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NORTHWEST  
A I R L I N E S

Department Number  
B4920

Northwest Airlines, Inc.  
5101 Northwest Drive  
St. Paul MN 55111-3034

DEPT. OF TRANSPORTATION  
02 DEC -2 PM 4:46

FAA-02-13918-8

February 1, 2001

Passenger Facility Charge Branch (APP-530)  
Attn: Joseph Hebert  
Airports Financial Assistance Division, Room 619  
Federal Aviation Administration  
800 Independence Avenue, S.W.,  
Washington, DC 20591

Dear Mr. Hebert:

Attached is Northwest Airlines 1999 PFC administration cost estimate and the 1999 through 2002 proforma and forecast PFC administration costs. These PFC costs and volumes include NWA's partner airlines Mesaba Aviation and Express Airlines.

Sincerely,

Phil Keeney,  
Director, Passenger Sales Accounting

PK/sjr



## Report of Independent Accountants on Applying Agreed-Upon Procedures

The Board of Directors and Management of Northwest Airlines Corporation and  
the Federal Aviation Administration:

We have performed the procedures enumerated in Attachment I, which were agreed to by Northwest Airlines Corporation (the “Company”) and the Federal Aviation Administration (“FAA”), solely to assist you in evaluating the accompanying schedule of incremental costs directly associated with Passenger Facility Charges (“PFC”) collection, handling, remittance, reporting, recordkeeping and auditing for the year ended December 31, 1999. These costs are presented in Exhibit I. Our procedures do not extend to other information included on this schedule or to any other information provided to you as part of your evaluation of incremental costs directly associated with Passenger Facility Charges collection, handling, remittance, reporting, recordkeeping and auditing for the year ended December 31, 1999. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the FAA and the Company. Consequently, we make no representation regarding the sufficiency of the procedures described in Attachment I either for the purpose for which this report has been requested or for any other purpose.

It should be understood that certain of the schedules and/or analyses provided to us by the Company calculated incremental costs directly associated with PFCs based on assumptions and/or studies performed by the Company. Accordingly, we make no comment as to the reasonableness of the assumptions or as to the methodology underlying the studies.

See Attachment I for the findings resulting from procedures performed on this engagement.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the accompanying schedule. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Directors and management of the Company and the FAA, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Ernst + Young LLP*

December 13, 2000

## Attachment I

As determined by the Company and the FAA, the following procedures were performed:

Procedures	Results
1. We will obtain a summary schedule from Northwest Airlines Corporation (the "Company") of all costs attributed to the collection and administration of passenger facility charges ("PFC"), by expense caption, for the year ended December 31, 1999.	We obtained the summary schedule from the Company of all costs attributed to the collection and administration of passenger facility charges ("PFC"), by expense caption, for the year ended December 31, 1999. (See Exhibit 1.)
2. We will obtain a schedule from the Company of the total dollar amount of PFCs collected, refunded and remitted for the year ended December 31, 1999 and agree the total to a Company system-generated report. We will calculate the number of PFCs collected for the year by dividing the total dollar amount of PFCs collected by \$3.	We obtained a schedule from the Company of the total dollar amount of PFCs collected, refunded and remitted for the year ended December 31, 1999 and agreed the total to a Company system-generated report.  We recalculated the number of PFCs collected less those refunded for the year by dividing the total dollar amount of PFCs collected less PFCs refunded by \$3.
3. We will obtain a schedule from the Company of the total dollar amount of interest income earned by the Company on PFC funds it held between the time of collection from passengers and the time of remittance to and receipt by the airports (or the refund of the PFC funds to passengers) for the year ended December 31, 1999.	We obtained such a schedule from the Company.
4. We will test the summation of the total 1999 costs, as reported on the schedule obtained in step 1., for clerical accuracy.	We tested the summation of the total 1999 costs, as reported on the schedule obtained in step 1., and found it to be clerically accurate.
5. We will perform the following procedures related to each expense caption, as listed on the schedule obtained in step 1., and the interest earned amount, as reported on the schedule obtained in step 3., for the year ended December 31, 1999:	

<b>a. Credit Card Fees</b>	
i. We will obtain from the Company a schedule containing the breakout of total sales by month, for the year ended December 31, 1999, separated between cash sales and credit card sales, and agree two months of sales to the general ledger.	We obtained such a schedule from the Company and agreed two months of sales to the general ledger.
ii. We will recalculate, based on the schedule obtained in step 5.a.i., the percentage of credit card sales as a portion of total sales for the year.	We recalculated, based on the schedule obtained in step 5.a.i., the percentage of credit card sales as a portion of total sales for the year.
iii. We will recalculate "PFC dollars collected via credit card sales" for the year ended December 31, 1999 by multiplying total PFC dollars collected less PFC dollars refunded, from the schedule obtained in step 2., by the percentage calculated in step 5.a.ii.	We recalculated "PFC dollars collected via credit card sales" for the year ended December 31, 1999 by multiplying total PFC dollars collected less PFC dollars refunded, from the schedule obtained in step 2., by the percentage calculated in step 5.a.ii.
iv. We will recalculate the "credit card discount expense" related to PFCs for 1999 by multiplying the PFC dollars collected via credit card sales, as calculated in step 5.a.iii., by the average credit card discount percentage, as determined by the Company.	We recalculated the "credit card discount expense" related to PFCs for 1999 by multiplying the PFC dollars collected less PFC dollars refunded via credit card sales, as calculated in step 5.a.iii., by the average credit card discount percentage, as determined by the Company.
v. We will recalculate "bad debt expense" related to PFCs for 1999 by multiplying the PFC dollars collected via credit card sales, as calculated in step 5.a.iii., by the bad debt rate, as determined by the Company.	We recalculated "bad debt expense" related to PFCs for 1999 by multiplying the bad debt expense for PFC-related sales by the percentage of total sales represented by PFCs, as determined by the Company.
vi. We will sum the credit card discount expense, calculated in step 5.a.iv., and the bad debt expense, calculated in step 5.a.v., for 1999 and agree the total to the respective amount reported on the schedule obtained in step 1.	We summed the credit card discount expense, calculated in step 5.a.iv., and the bad debt expense, calculated in step 5.a.v., for 1999 and agreed the total to the respective amount reported on the schedule obtained in step 1.

