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DEPT. OF TRANSPORTATION
DOCKETS
BEFORE THE OFFICE OF THE SECRETARY
DEPARTMENT OF TRANSPORTATION
02 APR 17 AM 9:42

Community Proposal
Southwest Georgia Regional Airport
Albany, Georgia

**SMALL COMMUNITY AIR SERVICE
DEVELOPMENT PILOT PROGRAM**

DOCKET OST-2002-11590-14

Under 49 U.S.C. 41743 *et seq*

SUMMARY

The Southwest Georgia Regional Airport hereby submits its proposal to participate in this pilot program. The airport believes it and its proposal meets the criteria as set forth in the Docket.

- The proposal results in improved and economically viable air service to an entire region.
- The region clearly has significant air service deficiencies that are not the result of economic conditions, but instead are the result of fundamental changes in the airline industry which this Docket is intended to address.
- The traffic for an additional airline readily exists and has been identified in prior passenger retention analyses.
- The proposal meets the spirit and the letter of the intentions of Congress in both stimulating traffic at a rural airport while reducing leakage that is contributing to congestion at distant, larger airports.

The Southwest Georgia Regional Airport respectfully requests the Secretary's favorable approval to this proposal.

All correspondence regarding this document should **be** directed to

Mr. Richard Howell, A.A.E.
Airport Director
Southwest Georgia Regional Airport
Suite 100, 3905 Newton Road
Albany, Georgia 31707-5460
(229) 430-5175

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I. Technical Description

a). Airport and Community Name:

Southwest Georgia Regional Airport (ABY)
 3905 Newton Road Suite 100
 Albany, GA 31707-5460
 Contact: Richard Howell, AAE
 Airport Director

Community And Region Served: Albany, GA including Dougherty, Lee and 21 rural counties represented by the Albany-Dougherty County Aviation Commission.

b). Additional Community Members

This proposal is supported by the ***Southwest Georgia Air Service Development Partnership*** - a consortium of businesses and civic groups in the region - will represent the Community participation in this application.

c). Project Sponsor

Albany-Dougherty County Aviation Commission (ADCAC) is the official sponsor in submitting this application.

d). Project Description:

The Southwest Georgia Regional Airport herein requests a grant under the terms of The Small Community Air Service Development Pilot Program to recruit and incubate specific additional air service that will help resolve the region's problem of insufficient air service

Southwest Georgia is currently a region of the country with woefully insufficient air service in terms of fare levels and competition. A recent study by The Boyd Group/ASRC indicated that approximately 51% of the traffic generated by the population residing within ABY's core catchment area is currently using other airports due to lower fares and wider availability of air service.

Albany today has service by only one air carrier, Delta Connection/ASA. *Analyses accomplished by the airport clearly show that the market can profitably support additional air service. Furthermore, with the financial*

support provided by the Pilot Program, such service can be successfully attracted.

Unfortunately, due to fleet changes that include the retirement of much of its turboprop fleet, Delta/ASA has recently reduced frequencies from seven daily flights to only four. Regardless of the type of aircraft operated, schedule frequency is essential to attracting and retaining ridership. This reduction by Delta/ASA will tend to further increase leakage to other airports. The Pilot Program funds as outlined in this proposal can be used to reverse this, to the benefit of the community, the carriers involved, and the national air transportation system.

Economic and strategic shifts in the airline industry make it difficult for the community by itself to recruit and establish the additional service the market can support.

In this proposal, the airport requests a grant to support a carefully-designed and implemented program to successfully recruit the additional network airline system that the market can support.

II. Project Objectives & Results

The clear objectives of the community and of the airport are as follows:

1. Address service deficiencies by incubating and firmly establishing service from an additional airline system, or by materially expanding the connectivity provided by the incumbent carrier system, Delta.
2. Recapture, to the maximum extent possible, the leakage now using other airports – approximately 85,000 passengers in and out of the region.
3. Encourage and build additional ridership at the airport as a result of additional frequencies and service options the recruited airline service enhancement will bring.
4. Expand the economic base of the region with the implementation of additional air service connectivity to the nation and the globe.

Market Studies Already Accomplished

The Southwest Georgia Regional Airport fully understands its position within the context of the airline industry. It is a small market and there are limited numbers of airlines interested in serving such markets.

In the past year, Albany has conducted a range of air service analyses and studies to determine its realistic potential of gaining air service, and to identify the specific carrier targets for recruitment.

Therefore, since this work is already done, it has a clear view of what needs to be accomplished. ***The funds requested in this proposal will be focused entirely on efforts to rectify the problems that have been already identified.***

Project Results

The Southwest Georgia Regional Airport and the Southwest Georgia Air Service Development Partnership would respectfully submit that this application successfully fulfills the intent of the Department and of Congress:

1. The community and the region served by Southwest Georgia Regional Airport clearly has insufficient air service. This grant will rectify that challenge. We believe that the program as outlined herein, will not only recapture much of the traffic now generated in the region, but will also stimulate additional travel.

