Order 2004-7-5
Served: July 9, 2004

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.

Issued by the Department of Transportation
on the **6th day of July, 2004**

Essential Air Service at **BROOKINGS, SOUTH DAKOTA** **HURON, SOUTH DAKOTA** **PIERRE, SOUTH DAKOTA** under 49 U.S.C. 41731 *et seq.*	**Dockets OST-1997-2785** **OST-2000-7138** **OST-2001-10128**

ORDER SELECTING CARRIERS AND SETTING SUBSIDY RATES

Summary
By this order, the Department is selecting Great Lakes Aviation, Ltd. (Great Lakes) to continue providing subsidized essential air service at Pierre, and Air Midwest to provide subsidized essential air service at Brookings and Huron, for a two-year period. Great Lakes' service at Pierre is to consist of 12 weekly nonstop round trips to Denver with 19-seat Beech 1900-D aircraft, at an annual subsidy of $449,912. Air Midwest's service at Brookings and Huron is to consist of 12 weekly flights routed Huron-Brookings-Omaha-Brookings-Huron, with 19-seat Beech 1900-D aircraft, at an annual subsidy of $2,078,727.[1]

Background
Great Lakes currently provides essential air service at all three communities. At Pierre, Great Lakes provides two nonstop round trips a day to Denver with Beech 1900-D aircraft at an annual subsidy of $318,861. (See Order 2002-3-32.) At Brookings and Huron, it provides two round trips a day to Minneapolis, also with 19-seat Beech 1900 aircraft, at an annual subsidy of $1,911,452. (See Order 2004-4-8.)

By Order 2004-4-8, issued April 6, 2004, the Department requested proposals from all carriers interested in providing essential air service at Brookings, Huron and Pierre, South Dakota. In response to that order, proposals were received from Great Lakes, Big Sky Transportation Company, d/b/a Big Sky Airlines (Big Sky), Mesa Air Group, Inc.,

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[1] See Appendix A for a map.

d/b/a Air Midwest (Air Midwest), and Westward Airways, Inc. (Westward). The proposals of each carrier are summarized below:

Great Lakes has submitted 11 service options. All of its proposals to serve Denver would be provided as a code-share partner of both United Air Lines and Frontier Airlines.

Option 1: Service to Pierre only consisting of 12 weekly nonstop round trips to Denver with 19-seat Beech 1900-D aircraft, for an annual subsidy of $449,912.

Option 2: Service to Pierre only consisting of 18 weekly nonstop round trips to Denver with 19-seat Beech 1900-D aircraft, for an annual subsidy of $737,003.

Option 3: Service to Pierre only consisting of 12 weekly nonstop round trips to Denver with 30-seat Brasilia aircraft, for an annual subsidy of $579,315.

Option 4: Service to Pierre only consisting of 18 weekly nonstop round trips to Denver with 30-seat Brasilia aircraft, for an annual subsidy of $891,004.

Option 5: Service to Pierre and Huron consisting of 12 weekly flights routed Huron-Pierre-Denver-Pierre-Huron, with 19-seat Beech 1900-D aircraft, for an annual subsidy of $1,043,822.

Option 6: Service to Pierre and Huron consisting of 18 weekly flights routed Huron-Pierre-Denver-Pierre-Huron, with 19-seat Beech 1900-D aircraft, for an annual subsidy of $1,363,452.

Option 7: Service to Pierre and Huron consisting of 12 weekly flights routed Huron-Pierre-Denver-Pierre-Huron, with 30-seat Brasilia aircraft, for an annual subsidy of $1,202,710.

Option 8: Service to Pierre and Huron consisting of 18 weekly flights routed Huron-Pierre-Denver-Pierre-Huron, with 30-seat Brasilia aircraft, for an annual subsidy of $1,701,944.

Option 9: Service to Huron and Brookings consisting of 12 weekly flights routed Huron-Brookings-Minneapolis-Brookings-Huron, with 19-seat Beech 1900-D aircraft, for an annual subsidy of $1,927,912.

Option 10: Service to Huron and Brookings consisting of 18 weekly flights routed Huron-Brookings-Minneapolis-Brookings-Huron, with 19-seat Beech 1900-D aircraft, for an annual subsidy of $2,508,790.

Option 11: Service to Brookings only consisting of 12 weekly nonstop round trips to Minneapolis with 19-seat Beech 1900-D aircraft, for an annual subsidy of $1,429,092.