<b>b. Audit Fees</b>	
i. We will agree the fee, reported on the schedule obtained in step 1., to Ernst & Young LLP bills (or schedule of fees) for the audit, agreed-upon procedures and/or any additional charges related to PFCs for 1999.	We agreed the fee, reported on the schedule obtained in step 1., to Ernst & Young LLP schedule of fees for the audit, agreed-upon procedures and any additional charges, including the Company's estimate of internal costs related to assisting with the audit, related to PFCs for 1999.
<b>c. PFC Disclosure</b>	
i. We will obtain from the Company, a summary of all disclosure cost components related to PFCs for 1999.	We obtained such a summary from the Company.
ii. We will agree the total costs from the schedule obtained in step 5.c.i. to the respective amount reported on the schedule obtained in step 1.	We agreed the total costs from the schedule obtained in step 5.c.i., to the respective amount reported on the schedule obtained in step 1.
iii. We will recalculate disclosure costs for 1999, using the Company's methodology and assumptions, which consider number of media units containing PFC information, cost per media unit and portion of ad space attributed to PFC language.	We recalculated the disclosure costs for 1999 based on the methodology and assumptions used by the Company, which consider number of media units containing PFC information, cost per media unit and portion of ad space attributed to PFC language.
<b>d. Reservations</b>	
i. We will obtain from the Company a summary of all reservation costs components related to PFCs for 1999.	We obtained such a summary from the Company.
ii. We will agree the total costs from the schedule obtained in step 5.d.i. to the respective amount reported on the schedule obtained in step 1.	We agreed the total costs from the schedule obtained in 5.d.i. to the respective amount reported on the schedule obtained in step 1.
iii. We will recalculate reservations expense for 1999 by multiplying the total number of PFCs collected for 1999, as calculated in step 2., by the Company's estimate of the labor cost involved in addressing each customer inquiry regarding PFCs and applicability to tickets, telecommunications charges and the Company's estimate of the number of PFCs impacted by customer inquiries.	We recalculated reservations expense for 1999 by multiplying the number of reservation calls handled, as determined by the Company, by the estimated cost of addressing each customer inquiry regarding PFCs and applicability to tickets, telecommunications charges and the Company's estimate of the number of PFCs impacted by customer inquiries.

<b>e. Passenger Service</b>	
i. We will obtain from the Company a summary of all passenger service cost components related to PFCs for 1999.	We obtained such a summary from the Company.
ii. We will agree the total costs from the schedule obtained in step 5.e.i. to the respective amount reported on the schedule obtained in step 1.	We agreed the total cost from the schedule obtained in step 5.e.i. to the respective amount reported on the schedule obtained in step 1.
iii. We will recalculate passenger service expense for 1999 by multiplying the total number of PFCs collected for 1999, as calculated in step 2., by the Company's estimate of the labor cost to explain to customers the applicability of PFCs to their journey and the issuance of their tickets when the reservation is made or the purchase is made at a ticket office, as well as adding in all costs related to time and materials associated with the issuance of related documents, such as refunds and exchanges.	We recalculated the passenger service expense by multiplying the Company's estimated amount of tickets with PFCs by the Company's estimate of the costs associated with servicing PFC-related inquiries.
<b>f. Revenue Accounting, Data Entry, Accounts Payable and Tax</b>	
i. We will obtain from the Company a summary of all data entry cost components related to PFCs for 1999.	We obtained such a summary from the Company.
ii. We will agree the total costs from the schedule obtained in step 5.f.i. to the respective amount reported on the schedule obtained in step 1.	The Company combined these costs with the revenue accounting line item on the schedule obtained in step 1. Refer to step 5.f.v.
iii. We will recalculate the data entry costs for 1999, based on the Company's methodology and assumptions, which incorporate estimates of managerial, staff and clerical employee time spent related to PFCs, entering data and supplies costs.	We recalculated the data entry costs for 1999, based on the Company's methodology and assumptions, which incorporate estimates of managerial, staff and clerical employee time spent related to PFCs, entering data and supplies costs.
iv. We will obtain from the Company a summary of all revenue accounting cost components related to PFCs for 1999.	We obtained such a summary from the Company. The summary included data entry and accounts payable costs.

<p>v. We will agree the total costs from the schedule obtained in step 5.f.iv. to the respective amount reported on the schedule obtained in step 1.</p>	<p>We agreed the total costs from the schedule obtained in step 5.f.iv. to the respective amount reported on the schedule obtained in step 1.</p>
<p>vi. We will recalculate the revenue accounting costs for 1999, based on the Company's methodology and assumptions, which incorporate estimates of managerial, staff and clerical employee time spent related to PFCs and supplies cost.</p>	<p>We recalculated the revenue accounting costs for 1999, based on the Company's methodology and assumptions, which incorporated estimates of managerial, staff and clerical employee time spent related to PFCs and supplies cost.</p>
<p>vii. We will obtain from the Company a summary of all accounts payable cost components related to PFCs for 1999.</p>	<p>We obtained such a summary from the Company.</p>
<p>viii. We will agree the total costs from the schedule obtained in step 5.f.vii. to the respective amount reported on the schedule obtained in step 1.</p>	<p>The Company combined these costs with the revenue accounting line item on the schedule obtained in step 1. Refer to step 5.f.v.</p>
<p>ix. We will recalculate the accounts payable costs for 1999, based on the Company's methodology and assumptions, which incorporate estimates of new vendor costs, data input time, monthly and quarterly mailing and other costs related to PFC administration.</p>	<p>We recalculated the accounts payable costs for 1999, based on the Company's methodology and assumptions, which incorporate estimates of new vendor costs, data input time, monthly and quarterly mailing and other costs related to PFC administration.</p>
<p>x. We will obtain from the Company a summary of all tax department cost components related to PFCs for 1999.</p>	<p>The Company did not include these costs in Exhibit I.</p>
<p>xi. We will agree the total costs from the schedule obtained in step 5.f.x. to the respective amount reported on the schedule obtained in step 1.</p>	<p>The Company did not include these costs in Exhibit I.</p>
<p>xii. We will recalculate the tax costs for 1999, based on the Company's methodology and assumptions, which incorporate estimates of managerial and staff employee time spent related to PFCs and supplies costs.</p>	<p>The Company did not include these costs in Exhibit I.</p>