2. Fares now charged at Albany are higher than at other similar size airports. The recruitment of additional service will tend to address this issue. However, the airport fully understands the economics of both rural air service and of airline operations. It has no illusions that the addition of service will significantly reduce fare levels.
3. The objectives outlined in this document are, as required by the Docket, attainable and are the highest and best use of the funding provided by the Pilot Program.
4. The results of the program outlined herein and funded by the grant request will be long-term and will materially improve the economic foundation of the region.
5. The results of the program outlined herein will improve the national air transportation system. By retaining more of the traffic generated within the Albany service area, the outcome will be less pressure on congested Atlanta, to which much Albany area traffic is now driving due to insufficient air service at the local airport. Therefore, this proposal will not only improve service at Albany, but also meet the Department's goal of making better use of existing airport infrastructure.

III. Description of Southwest Georgia Air Service

Current Air Service

The only service provider in the Albany market is Atlantic Southeast Airlines/Delta Connection, with non-stop service to Delta/ASA's hub operation at Atlanta. The carrier recently made the decision to reduce the number of daily frequencies offered at Albany essentially in half by replacing EMB-120 Brasilia aircraft with Canadair Regional Jets. While the number of seats offered dropped slightly, the more important factor for small community air service is schedule frequency.

Carrier	Destination	Aircraft	Weekly Frequencies	Weekly Departing Seats
Delta/ASA	Atlanta	Canadair RJ	28	1400

In spite of a growing base of both public and private sector entities with strong demand for air travel, changes in the airline industry have combined to cause a significant decline in air service levels at ABY.

Since 1999: Weekly flights have declined by 49%
 Weekly seat capacity has declined by 26%

	Mar-99	Mar-00	Mar-01	Mar-00
Weekly Departing Seats	1900	1760	1410	1400
Weekly Frequencies	54	54	47	28

It is clear from the table above that the Southwest Georgia Regional Airport has experienced a steady decline in both available seats and departing frequencies over the last three years. The difference in available departing seats represents a loss of 26.3%, whereas the loss in weekly departing frequencies has been 48.1%.

In small markets such as Albany, flight frequency is critical to maintaining local ridership. Choice of flights and schedule options are the keys to retaining the traffic generated in the region. With the reduction to just four daily departures from Albany, the result is the propensity for increased leakage.

These losses in air service have occurred as the community's population has continued to experience growth. The US Census reports that the population of the Albany, GA MSA grew approximately 7.3% between the years of 1990 and 2000.

Major Air Service Deficiencies

Albany is woefully underserved when compared to other communities of its size.

While every community is different, the comparisons below are pertinent. An evaluation of the current air service levels at ABY were compared with levels at communities throughout the country that are of similar size. The following chart is a summary of the results.

Market	Albany, GA	Grand Junction, CO	Rochester, MN	Wausau, WI	Alexandria, LA
YR 2000 MSA Population	120,822	116,255	124,277	125,834	126,337
Weekly Departing Seats	1900	4154	6079	4678	2852
Weekly Frequencies	54	124	87	142	90
Number Of Carriers	One	Three	Two	Three	Three
Number Of Nonstop Destinations	One	Three	Two	Four	Four

It is clear that compared to other communities of similar size, Albany lags. The communities above are typical. Albany has the least number of weekly departing seats, frequencies, number of carriers and number of nonstop destinations served'. Grand Junction, Colorado, a community with a smaller population base, has 118.6% more weekly departing seats, 129% more weekly frequencies, three times as many carriers and service to three times the number of destinations.

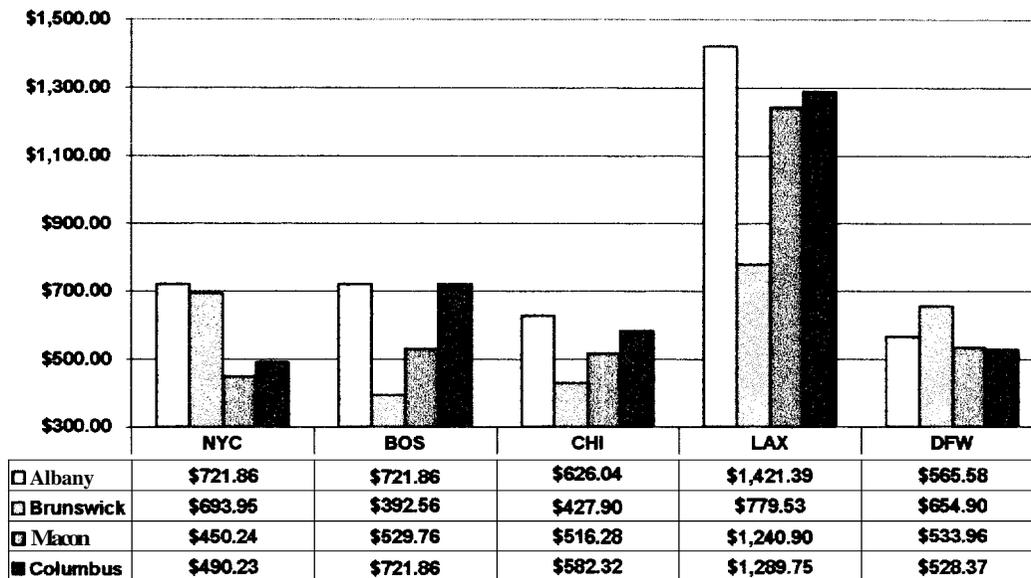
Alexandria, Louisiana, another Southeastern US community with similar demographic attributes, has 50% more weekly departing seats, 66% more weekly departing frequencies, service from three carriers instead of one and four nonstop destinations served instead of one.

