anticipated your passenger counts based on a load factor calculation. Calculating the passenger demand using a percentage of your available seats as the basis for demand is an unusual approach. Customarily, the airlines calculate demand first, then decide on the number of seats they will make available to meet that demand. Did you make any assessment of the demand for air travel between the two airports that would help justify your estimated increase in anticipated passengers?

Your passenger predictions in Macon-Athens are lower than the traditional passenger traffic of previous years. I presume that means you anticipate that you will still have competition on that route. That market had been served by small regional jets. Again, the consumers have shown a preference for larger jets over smaller piston engine aircraft. Do you intend to market your airline in a way to overcome consumer resistance to traveling in small piston engine aircraft?

I understand that the aircraft serving Athens-Atlanta had been 19 seat aircraft. You will be using 9 seat aircraft and, in general, passengers are more reluctant to fly in smaller planes than in larger ones. In addition to the small size, the Navajo Chieftain has limited baggage storage area so golf clubs and even moderate size and large sized bags will have to go into the cabin. Did you conduct any investigation to discover whether there would be any public acceptance problems when using 9 seat aircraft?

You included plans for having a fifth aircraft available to provide backup capability when the usual four are out of service. Having an aircraft go out of service is inevitable, because even new aircraft go out of service unexpectedly. How many times do you anticipate utilizing the fifth aircraft? These expense estimates do not appear to include the expense of operating that fifth aircraft periodically.

I have included several questions about whether you have accurately estimated passenger demand for your service because, while the Navajo has advantages to the service provider, it offers no advantage to the consumer that I can detect. Even so, your forecast income statement for the first year of operations projects a loss for the year of approximately \$1,373,000. Your company also lost money in previous years. Given your projections, how long will it be before you predict the routes to be profitable?

Rick Pittaway