<b>g. Corporate Property</b>	
i. We will obtain from the Company, a summary of all corporate property cost components related to PFCs for 1999.	We obtained such a summary from the Company.
ii. We will agree the total costs from the schedule obtained in step 5.g.i. to the respective amount reported in the schedule obtained in step 1.	We agreed the total costs from the schedule obtained in step 5.g.i. to the respective amount reported in the schedule obtained in step 1.
iii. We will recalculate the costs for 1999, based on the Company's methodology and assumptions, which incorporates estimates of employee time spent meeting with airports regarding PFCs and travel expenses.	We recalculated the costs for 1999, based on the Company's methodology and assumptions, which incorporate estimates of employee time spent meeting with airports regarding PFCs and travel expenses.
<b>h. Training – Reservations, Ticket Agents and Other Departments</b>	
i. We will obtain from the Company a summary of all departmental training costs allocated to PFCs for 1999.	The Company did not include these costs in Exhibit I.
ii. We will agree the total costs from the schedule obtained in step 5.h.i. to the respective amount reported on the schedule obtained in step 1.	The Company did not include these costs in Exhibit I.
iii. We will recalculate the costs for 1999, based on the Company's methodology and assumptions, which consider agent population, agent turnover, average hours of training and labor rates.	The Company did not include these costs in Exhibit I.
<b>i. Carrier (Internal) Ongoing Information Systems</b>	
i. We will obtain from the Company a summary of all carrier ongoing information systems costs allocated to PFCs for 1999.	We obtained such a summary from the Company.
ii. We will agree the total costs from the schedule obtained in step 5.i.i. to the respective amount reported on the schedule obtained in step 1.	We agreed the total costs from the schedule obtained in step 5.i.i. to the respective amount reported on the schedule obtained in step 1.

<p>iii. We will recalculate the costs for 1999, based on the Company's methodology and assumptions, which consider ongoing costs related to the maintenance of systems, data storage, resource materials and the additional run time to price and print tickets.</p>	<p>We recalculated the costs for 1999, based on the Company's methodology and assumptions, which consider ongoing costs related to the maintenance of systems, data storage, resource materials and the additional run time to price and print tickets.</p>
<p><b>j. CRS Ongoing Costs</b></p>	
<p>i. We will obtain from the Company a summary of all costs related to ongoing maintenance of PFC data for 1999.</p>	<p>We obtained such a schedule from the Company.</p>
<p>ii. We will agree the total costs from the schedule obtained in 5.j.i. to the respective amount reported on the schedule obtained in step 1.</p>	<p>We agreed the total costs from the schedule obtained in 5.j.i. to the respective amount reported on the schedule obtained in step 1.</p>
<p>iii. We will agree the costs components to client analyses provided by the Company.</p>	<p>We agreed the costs components to client analyses provided by the Company.</p>
<p><b>k. PFC Absorption</b></p>	
<p>i. We will inquire of the Company as to which airports it absorbed PFCs during 1999.</p>	<p>We obtained an analysis from the Company listing the airports at which PFCs were absorbed.</p>
<p>ii. We will obtain a schedule of PFC dollars collected for each airport during the periods in which PFCs were/are absorbed and number of PFCs absorbed during the same periods.</p>	<p>We obtained a schedule from the Company showing the value of PFCs absorbed at each airport where PFCs were absorbed during 1999.</p>
<p>iii. We will recalculate absorption cost by multiplying total PFCs collected, by airport, by the absorption factor, as determined by the Company.</p>	<p>We recalculated absorption cost by multiplying the total number of absorbed PFCs by \$3. The total number of absorbed PFCs was determined by the Company.</p>
<p>iv. We will agree the total from the calculation in step 5.k.iii. to the respective amount reported on the schedule obtained in step 1.</p>	<p>We agreed the total from the summary obtained in step 5.k.iii. to the respective amount reported on the schedule obtained in step 1.</p>
<p><b>l. Airline Tariff Publishing Company (ATPCO)</b></p>	
<p>i. We will obtain from the Company a schedule of all ATPCO costs incurred in 1999.</p>	<p>We obtained such a schedule from the Company.</p>

<p>ii. We will agree the total costs from the schedule obtained in step 5.l.i. to the respective amount reported on the schedule obtained in step 1.</p>	<p>We agreed the total costs from the schedule obtained in step 5.l.i. to the respective amount reported on the schedule obtained in step 1.</p>
<p>iii. We will select the five largest charges for 1999 and agree the charges to the respective ATPCO invoice (or other document supporting such costs).</p>	<p>We recalculated the costs based on the methodology used by the Company to calculate the costs. We were unable to agree the charges to ATPCO invoices.</p>
<p><b>m. Airline Reporting Corporation (ARC)</b></p>	
<p>i. We will obtain from the Company a schedule of all ARC costs incurred in 1999.</p>	<p>We obtained such a schedule from the Company.</p>
<p>ii. We will agree the total costs from the schedule obtained in step 5.m.i. to the respective amount reported on the schedule obtained in step 1.</p>	<p>We agreed the total costs from the schedule obtained in step 5.m.i. to the respective amount reported on the schedule obtained in step 1.</p>
<p>iii. We will select the five largest charges for 1999 and agree the charges to the respective ARC invoice (or other document supporting such costs).</p>	<p>We selected the five largest charges for 1999 and agreed the charges to the respective ARC supporting document.</p>
<p><b>n. Interest Income</b></p>	
<p>i. We will obtain from the Company a schedule containing the breakout of the total dollar amount of interest earned on PFC funds held by the Company, by month, for the year ended December 31, 1999.</p>	<p>We obtained a schedule from the Company containing the total dollar amount of interest earned on PFC funds held by the Company in an average month for the year ended December 31, 1999.</p>
<p>ii. We will obtain from the Company a schedule showing the average number of days that a PFC collected in each month was held between time of receipt by the airline and time of receipt by the airport(s); or (in the case of refunded tickets) time of refund to the passenger.</p>	<p>We obtained a schedule from the Company showing the average number of days that a PFC collected in an average month was held between time of receipt by the airline and time of receipt by the airport(s); or (in the case of refunded tickets) time of refund to the passenger.</p>
<p>iii. We will obtain from the Company a schedule of the average interest rates earned for each month in 1999 on its short-term investment portfolio.</p>	<p>We obtained from the Company a schedule of the average interest rate earned for the entire year and not each month in 1999.</p>