¹ All of these communities, including Albany, are located where access to a larger airport entails a significant drive time.

Fare Levels

As an airport currently providing access to only one carrier network, fares from ABY in key markets are higher than from other Georgia communities under most circumstances.

**Albany Fares Are Often Higher Than Those Found
At Similarly Sized Georgia Airports**



As an example, fares between ABY and the New York Airports are 4 percent greater than from Brunswick, 60 percent greater than from Macon and 47 percent greater than from Columbus. Of the markets evaluated, there is only one, Dallas/Ft. Worth, in which the fares from another community exceed those offered from ABY. The fares evaluated can be categorized as "business fares," since they are based on a three day advance purchase with a single night stay.

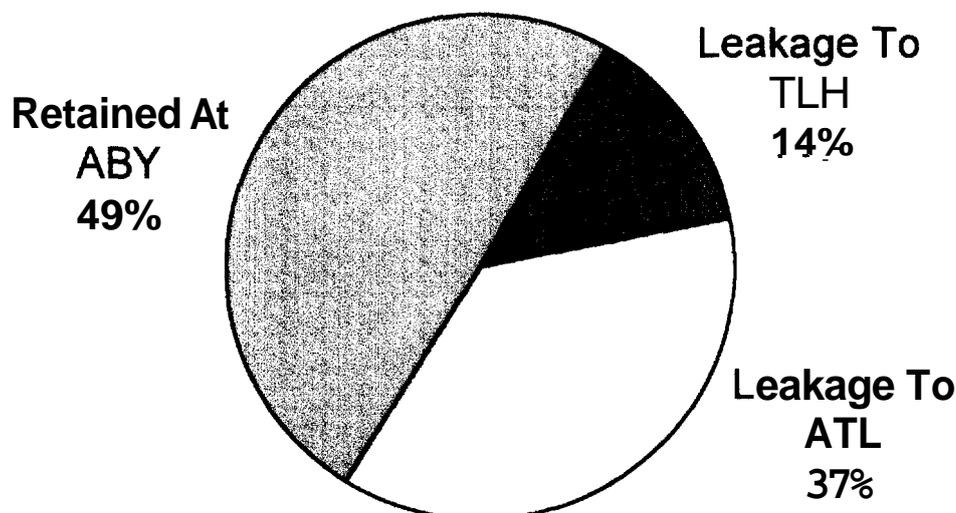
Nearby communities such as Columbus, quite often have lower fares due to a greater amount of departing seats, as well as access to multiple carrier networks. When a carrier in the Columbus market such as US Airways issues a system-wide sale, Delta will quite often match the sale. With no competition in the Albany market, fares are likely to remain above average.

region encompasses all of Dougherty, Lee, Randolph and Turner Counties and portions of Terrell, Worth, Baker, Calhoun, Tift and Mitchell Counties.

The major causes of traffic loss to other airports were primarily lower fares and higher service levels offered to and from Tallahassee and Atlanta. The recent arrival of AirTran in Tallahassee is the major cause of leakage to that airport in spite of a very long drive.

Leakage to Atlanta is largely attributed to low fare service, larger jet aircraft offering greater availability of discount seats, access to the networks of most major carriers, as well as a greater number of flight frequencies offered to and from most major destinations.

**ABY Is Currently Losing Over
42,000 Enplanements
To Other Airports**



It was estimated that approximately 14% of the traffic generated to and from Albany's core catchment area is using Tallahassee for their air travel needs, whereas 37% is leaking to Atlanta. Tallahassee Regional Airport is located approximately 106 miles from Albany, taking approximately 2 hours and 17 minutes by car. Atlanta's Hartsfield International is located 188 miles from Albany, taking approximately 3 hours and 30 minutes by car under optimal traffic and weather conditions.

Clearly, these long drives indicate that much more of the region's traffic can be retained at Albany if additional frequencies and additional connectivity can be established.

Albany's core Service Area Community

Albany has a large number of local public and private sector, as well as academic entities that are in need of strong air service access from the region.

The Albany Marine Corps Logistics Base is now the new Materiel Command (MATCOM) for the entire United States Marine Corps. It intends to purchase about \$1.9 - billion approximately 45% of the U.S.M.C. disposable income-in goods and services.

In addition to the US Marine Corps Base, there are a large number of corporations that are in need of additional air service options. These corporations include: Proctor & Gamble, Miller Brewing Co., Merck and Company, Cooper Tire and Rubber Co., M&M Mars, and Bob's Candies

Albany also has a student population of over 3,000 at Albany State University that is need of additional air service options.

IV. Proposal & Grant Application

Addressing Realities

The Southwest Georgia Regional Airport is fully cognizant of the fact that there are limited airlines that have the ability and/or interest in initiating service to small markets such as Albany. With increasing costs and more expensive fleets, the focus of most airline systems is upon larger markets where the return on investment is more apparent than at smaller communities such as Albany. This does not change the fact that Albany does offer a strong and profitable opportunity for specific airline systems. These "target" carriers are identified below, along with the traffic and revenue potential Albany offers each.

- The airport also recognizes that to attract any new service, some level of risk-reduction must be offered the target carrier.
- From the community's perspective, any such service increase must result in providing the region with meaningful increases in connectivity to the rest of the nation.

The ADCAC believes that needs of both the target airlines and the region are not mutually-exclusive, and with funds from the Pilot Program additional air service can be established with long-term results.

Potential Airline Recruitment Targets

Because of the size of the Albany market, additional service will be successful only if it is to a connecting hub airport, within relatively close proximity to Albany and operated by the hubbing airline system. Given this, ABY has a limited number of options in terms of carriers that would be viable targets for this program.

In order of priority these are:

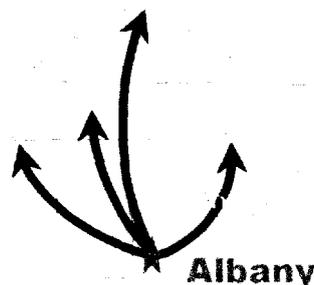
- **Delta/Comair to the Delta hub operation at Cincinnati/Northern Kentucky International Airport.** This option has some unique characteristics. It would enhance the existing Delta/ASA service, and strengthen connectivity for Albany giving consumers the ability to use one airline system via two connecting hubs. It also satisfies a need for strong

true traffic demand, as there are communities of business interest between Southwest Georgia and the Cincinnati area.³

On the downside, this would not provide the community with an additional airline system option. Furthermore, Delta/Comair is now entirely a jet operation at Cincinnati/Northern Kentucky, and the relatively long distance would equate to the dedication of essentially one regional jet aircraft to operate two daily round trips. The proposal would likely entail the highest perceived risk to the carrier, as there are few if any markets the size of Albany that are over 500 miles long on which Delta/Comair operates jets.

This much noted, the traffic analyses conducted by the airport indicate viable profit potential for the carrier on this route.

Logical options for increasing connectivity and addressing air service deficiency at Albany.



Goal: Add meaningful additional air service connectivity to the rest of the nation

- **Northwest Airlink to the Northwest hub at Memphis.** Northwest has indicated a plan to restore growth to this hub, and its wholly-owned Airlink partner at Memphis (Pinnacle/Express I) has the appropriate turboprop aircraft to operate the market profitably. Furthermore,

³ One example is Proctor & Gamble facilities in both regions.

Northwest - almost alone among major carriers - has exhibited willingness to expand to smaller communities.⁴

- **US Airways Express to the US Airways hub at Charlotte.** This would allow more connectivity for ABY-region travelers. However, US Airways is in the process of re-structuring itself subsequent to the events of 9/11 as well as a furtive merger with United Airlines that failed. The carrier has shown a declining interest in small turboprop service with its Express partners. One of these partners at Charlotte, CC Air, may be shut down.
- **American Connection (operated by Corporate Express)** is a distant option. However, this carrier does not provide connectivity to American, except to the limited number of flights that airline has at Nashville. For this reason, the airport does not feel this would be an acceptable airline target under this Pilot Program.

Airline Targets

The community agrees with the intent of the Small Community Air Service Pilot Program, which is to assure that any funds granted be used to assure maximum increase in air service. Of the above, all but the American Connection option are felt to have potential to satisfy this intent.

It is therefore felt that the options will be pursued in the following order:

1. **Delta/Comair - Cincinnati/Northern Kentucky.** While this option leaves Albany served by only one airline system, it will do more to enhance and strengthen the existing Delta/ASA service, giving passengers a total of six flight options on the Delta Air Lines System which should do more than any of the other options to retain traffic generated in the region.
2. **Northwest Airlink - Memphis.** This is the second most favorable option. It provides strong westbound connectivity for Albany, and also gives the region a second choice in airline system.
3. **US Airways Express - Charlotte.** This is an option that would provide a second airline system option, but the relative instability of US Airways in terms of strategic direction dictates that this be pursued only after the first two options are exhausted.