<p>iv. We will recalculate two months of "Interest earned on PFC dollars collected from sales" for the year ended December 31, 1999 by multiplying monthly PFC dollars collected from the schedule obtained in step 2. by days held (both remitted PFCs and PFCs refunded to passengers), as a proportion of a 360-day year obtained in step 5.n.ii., and then by the appropriate monthly interest rate percentages obtained in step 5.n.iii.</p>	<p>We recalculated interest earned in an average month by multiplying the average amount of PFC dollars held in an average month by the average interest rate from the schedule obtained in step 5.n.iii., as determined by the Company.</p>
<p>v. We will agree the total income for each month, as calculated in step 5.n.iv., to the respective amount reported on the schedule obtained in step 3.</p>	<p>We agreed the total monthly income, as calculated in step 5.n.iv., to the respective amount reported on the schedule obtained in step 3.</p>
<p>6. We will calculate the average cost per PFC for the year ended December 31, 1999 by dividing the total costs for the year, as reported on the schedule obtained in step 1., less the interest earned on collected PFCs, as reported in step 3., by the number of PFCs collected and the number of PFCs remitted, as determined in step 2.</p>	<p>We recalculated the average cost per PFC, as described.</p>

## Exhibit I

### Northwest Airlines Corporation Summary of Passenger Facility Charge Incremental Costs for the Year ended December 31, 1999

	<b>1999</b> <b><u>Actual Costs</u></b>
Credit card fees	\$(2,327,081.20)
Audit fees (external)	(42,100.00)
Disclosure costs	(100,762.00)
Reservations	(521,113.28)
Passenger services	(116,000.00)
Revenue accounting	(59,467.73)
Corporate property department	(15,708.00)
Internal on-going IT	(55,252.72)
CRS on-going fees	(858,040.00)
ATPCO	(1,528.00)
ARC + BSP	(35,209.60)
Interest revenue on float	798,335.15
Total costs	<u>\$(4,132,262.53)</u>
Total costs less interest	\$(3,333,927.38)
Number of PFCs remitted	43,348,632
Number of PFCs collected	45,843,023
Cost less interest/PFC remitted	\$(0.0769)
Cost less interest/PFC collected	\$(0.0727)
Airline, Inc. specific issue (PFC absorption)	\$(19,321,000)

Northwest Airlines, Inc.  
Agency Sales Processing  
1999 Estimate and Future Years Forecast  
PFC Admin Costs

**FAA Format**

	1999 Actual Costs <sup>1</sup>	1999 Pro-Forma <sup>2</sup>	Implementation Costs <sup>3</sup>	2000* Actual Costs for 0 Months	Full Year Costs 2000 (0 Act+ 12 Fore.) <sup>4,5</sup>	Forecast 2001 <sup>5,6</sup>	Forecast 2002 <sup>5,7</sup>
Credit Card Fees	\$ (2,327,081.20) 56%	\$ (3,490,621.80) 86%		\$ - 0%	\$ (2,378,749.39)	\$ (2,880,896.25)	\$ (3,712,276.29)
Audit Fees (External)	\$ (42,100.00) 1%	\$ (42,100.00) 1%	- 0%	\$ - 0%	\$ (43,531.40)	\$ (44,576.15)	\$ (45,645.98)
Disclosure Costs	\$ (100,762.00) 2%	\$ (100,762.00) 2%		\$ - 0%	\$ (104,187.91)	\$ (106,688.42)	\$ (109,248.94)
Reservations	\$ (521,113.28) 13%	\$ (521,113.28) 10%		\$ - 0%	\$ (538,831.13)	\$ (551,763.07)	\$ (565,005.39)
Passenger Services	\$ (116,000.00) 3%	\$ (116,000.00) 2%		\$ - 0%	\$ (118,575.55)	\$ (120,947.06)	\$ (123,366.00)
Data Entry:							
Internal - Combined w/ Revenue Acctg	\$ - 0%	\$ - 0%		\$ - 0%	\$ -	\$ -	\$ -
Other -	\$ - 0%	\$ - 0%		\$ - 0%	\$ -	\$ -	\$ -
Revenue Accounting	\$ (59,467.73) 1%	\$ (59,467.73) 1%		\$ - 0%	\$ (61,489.63)	\$ (62,965.38)	\$ (64,476.55)
Accounts Payable - Combined w/ Revenue Acctg	\$ - 0%	\$ - 0%		\$ - 0%	\$ -	\$ -	\$ -
Tax & Legal - No costs identified	\$ - 0%	\$ - 0%		\$ - 0%	\$ -	\$ -	\$ -
Corporate Property Department	\$ (15,708.00) 0%	\$ (15,708.00) 0%		\$ - 0%	\$ (16,242.07)	\$ (16,631.88)	\$ (17,031.05)
Training:							
Reservations - No costs identified	\$ - 0%	\$ - 0%		\$ - 0%	\$ -	\$ -	\$ -
Other - No costs identified	\$ - 0%	\$ - 0%		\$ - 0%	\$ -	\$ -	\$ -
Ticket Agents - No costs identified	\$ - 0%	\$ - 0%		\$ - 0%	\$ -	\$ -	\$ -
Internal On-Going IT	\$ (55,252.72) 1%	\$ (55,252.72) 1%		\$ - 0%	\$ (57,131.31)	\$ (58,502.47)	\$ (59,906.53)
CRS On-Going fees	\$ (858,040.00) 21%	\$ (858,040.00) 16%		\$ - 0%	\$ (887,213.36)	\$ (904,957.63)	\$ (904,957.63)
PFC Absorption	\$ - 0%	\$ - 0%		\$ - 0%	\$ -	\$ -	\$ -
ATPCO	\$ (1,528.00) 0%	\$ (1,528.00) 0%	- 0%	\$ - 0%	\$ (1,579.95)	\$ (1,617.87)	\$ (1,656.70)
ARC + BSP	\$ (35,209.60) 1%	\$ (35,209.60) 1%	\$ (8,550.00) 17%	\$ - 0%	\$ (35,991.35)	\$ (36,711.18)	\$ (37,592.25)
Internal One-Time IT update	\$ - 0%	\$ - 0%	\$ (42,920.00) 83%	\$ - 0%	\$ -	\$ -	\$ -
CRS One-Time update	\$ - 0%	\$ - 0%	\$ - 0%	\$ - 0%	\$ -	\$ -	\$ -
Interest Revenue on Float	\$ 798,335.15 n/a	\$ 1,197,502.73 n/a		\$ - 0%	\$ 816,060.59	\$ 988,328.53	\$ 1,273,544.16
<b>TOTAL COSTS</b>	\$ (4,132,262.54) 100%	\$ (5,295,803.14) 100%	\$ (51,470.00) 100%	\$ - 0%	\$ (4,243,523.05) 0%	\$ (4,786,257.36) 0%	\$ (5,641,163.30) 0%
<b>TOTAL COSTS LESS INTEREST</b>	\$ (3,333,927.38) n/a	\$ (4,098,300.41) n/a	\$ (51,470.00) n/a	\$ - n/a	\$ (3,427,462.47) n/a	\$ (3,797,928.83) n/a	\$ (4,367,619.15) n/a
<b>Number of PFCs Remitted</b>	43,348,632	43,348,632		-	44,468,740	45,358,114	46,255,517
<b>Number of PFCs Collected</b>	45,843,023	45,843,023		-	46,860,876	47,798,093	48,754,055
<b>Cost Less Interest / PFC Remitted</b>	(\$0.0769)	(\$0.0945)	#DIV/0!	#DIV/0!	(\$0.0771)	(\$0.0837)	(\$0.0944)
<b>YOY Change</b>				n/a		n/a	n/a
<b>Cost Less Interest / PFC Collected</b>	(\$0.0727)	(\$0.0894)	#DIV/0!	#DIV/0!	(\$0.0731)	(\$0.0795)	(\$0.0896)
<b>YOY Change</b>				n/a	#DIV/0!	n/a	n/a
<b>Airline, Inc. Specific Issue (PFC Absorption)</b>	\$ (19,321,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Cost Less Interest / PFC Remitted</b>	(\$0.446)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Cost Less Interest / PFC Collected</b>	(\$0.421)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Airline, Inc. Specific Issue</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Cost Less Interest / PFC Remitted</b>	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Cost Less Interest / PFC Collected</b>	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