⁴ In the past three years, Northwest has expanded its Airlink service to small communities such as Alpena and Sault Ste. Marie. While the fallout from 9/11 has caused the carrier to revise its route system, it still exhibits an open mind to small airport needs.

Traffic Retention

As noted, the airport has recently completed analyses of its air service deficiencies and the potential for re-capture with the specific service enhancements outlined in this document.

These data indicate that approximately 40% - 55% of the current leakage can be recaptured at Southwest Georgia Regional Airport. It is understood that not all of the traffic generated in the region can be re-captured, as some of it is fare-sensitive and will drive to either Tallahassee or Atlanta to access low-fare jet service. This traffic strata cannot be fully re-captured at communities such as Albany where the small size of aircraft do not offer high numbers of discount seats, and were nonstop, large-jet service to distant points is not financially viable.

The major focus of retaining traffic at Albany is on business travelers, to whom schedule frequency and operational dependability are most important. From this, analyses by the airport have concluded the following:

- The Delta/Comair option represents the strongest passenger capture, in large part due to the strong projected demand for local traffic to Cincinnati, the all-jet connectivity, and the connecting synergies that will come by linking Albany to a second Delta hub.⁵ . It is projected that approximately 47,300 bi-directional passengers will be carried, with an on-segment return to the carrier of \$190,000.
- The airport's analyses and forecasts for the Northwest Airlink service indicates an expected "on-segment" profit of approximately \$200,000 after its first year of operations, based on two daily round trip flights to the Northwest Memphis hub. This represents 32,036 bi-directional passengers using the service during its first year of operation.
- For US Airways Express, the airport forecasts traffic would be approximately 37,037 bi-directional passengers, with a full-year profit of approximately \$182,000.

Analyses outlining these data are contained in the Appendix.

⁵ This will allow consumers to access the Delta system via two strong connecting hubs, giving six frequencies to many of the same points served beyond ATL and CVG.

V. Proposed Grant Structure

The Albany-Dougherty County Aviation Commission is seeking a Small Community Air Service Grant of \$500,000 to utilize as an inducement to attract a new carrier to ABY. The ADCAC and the community will match this with \$100,000 in community-generated funds. The ADCAC proposes to utilize the total \$600,000 as follows:

- \$75,000 for advertising and marketing for the airport. This includes consulting services to recruit and negotiate with the target carrier, and marketing efforts subsequent to the recruitment to the benefit of both the new carrier and the incumbent as well. Emphasis will be on convenience and the range of destinations served.
- \$525,000 as a revenue guarantee to help off-set possible losses in the early months of service, and ensure the service is given time to establish itself.

If awarded the grant, the community will immediately initiate negotiations with Comair/Delta. If an agreement cannot be reached, a partnership with Northwest Airlinck will be pursued. Finally, should that fail, US Airways Express will be approached.

If none of the carriers are interested, the funds will be returned to the DOT's Small Community Air Service Development Program.

Service Standards Required

The service requirements will be as follows:

- A minimum of two weekday round trips to the carrier's hub, with two round trips on weekends.
- Operation with aircraft of 30-seats or greater. In this proposal, the risk guarantee would apply to CRJ aircraft (50-seats) operated by Delta/Comair, SAAB-340 aircraft operated by Northwest Airlinck (34 seats), or in the case of US Airways Express, either SAAB-340 or deHavilland Dash-8 airliners (37-seats).

Residual Funds

The airport and community will agree that any revenue guarantee funds from this grant left over after the 12-month period from initiation of airline operations will be returned to the Department of Transportation.

Traffic and Revenue Projections

The airport understands that this program is intended to produce long-term results. Therefore, there must be a reasonable potential for traffic generation for the two target carriers.

To this end, the airport engaged a nationally-recognized air service development consultant to prepare projections of traffic and revenue that the target carriers can expect at Albany.⁶ These projections are included in the Appendix of this document, and it is expressly noted that the two projections are mutually-exclusive, based on the scenario of only one of the two carriers entering the market.

Determination of Revenue Guarantee

Because of the deficient level of air service at Albany, it is believed that the recruited carrier will have a very short "ramp" period where traffic grows to the point of break-even and beyond.

Negotiations with the carrier will determine the trigger points for pay-out under the guarantee program. These negotiations will include:

- Determination of costs of operating the flight segment between Albany and the hub airport. This will include an allowance for "spill" - traffic that the new service might displace on connecting flights out of the hub. Clear and set cost levels, including adjustment for fuel variations will be established.
- Determination of revenue levels necessary for break-even plus a set profit hurdle of not more than 15%. Since the majority of the revenues will be net new to the carrier, these will include all revenue generated for the carrier at Albany, including system connections.
- Determination of the payment mechanisms and timing of same.