ASM growth rate  
\*CPI - Urban\* from WEFA <sup>8</sup>

2.0%      2.0%      2.0%  
3.3%      2.4%      2.4%

Notes:

- 1 - Actual costs incurred. Agreed upon procedures have been applied by the independent accountant to actual 1999 costs.
- 2 - Assumes the same volume as 1999, but with 100% of PFCs Collected at \$4.50 per PFC -- this only impacts Credit Card Fees and Interest Revenue.
- 3 - For any costs associated with the implementation of the new maximum \$4.50 PFC rate. This column is not year specific.
- 4 - [X] months of 2000 are actual with [Y] months of forecast.
- 5 - Does not include any one time IT Costs (Implementation Costs).
- 6 - Assumes 3 months with 100% of PFCs Collected at \$3. Assumes 9 months with 50% at \$3 and 50% at \$4.50.
- 7 - Assumes 12 months with 100% of PFCs at \$4.50.
- 8 - WEFA US Economic Outlook 2000-05 - US Cycle Monitor, September 2000, page 201, All Items - Urban Wage Earners. Application of an inflation index or other index will be evaluated in the rulemaking process and, if allowed, may apply only to selected cost components (e.g., labor costs). Please indicate which cost components have been adjusted by the specified CPI or other index and why.

- 9 - ASM Index
- 10 - Labor Rate Index

Northwest Airlines, Inc.  
Agency Sales Processing  
1999 Estimate and Future Years Forecast  
PFC Admin Costs

**FAA Format**

	1999 Actual Costs <sup>1</sup>	1999 Pro-Forma <sup>2</sup>	Implementation Costs <sup>3</sup>	2000* Actual Costs for 0 Months	Full Year Costs 2000 (0 Act.+ 12 Fore.) <sup>4,5</sup>	Forecast 2001 <sup>5,6</sup>	Forecast 2002 <sup>5,7</sup>
Credit Card Fees	\$ (2,327,081.20) 96%	\$ (3,490,621.80) 66%	\$ - 0%	\$ - 0%	\$ (2,378,749.39)	\$ (2,880,896.25)	\$ (3,712,276.29)
Audit Fees (External)	\$ (42,100.00) 1%	\$ (42,100.00) 1%	\$ - 0%	\$ - 0%	\$ (43,531.40)	\$ (44,576.15)	\$ (45,645.98)
Disclosure Costs	\$ (100,762.00) 2%	\$ (100,762.00) 2%	\$ - 0%	\$ - 0%	\$ (104,187.91)	\$ (106,688.42)	\$ (109,248.94)
Reservations	\$ (521,113.28) 13%	\$ (521,113.28) 10%	\$ - 0%	\$ - 0%	\$ (538,831.13)	\$ (551,763.07)	\$ (565,005.39)
Passenger Services	\$ (116,000.00) 3%	\$ (116,000.00) 2%	\$ - 0%	\$ - 0%	\$ (118,575.55)	\$ (120,947.06)	\$ (123,366.00)
Data Entry:							
Internal - Combined w/ Revenue Acctg	\$ - 0%	\$ - 0%	\$ - 0%	\$ - 0%	\$ -	\$ -	\$ -
Other -	\$ - 0%	\$ - 0%	\$ - 0%	\$ - 0%	\$ -	\$ -	\$ -
Revenue Accounting	\$ (59,467.73) 1%	\$ (59,467.73) 1%	\$ - 0%	\$ - 0%	\$ (61,489.63)	\$ (62,965.38)	\$ (64,476.55)
Accounts Payable - Combined w/ Revenue Acctg	\$ - 0%	\$ - 0%	\$ - 0%	\$ - 0%	\$ -	\$ -	\$ -
Tax & Legal - No costs identified	\$ - 0%	\$ - 0%	\$ - 0%	\$ - 0%	\$ -	\$ -	\$ -
Corporate Property Department	\$ (15,708.00) 0%	\$ (15,708.00) 0%	\$ - 0%	\$ - 0%	\$ (16,242.07)	\$ (16,631.88)	\$ (17,031.05)
Training:							
Reservations - No costs identified	\$ - 0%	\$ - 0%	\$ - 0%	\$ - 0%	\$ -	\$ -	\$ -
Other - No costs identified	\$ - 0%	\$ - 0%	\$ - 0%	\$ - 0%	\$ -	\$ -	\$ -
Ticket Agents - No costs identified	\$ - 0%	\$ - 0%	\$ - 0%	\$ - 0%	\$ -	\$ -	\$ -
Internal On-Going IT	\$ (55,252.72) 1%	\$ (55,252.72) 1%	\$ - 0%	\$ - 0%	\$ (57,131.31)	\$ (58,502.47)	\$ (59,906.53)
CRS On-Going fees	\$ (858,040.00) 21%	\$ (858,040.00) 18%	\$ - 0%	\$ - 0%	\$ (887,213.36)	\$ (904,957.63)	\$ (904,957.63)
PFC Absorption	\$ - 0%	\$ - 0%	\$ - 0%	\$ - 0%	\$ -	\$ -	\$ -
ATPCO	\$ (1,528.00) 0%	\$ (1,528.00) 0%	\$ - 0%	\$ - 0%	\$ (1,579.95)	\$ (1,617.87)	\$ (1,656.70)
ARC + BSP	\$ (35,209.60) 1%	\$ (35,209.60) 1%	\$ (8,550.00) 17%	\$ - 0%	\$ (35,991.35)	\$ (36,711.18)	\$ (37,592.25)
Internal One-Time IT update	\$ - 0%	\$ - 0%	\$ (42,920.00) 83%	\$ - 0%	\$ -	\$ -	\$ -
CRS One-Time update	\$ - 0%	\$ - 0%	\$ - 0%	\$ - 0%	\$ -	\$ -	\$ -
Interest Revenue on Float	\$ 798,335.15 n/a	\$ 1,197,502.73 n/a	\$ - 0%	\$ - 0%	\$ 816,060.59	\$ 988,328.53	\$ 1,273,544.16
<b>TOTAL COSTS</b>	<b>\$ (4,132,262.54) 100%</b>	<b>\$ (5,295,803.14) 100%</b>	<b>\$ (51,470.00) 100%</b>	<b>\$ - 0%</b>	<b>\$ (4,243,523.05) 0%</b>	<b>\$ (4,786,257.36) 0%</b>	<b>\$ (5,641,163.30) 0%</b>
<b>TOTAL COSTS LESS INTEREST</b>	<b>\$ (3,333,927.38) n/a</b>	<b>\$ (4,098,300.41) n/a</b>	<b>\$ (51,470.00) n/a</b>	<b>\$ - n/a</b>	<b>\$ (3,427,462.47) n/a</b>	<b>\$ (3,797,928.83) n/a</b>	<b>\$ (4,367,619.15) n/a</b>
<b>Number of PFCs Remitted</b>	<b>43,348,632</b>	<b>43,348,632</b>			<b>44,468,740</b>	<b>45,358,114</b>	<b>46,255,517</b>
<b>Number of PFCs Collected</b>	<b>45,843,023</b>	<b>45,843,023</b>			<b>46,860,876</b>	<b>47,798,093</b>	<b>48,754,055</b>
<b>Cost Less Interest / PFC Remitted</b>	<b>(\$0.0769)</b>	<b>(\$0.0945)</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>(\$0.0771)</b>	<b>(\$0.0837)</b>	<b>(\$0.0944)</b>
<b>YOY Change</b>				n/a		n/a	n/a
<b>Cost Less Interest / PFC Collected</b>	<b>(\$0.0727)</b>	<b>(\$0.0894)</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>(\$0.0731)</b>	<b>(\$0.0795)</b>	<b>(\$0.0896)</b>
<b>YOY Change</b>				n/a	#DIV/0!	n/a	n/a
<b>Airline, Inc. Specific Issue (PFC Absorption)</b>	<b>\$ (19,321,000)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Cost Less Interest / PFC Remitted</b>	<b>(\$0.446)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Cost Less Interest / PFC Collected</b>	<b>(\$0.421)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Airline, Inc. Specific Issue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Cost Less Interest / PFC Remitted</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Cost Less Interest / PFC Collected</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