⁶ The Boyd Group/ASRC, Inc.

Project Duration

The ADCAC requests this funding for one year.

The applicant does not anticipate requesting any funding after the first year. We are confident that after a single year of operation, the carrier operating to and from the community will have established a strong enough foothold in the marketplace in order to continue service without a financial risk guarantee.

VI. Grant Administration

The commission would use the funds provided by this grant to provide a risk guarantee to the carrier recruited and a program to assure that it is supported by the consumer market.

The guarantee is not to be used as a paid-out subsidy. If the revenues generated by the carrier exceed those established in the program, no funds will be paid the carrier.

The ADCAC will administer the funds under this program.

- Specific revenue targets will be established in negotiations with the carrier. If such targets are not met, payout of the risk guarantee will be made based on a pre-determined formula, as negotiated with the airline. Because the aircraft at each target carrier are materially different in terms of cost, this formula will be dependent on the outcome of such negotiations. In no case will the airport nor the DOT be liable for more than the risk guarantee amount noted above.
- The risk guarantee funds will be disbursed on a quarterly basis. Negotiations between the airline and the ADCAC will determine the risk guarantees and revenue levels. It is envisioned that "revenues" will include the system revenues generated at Albany to the carriers entire system.
- The carrier and the Albany-Dougherty County Airport Commission will agree upon a minimum revenue guarantee for each quarter that flights operated to and from ABY. If the total revenue generated during a given quarter fails to meet the agreed upon minimum revenue guarantee, funds from an account containing the \$525,000 in revenue risk guarantees will cover the difference between the minimum revenue guarantee and the total revenue generated. Should the difference between the minimum revenue guarantee and the total revenue generated exceed \$525,000, the carrier assumes all risk.
- The consulting, marketing and advertising funds (\$75,000) will be spent as determined by the ADCAC and, when appropriate, via consultations with the airline. The ADCAC will use these funds to craft marketing and advertising programs that encourage use of all service at Albany, including the incumbent carrier.

Agreement Between Airport/Community and Air Service Provider

In order to be eligible for the proceeds from both the local community and the Small Community Air Service Pilot Program grant, the air service provider will be obliged to meet the following requirements:

- Term: An agreement to serve the community with two daily flights for at least one year, subject to extraordinary events specifically agreed upon in advance. Such an event would include traffic levels not attaining target goals after 180 days of operation.
- Operational Reliability: The carrier will be subjected to completing at least 95% of the flights within a given quarter, with exception of cancellations due to inclement weather conditions or other events beyond the control of the airline, including labor stoppages and air traffic control failures.
- Schedule: Flights operated under this agreement must provide connectivity, defined as arrival and departure at the hub reasonably within one of the carrier's connecting banks.
- Quality of Service: Reasonable and acceptable levels of customer service must be maintained.
- Fare Levels: The airline will agree to offer a range of fares consistent with those charged at other small communities with service from their hub. For comparison purposes, this will be defined as 14-day advance, 3-day advance, and walk-up day of departure fares, expressed on a per-mile basis.

Evaluation Of Program Results

The success of the program will be evaluated based on the overall increase in enplanements from ABY. The airport believes that the addition of this service can recapture much of the current leakage, as well as moderately stimulate air travel from the region.

Project Revenue Split

1). Local Share -	\$ 87,518 Revenue Guarantee
	\$ 12,500 Marketing Funds
2). Small Community Air Service Pilot Program	\$ 437,482 Revenue Guarantees
	<u>\$ 62,500 Marketing Funds</u>
Total Joint Funds	\$600,000 Total

Appendix

Airline Traffic & Revenue Projections

Airport Operating Budgets - Past Two Years

Airport Operating Budget - Current Period

Airline Traffic and Revenue Projections

On the following pages are pro-forma analyses of the traffic and revenues projected for each of the three target carriers. These independent analyses were accomplished to determine if the service in each case can meet the Department of Transportation's standard that the Pilot Program funds be used to establish long-term improvements.

These data are provided only as references to indicate the veracity of each market from Albany. Actual figures will be determined by the specific carriers. However,

- Aircraft operating costs are derived from airline sources and adjusted as necessary for conditions such as route length.
- Revenue per mile figures in local ABY-to-Hub Markets are based upon estimate of net average fares in markets of similar length operated with similar aircraft on the specific carrier's system.
- Revenues for markets beyond the connecting hub are based upon the average system yield reported by the carrier.
- In all cases, yield estimates are considered to be conservative.
- Traffic generation by market has been developed based on projections felt to be reasonable based on the nature and scope of the carrier and the service involved. In all cases, the traffic is predicated on service operated by the hubbing carrier system to each hub airport. CVG service is operated by Comair/Delta, Memphis service is operated by Northwest/Airlink, and Charlotte service is operated by US Airways Express.