ASM growth rate  
\*CPI - Urban\* from WEFA <sup>8</sup>

2.0%      2.0%      2.0%  
3.3%      2.4%      2.4%

Notes:

- 1 - Actual costs incurred. Agreed upon procedures have been applied by the independent accountant to actual 1999 costs.
- 2 - Assumes the same volume as 1999, but with 100% of PFCs Collected at \$4.50 per PFC -- this only impacts Credit Card Fees and Interest Revenue.
- 3 - For any costs associated with the implementation of the new maximum \$4.50 PFC rate. This column is not year specific.
- 4 - [X] months of 2000 are actual with [Y] months of forecast.
- 5 - Does not include any one time IT Costs (Implementation Costs).
- 6 - Assumes 3 months with 100% of PFCs Collected at \$3. Assumes 9 months with 50% at \$3 and 50% at \$4.50.
- 7 - Assumes 12 months with 100% of PFCs at \$4.50.
- 8 - WEFA US Economic Outlook 2000-05 - US Cycle Monitor, September 2000, page 201, All Items - Urban Wage Earners. Application of an inflation index or other index will be evaluated in the rulemaking process and, if allowed, may apply only to selected cost components (e.g., labor costs). Please indicate which cost components have been adjusted by the specified CPI or other index and why.

- 9 - ASM Index  
10 - Labor Rate Index

Northwest Airlines, Inc.  
Agency Sales Processing  
1999 Estimate and Future Years Forecast  
PFC Admin Costs