Albany, GA - Memphis Traffic Forecast				
<i>Destination</i>	<i>Catchment Area Generation</i>	<i>Capture Rates</i>	<i>Northwest:</i>	<i>Traffic</i>
Chicago	7,570	30%		2,271
Dallas/Ft. Worth	7,366	35%		2,578
Houston	3,899	35%		1,365
St. Louis	3,747	30%		1,124
Memphis	7,965	85%		6,770
Milwaukee	3,058	35%		1,070
Kansas City	2,804	35%		981
Los Angeles	2,753	30%		826
Denver	2,523	25%		631
Las Vegas	2,294	20%		459
San Diego	1,835	20%		367
Phoenix	1,810	20%		362
San Antonio	1,682	30%		505
San Francisco	1,657	30%		497
Seattle	1,529	40%		612
Tulsa	1,504	50%		752
Little Rock	1,453	50%		726
Minneapolis/St. Paul	1,376	40%		551
Austin	1,223	35%		428
Oklahoma City	1,045	50%		522
Other				8,640
Total				32,036

Albany, GA - Memphis Key Operating Data

ABY-MEM Mileage	413
Assumed Aircraft:	Saab 340
Passenger Seats:	32
Estimated Weekly Flights Scheduled:	28
Estimated Completion Factor:	985
Estimated Weekly Flights Completed:	27.4
Projected Annual Flight Segments:	1,427
Projected Available Seat Miles (ASMs)	18,857,646
Projected Cost per Available Seat Mile (CASM)	\$0.133
Projected Annual "On-Segment" Operating Expense	\$ 2,508,067
<i>"On-Segment" Financial Estimates</i>	
Total Projected Passengers	32,036
Projected Local Passengers	6,770
Projected Local Revenue Passenger Miles (RPMs)	2,795,988
Projected Local Average Yield:	\$0.375
Projected Connecting Passengers	25,266
Projected Connecting Revenue Passenger Miles:	10,435,004
Projected Connecting Average Yield:	\$0.159
TOTAL PROJECTED "ON-SEGMENT" REVENUES	\$ 2,707,661
Total Projected "On-Segment" Operating Expense:	\$ 2,508,067
Projected "On-Segment" Profit	\$ 199,594
<i>Projected System Revenue Contribution</i>	
"On-Segment" Traffic Revenue	\$ 2,707,661
Revenue Contribution To NW Network Beyond MEM	\$ 2,477,875
Total System Revenue Contribution	\$ 5,185,537
Minus 10% MEM Originating Seat Spill/Diversion	\$ (247,788)
Total Adjusted System Revenue Contribution	\$ 4,937,749
Projected Annual Available Seat Miles (ASMs)	18,857,646
Projected Revenue Passenger Miles From Local Traffic	2,795,988
Projected Revenue Passenger Miles From Connecting Traffic	10,435,004
Total Revenue Passenger Miles (RPMs)	13,230,992
Projected Load Factor	70.25

Albany, GA - Charlotte Traffic Forecast				
<i>Destination</i>	<i>Catchment Area Generation</i>	<i>Capture Rate</i>	<i>USAirways</i>	<i>Traffic</i>
New York	15,314	25%		3,829
Washington	12,115	30%		3,634
Chicago	7,254	25%		1,814
Cincinnati	6,717	20%		1,343
Philadelphia	5,691	50%		2,846
Raleigh	4,494	35%		1,573
Boston	3,761	25%		940
St. Louis	3,590	25%		898
Charlotte	7,381	85%		6,273
Baltimore	3,151	30%		945
Greensboro	3,078	35%		1,077
Milwaukee	2,931	25%		733
Kansas City	2,687	25%		672
Las Angeles	2,638	20%		528
Cleveland	2,589	25%		647
Denver	2,418	20%		484
Detroit	2,394	25%		598
Richmond	2,394	30%		718
Columbus	2,320	25%		580
Dayton	2,320	25%		580
Other				6,325
Total				37,037