**FAA Format**

	1999 Actual Costs <sup>1</sup>	1999 Pro-Forma <sup>2</sup>	Implementation Costs <sup>3</sup>	2000* Actual Costs for 0 Months	Full Year Costs 2000 (0 Act.+ 12 Fore.) <sup>4,5</sup>	Forecast 2001 <sup>5,6</sup>	Forecast 2002 <sup>5,7</sup>
Credit Card Fees	\$ (2,327,081.20) 56%	\$ (3,490,621.80) 66%	\$ -	\$ -	\$ (2,378,749.39)	\$ (2,880,896.25)	\$ (3,712,276.29)
Audit Fees (External)	\$ (42,100.00) 1%	\$ (42,100.00) 1%	\$ -	\$ -	\$ (43,531.40)	\$ (44,576.15)	\$ (45,645.98)
Disclosure Costs	\$ (100,762.00) 2%	\$ (100,762.00) 2%	\$ -	\$ -	\$ (104,187.91)	\$ (106,688.42)	\$ (109,248.94)
Reservations	\$ (521,113.28) 13%	\$ (521,113.28) 10%	\$ -	\$ -	\$ (538,831.13)	\$ (551,763.07)	\$ (565,005.39)
Passenger Services	\$ (116,000.00) 3%	\$ (116,000.00) 2%	\$ -	\$ -	\$ (118,575.55)	\$ (120,947.06)	\$ (123,366.00)
Data Entry:							
Internal - Combined w/ Revenue Acctg	\$ - 0%	\$ - 0%	\$ -	\$ -	\$ -	\$ -	\$ -
Other -	\$ - 0%	\$ - 0%	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Accounting	\$ (59,467.73) 1%	\$ (59,467.73) 1%	\$ -	\$ -	\$ (61,489.63)	\$ (62,965.38)	\$ (64,476.55)
Accounts Payable - Combined w/ Revenue Acctg	\$ - 0%	\$ - 0%	\$ -	\$ -	\$ -	\$ -	\$ -
Tax & Legal - No costs identified	\$ - 0%	\$ - 0%	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate Property Department	\$ (15,708.00) 0%	\$ (15,708.00) 0%	\$ -	\$ -	\$ (16,242.07)	\$ (16,631.88)	\$ (17,031.05)
Training:							
Reservations - No costs identified	\$ - 0%	\$ - 0%	\$ -	\$ -	\$ -	\$ -	\$ -
Other - No costs identified	\$ - 0%	\$ - 0%	\$ -	\$ -	\$ -	\$ -	\$ -
Ticket Agents - No costs identified	\$ - 0%	\$ - 0%	\$ -	\$ -	\$ -	\$ -	\$ -
Internal On-Going IT	\$ (55,252.72) 1%	\$ (55,252.72) 1%	\$ -	\$ -	\$ (57,131.31)	\$ (58,502.47)	\$ (59,906.53)
CRS On-Going fees	\$ (858,040.00) 21%	\$ (858,040.00) 18%	\$ -	\$ -	\$ (887,213.36)	\$ (904,957.63)	\$ (904,957.63)
PFC Absorption	\$ - 0%	\$ - 0%	\$ -	\$ -	\$ -	\$ -	\$ -
ATPCO	\$ (1,528.00) 0%	\$ (1,528.00) 0%	\$ -	\$ -	\$ (1,579.95)	\$ (1,617.87)	\$ (1,656.70)
ARC + BSP	\$ (35,209.60) 1%	\$ (35,209.60) 1%	\$ (8,550.00) 17%	\$ -	\$ (35,991.35)	\$ (36,711.18)	\$ (37,592.25)
Internal One-Time IT update	\$ - 0%	\$ - 0%	\$ (42,920.00) 83%	\$ -	\$ -	\$ -	\$ -
CRS One-Time update	\$ - 0%	\$ - 0%	\$ - 0%	\$ -	\$ -	\$ -	\$ -
Interest Revenue on Float	\$ 798,335.15 n/a	\$ 1,197,502.73 n/a	\$ -	\$ -	\$ 816,060.59	\$ 988,328.53	\$ 1,273,544.16
<b>TOTAL COSTS</b>	\$ (4,132,262.54) 100%	\$ (5,295,803.14) 100%	\$ (51,470.00) 100%	\$ -	\$ (4,243,523.05) 0%	\$ (4,786,257.36) 0%	\$ (5,641,163.30) 0%
<b>TOTAL COSTS LESS INTEREST</b>	\$ (3,333,927.38) n/a	\$ (4,098,300.41) n/a	\$ (51,470.00) n/a	\$ -	\$ (3,427,462.47) n/a	\$ (3,797,928.83) n/a	\$ (4,367,619.15) n/a
<b>Number of PFCs Remitted</b>	43,348,632	43,348,632	-	-	44,468,740	45,358,114	46,255,517
<b>Number of PFCs Collected</b>	45,843,023	45,843,023	-	-	46,860,876	47,798,093	48,754,055
<b>Cost Less Interest / PFC Remitted</b>	(\$0.0769)	(\$0.0945)	#DIV/0!	#DIV/0!	(\$0.0771)	(\$0.0837)	(\$0.0944)
<b>YOY Change</b>				n/a		n/a	n/a
<b>Cost Less Interest / PFC Collected</b>	(\$0.0727)	(\$0.0894)	#DIV/0!	#DIV/0!	(\$0.0731)	(\$0.0795)	(\$0.0896)
<b>YOY Change</b>				n/a	#DIV/0!	n/a	n/a
Airline, Inc. Specific Issue (PFC Absorption)	\$ (19,321,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Cost Less Interest / PFC Remitted</b>	(\$0.446)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Cost Less Interest / PFC Collected</b>	(\$0.421)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Airline, Inc. Specific Issue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Cost Less Interest / PFC Remitted</b>	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Cost Less Interest / PFC Collected</b>	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

ASM growth rate  
\*CPI - Urban\* from WEFA <sup>8</sup>

2.0%      2.0%      2.0%  
3.3%      2.4%      2.4%

Notes:

- 1 - Actual costs incurred. Agreed upon procedures have been applied by the independent accountant to actual 1999 costs.
- 2 - Assumes the same volume as 1999, but with 100% of PFCs Collected at \$4.50 per PFC -- this only impacts Credit Card Fees and Interest Revenue.
- 3 - For any costs associated with the implementation of the new maximum \$4.50 PFC rate. This column is not year specific.
- 4 - [X] months of 2000 are actual with [Y] months of forecast.
- 5 - Does not include any one time IT Costs (Implementation Costs).
- 6 - Assumes 3 months with 100% of PFCs Collected at \$3. Assumes 9 months with 50% at \$3 and 50% at \$4.50.
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- 8 - WEFA US Economic Outlook 2000-05 - US Cycle Monitor, September 2000, page 201. All Items - Urban Wage Earners. Application of an inflation index or other index will be evaluated in the rulemaking process and, if allowed, may apply only to selected cost components (e.g., labor costs). Please indicate which cost components have been adjusted by the specified CPI or other index and why.

- 9 - ASM Index
- 10 - Labor Rate Index

Northwest Airlines, Inc.  
Agency Sales Processing  
1999 Estimate and Future Years Forecast  
PFC Admin Costs