Albany, GA - Charlotte Key Operating Data

ABY-CLT Mileage	316
Assumed Aircraft:	Dash 8-100
Passenger Seats:	37
Estimated Weekly Flights Scheduled:	28
Estimated Completion Factor:	98%
Estimated Weekly Flights Completed:	27.4
Projected Annual Flight Segments:	1,427
Projected Available Seat Miles (ASMs)	16,683,081
Projected Cost per Available Seat Mile (CASM)	\$0.137
Projected Annual "On-Segment" Operating Expense	\$ 2,285,582
 <i>"On-Segment" Financial Estimates</i>	
Total Projected Passengers	37,037
Projected Local Passengers	6,273
Projected Local Revenue Passenger Miles (RPMs)	1,982,421
Projected Local Average Yield	\$0.387
Projected Connecting Passengers	30,763
Projected Connecting Revenue Passenger Miles:	9,721,216
Projected Connecting Average Yield:	\$0.175
TOTAL PROJECTED "ON-SEGMENT" REVENUES	\$ 2,468,410
Total Projected "On-Segment" Operating Expense:	\$ 2,285,582
Projected "On-Segment" Profit	\$ 182,828
 <i>Projected System Revenue Contribution</i>	
"On-Segment" Traffic Revenue	\$ 2,468,410
Revenue Contribution To US Network Beyond CLT	\$ 2,633,934
Total System Revenue Contribution	\$ 5,102,344
Minus 10% CLT Originating Seat Spill/Diversion	\$ (263,393)
Total Adjusted System Revenue Contribution	\$ 4,838,950
Projected Annual Available Seat Miles (ASMs)	16,683,081
Projected Revenue Passenger Miles From Local Traffic	1,982,421
Projected Revenue Passenger Miles From Connecting Traffic	9,721,216
Total Revenue Passenger Miles (RPMs)	11,703,637
Projected Load Factor	70.2%

Albany, GA - Cincinnati Traffic Generation			
Destination	Catchment Area Generation	Capture Rate	Delta Traffic
New York	15,314	30%	4,594
Washington	12,115	20%	2,423
Chicago	7,254	35%	2,539
Cincinnati	16,062	85%	13,653
Philadelphia	5,691	25%	1,423
Boston	3,761	30%	1,128
St. Louis	3,590	30%	1,077
Baltimore	3,151	20%	630
Milwaukee	2,931	40%	1,172
Kansas City	2,687	30%	806
Cleveland	2,589	35%	906
Denver	2,418	20%	484
Detroit	2,394	35%	838
Richmond	2,394	15%	359
Columbus	2,320	35%	812
Dayton	2,320	40%	928
Norfolk	2,198	10%	220
Indianapolis	2,125	35%	744
Hartford	1,636	35%	573
San Francisco	1,588	15%	238
Louisville	1,563	30%	469
Seattle	1,465	25%	366
Minneapolis/St. Paul	1,319	35%	462
Others			10,500
Total			47,344

Albany, GA - Cincinnati Key Operating Data	
ABY-CVG Mileage	520
Assumed Aircraft:	Canadair RJ
Passenger Seats:	50
Estimated Weekly Flights Scheduled:	28
Estimated Completion Factor:	98%
Estimated Weekly Flights Completed:	27.4
Projected Annual Flight Segments:	1,427
Projected Available Seat Miles (ASMs)	37,098,880
Projected Cost per Available Seat Mile (CASM)	\$0.118
Projected Annual "On-Segment" Operating Expense	\$ 4,377,668
"On-Segment" Financial Estimates	
Total Projected Passengers	47,344
Projected Local Passengers	13,653
Projected Local Revenue Passenger Miles (RPMs)	7,099,418
Projected Local Average Yield:	\$0.335
Projected Connecting Passengers	33,691
Projected Connecting Revenue Passenger Miles:	17,519,554
Projected Connecting Average Yield:	\$0.125
TOTAL PROJECTED "ON-SEGMENT" REVENUES	\$ 4,568,249
Total Projected "On-Segment" Operating Expense:	\$ 4,377,668
Projected "On-Segment" Profit	\$ 190,581
Projected System Revenue Contribution	
"On-Segment" Traffic Revenue	\$ 4,568,249
Revenue Contribution To DL Network Beyond CVG	\$ 1,967,860
Total System Revenue Contribution	\$ 6,536,109
Minus 10%CVG Originating Seat Spill/Diversion	\$ (196,786)
Total Adjusted System Revenue Contribution	\$ 6,339,323
Projected Annual Available Seat Miles (ASMs)	37,098,880
Projected Revenue Passenger Miles From Local Traffic	7,099,418
Projected Revenue Passenger Miles From Connecting Traffic	17,519,554
Total Revenue Passenger Miles (RPMs)	24,618,972
Projected Load Factor	66.4%

Airport Financial Data

The following budgetary information is provided for fiscal years 2000, 2001 and current 02. The Southwest Georgia Regional Airport fiscal year runs July to June.

FY 2000

Personnel Service	\$646,374
O & M	\$1 75,618
Capital	\$1 03,539
FY00 Expenditures	\$925,531
Revenues	\$731 ,358
Passenger Facility Charges Collected	\$1 03,635
Federal Grant	\$236,736

FY 2001

Personal Service	\$654,899
O & M	\$156,084
Capital	\$71,343
FY01 Expenditures	\$882,326
Revenues	\$668,777
Passenger Facility Charges Collected	\$107,390
Federal Grant	\$226,172

FY 2002

Personal Services	\$720,068
O & M	\$134,003
Capital	\$216,915
FY 02 Expenditures to Date (4/1/02)	\$1,070,986
Revenues to Date (4/1/02)	\$375,040
PFC Collected to Date	\$68,946
Federal Grant	\$2,169,154