**FAA Format**

	1999 Actual Costs <sup>1</sup>	1999 Pro-Forma <sup>2</sup>	Implementation Costs <sup>3</sup>	2000* Actual Costs for 0 Months	Full Year Costs 2000 (0 Act.+ 12 Fore.) <sup>4,5</sup>	Forecast 2001 <sup>5,6</sup>	Forecast 2002 <sup>5,7</sup>
Credit Card Fees	\$ (2,327,081.20) 96%	\$ (3,490,821.80) 66%		\$ - 0%	\$ (2,378,749.39)	\$ (2,880,896.25)	\$ (3,712,276.29)
Audit Fees (External)	\$ (42,100.00) 1%	\$ (42,100.00) 1%	- 0%	\$ - 0%	\$ (43,531.40)	\$ (44,576.15)	\$ (45,645.98)
Disclosure Costs	\$ (100,762.00) 2%	\$ (100,762.00) 2%		\$ - 0%	\$ (104,187.91)	\$ (106,688.42)	\$ (109,248.94)
Reservations	\$ (521,113.28) 13%	\$ (521,113.28) 10%		\$ - 0%	\$ (538,831.13)	\$ (551,763.07)	\$ (565,005.39)
Passenger Services	\$ (116,000.00) 3%	\$ (116,000.00) 2%		\$ - 0%	\$ (118,575.55)	\$ (120,947.06)	\$ (123,366.00)
Data Entry:							
Internal - Combined w/ Revenue Acctg	\$ - 0%	\$ - 0%		\$ - 0%	\$ -	\$ -	\$ -
Other -	\$ - 0%	\$ - 0%		\$ - 0%	\$ -	\$ -	\$ -
Revenue Accounting	\$ (59,467.73) 1%	\$ (59,467.73) 1%		\$ - 0%	\$ (61,489.63)	\$ (62,965.38)	\$ (64,476.55)
Accounts Payable - Combined w/ Revenue Acctg	\$ - 0%	\$ - 0%		\$ - 0%	\$ -	\$ -	\$ -
Tax & Legal - No costs identified	\$ - 0%	\$ - 0%		\$ - 0%	\$ -	\$ -	\$ -
Corporate Property Department	\$ (15,708.00) 0%	\$ (15,708.00) 0%		\$ - 0%	\$ (16,242.07)	\$ (16,631.88)	\$ (17,031.05)
Training:							
Reservations - No costs identified	\$ - 0%	\$ - 0%		\$ - 0%	\$ -	\$ -	\$ -
Other - No costs identified	\$ - 0%	\$ - 0%		\$ - 0%	\$ -	\$ -	\$ -
Ticket Agents - No costs identified	\$ - 0%	\$ - 0%		\$ - 0%	\$ -	\$ -	\$ -
Internal On-Going IT	\$ (55,252.72) 1%	\$ (55,252.72) 1%		\$ - 0%	\$ (57,131.31)	\$ (58,502.47)	\$ (59,906.53)
CRS On-Going fees	\$ (858,040.00) 21%	\$ (858,040.00) 16%		\$ - 0%	\$ (887,213.36)	\$ (904,957.63)	\$ (904,957.63)
PFC Absorption	\$ - 0%	\$ - 0%		\$ - 0%	\$ -	\$ -	\$ -
ATPCO	\$ (1,528.00) 0%	\$ (1,528.00) 0%	- 0%	\$ - 0%	\$ (1,579.95)	\$ (1,617.87)	\$ (1,656.70)
ARC + BSP	\$ (35,209.59) 1%	\$ (35,209.59) 1%	\$ (8,550.00) 17%	\$ - 0%	\$ (35,991.35)	\$ (36,711.18)	\$ (37,592.25)
Internal One-Time IT update	\$ - 0%	\$ - 0%	\$ (42,920.00) 83%	\$ - 0%	\$ -	\$ -	\$ -
CRS One-Time update	\$ - 0%	\$ - 0%	\$ - 0%	\$ - 0%	\$ -	\$ -	\$ -
Interest Revenue on Float	\$ 798,335.15 n/a	\$ 1,197,502.73 n/a		\$ - 0%	\$ 816,060.59	\$ 988,328.53	\$ 1,273,544.16
<b>TOTAL COSTS</b>	<b>\$ (4,132,262.53) 100%</b>	<b>\$ (5,295,803.13) 100%</b>	<b>\$ (51,470.00) 100%</b>	<b>\$ - 0%</b>	<b>\$ (4,243,523.05) 0%</b>	<b>\$ (4,786,257.36) 0%</b>	<b>\$ (5,641,163.30) 0%</b>
<b>TOTAL COSTS LESS INTEREST</b>	<b>\$ (3,333,927.37) n/a</b>	<b>\$ (4,098,300.40) n/a</b>	<b>\$ (51,470.00) n/a</b>	<b>\$ - n/a</b>	<b>\$ (3,427,462.47) n/a</b>	<b>\$ (3,797,928.83) n/a</b>	<b>\$ (4,367,619.15) n/a</b>
<b>Number of PFCs Remitted</b>	<b>43,348,632</b>	<b>43,348,632</b>			<b>44,468,740</b>	<b>45,358,114</b>	<b>46,255,517</b>
<b>Number of PFCs Collected</b>	<b>45,843,023</b>	<b>45,843,023</b>			<b>46,860,876</b>	<b>47,798,093</b>	<b>48,754,055</b>
<b>Cost Less Interest / PFC Remitted</b>	<b>(\$0.0769)</b>	<b>(\$0.0945)</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>(\$0.0771)</b>	<b>(\$0.0837)</b>	<b>(\$0.0944)</b>
<b>YOY Change</b>				n/a		n/a	n/a
<b>Cost Less Interest / PFC Collected</b>	<b>(\$0.0727)</b>	<b>(\$0.0894)</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>(\$0.0731)</b>	<b>(\$0.0795)</b>	<b>(\$0.0896)</b>
<b>YOY Change</b>				n/a	#DIV/0!	n/a	n/a
Airline, Inc. Specific Issue (PFC Absorption)	\$ (19,321,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Cost Less Interest / PFC Remitted</b>	<b>(\$0.446)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Cost Less Interest / PFC Collected</b>	<b>(\$0.421)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
Airline, Inc. Specific Issue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Cost Less Interest / PFC Remitted</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Cost Less Interest / PFC Collected</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

ASM growth rate  
CPI - Urban<sup>9</sup> from WEFA <sup>8</sup>

2.0%      2.0%      2.0%  
3.3%      2.4%      2.4%

Notes:

- 1 - Actual costs incurred. Agreed upon procedures have been applied by the independent accountant to actual 1999 costs.
- 2 - Assumes the same volume as 1999, but with 100% of PFCs Collected at \$4.50 per PFC -- this only impacts Credit Card Fees and Interest Revenue.
- 3 - For any costs associated with the implementation of the new maximum \$4.50 PFC rate. This column is not year specific.
- 4 - [X] months of 2000 are actual with [Y] months of forecast.
- 5 - Does not include any one time IT Costs (Implementation Costs).
- 6 - Assumes 3 months with 100% of PFCs Collected at \$3. Assumes 9 months with 50% at \$3 and 50% at \$4.50.
- 7 - Assumes 12 months with 100% of PFCs at \$4.50.
- 8 - WEFA US Economic Outlook 2000-05 - US Cycle Monitor, September 2000, page 201, All Items - Urban Wage Earners. Application of an inflation index or other index will be evaluated in the rulemaking process and, if allowed, may apply only to selected cost components (e.g., labor costs). Please indicate which cost components have been adjusted by the specified CPI or other index and why.

- 9 - ASM Index
- 10 - Labor Rate Index