Big Sky has submitted two service options. The carrier would operate all flights as Big Sky Airlines, and has code-share agreements in place with Alaska Airlines/Horzon, America West and Northwest. The carrier also maintains ticketing and baggage agreements with most major carriers serving Denver and Omaha and states that it will attempt to enter into a code-share agreement with Frontier.

Option 1: Service to Huron and Brookings consisting of 12 weekly flights routed Huron-Brookings-Omaha-Brookings-Huron, with 19-seat Metro III aircraft, for an annual subsidy of $1,762,385.

Option 2: Service to Pierre only consisting of 12 weekly nonstop round trips to Denver with 19-seat Metro III aircraft, for an annual subsidy of $582,965.

Air Midwest has submitted three service options. The carrier would operate all flights as Mesa Airlines. At Omaha and Denver, Mesa has existing interline/baggage agreements with all major carriers except Southwest. The carrier states that it anticipates reaching a marketing agreement with United Air Lines at Denver. All service would be operated with 19-seat Beech 1900 aircraft.

Option 1: Service to Pierre, Huron and Brookings. Pierre would receive 12 weekly nonstop round trips to Denver; Huron would receive 12 weekly one-stop (at Brookings) round trips to Omaha and one one-stop (at Pierre) round trip each weekday to Denver; Brookings would receive 12 weekly nonstop round trips to Omaha. Service would be provided with 19-seat Beech 1900 aircraft, for an annual subsidy of $3,045,899.

Option 2: Service to Pierre only consisting of 12 weekly nonstop round trips to Denver with 19-seat Beech 1900-D aircraft, for an annual subsidy of $657,695.

Option 3: Service to Brookings and Huron. Huron would receive 12 weekly one-stop (at Brookings) round trips to Omaha; Brookings would receive 12 weekly nonstop round trips to Omaha. Service would be provided with 19-seat Beech 1900-D aircraft, for an annual subsidy of $2,078,727.

Westward Airways has submitted one service option

Service to Brooking and Huron only. The carrier would operate three weekday and four weekend flights to Omaha (combination of nonstop and one-stop service) with nine-seat, single-engine, Pilatus aircraft.

Community Comments

The mayors of all three communities submitted comments on the carrier-selection decision.

The City of Pierre supports the selection of Great Lakes to continue providing essential air service at the community. In a letter dated June 2, the mayor states that, in order of priority, the City ranks Great Lakes' Option 8 first, Great Lakes' Option 2 second, and

Great Lakes' Option 3 third. The City prefers Great Lakes because of its code-share arrangements at Denver with both Frontier and United, and prefers the carrier's larger (Brasilia) aircraft because larger aircraft tend to bring communities lower fares. Since the City of Pierre may not generate enough traffic to support three flights with the larger aircraft, the mayor states that the best option is to share the service with Huron. According to the mayor, the combined effort will lower fares and attract those travelers that are currently driving to Rapid City or Sioux Falls to access lower fares.

The City of Huron, in a letter dated June 1, supports the selection of Air Midwest's Option 3 as the option most likely to "return us to the boardings numbers we have demonstrated in the past...." The letter states that service to Omaha "offers service not available to other communities in the area and therefore offers the greatest opportunity to capture the greatest number of passengers...." In rejecting Great Lakes' service options, the mayor states that Great Lakes' proposal is "a continuation of the status quo, which has led to record low boardings...."

The City of Brookings also supports the selection of Air Midwest's Option 3. In a letter dated June 8, the mayor states that the city is firm in its belief that that the service that would best serve Brookings (and Huron) is that of Option 3 offered by Air Midwest. Moving the hub destination to Omaha would "allow our citizens more value based options for travel, while also offering the same opportunities to those who wish to come to our city." The community has had only modest success with Great Lakes, and Big Sky and Westward Airways have aircraft that would diminish the quality of the service that the community currently enjoys.

Decision

After careful review of this matter, including the comments submitted by the mayors, we have decided to select Great Lakes' Option 1 for Pierre and Air Midwest's Option 3 for both Brooking and Huron. We will establish an annual subsidy of $449,912 for Great Lakes' service at Pierre for two years; and we will establish an annual subsidy of $2,078,727 for Air Midwest's service at Brookings and Huron for two years. We find that the subsidy amounts requested are reasonable for the service to be provided.

At Pierre, we base our decision on the fact that Great Lakes is the incumbent carrier, has the lowest-cost option to Denver, and is the community's preferred choice of carrier. Service to Denver offers superior access to the nation's air transportation system and Great Lakes' code-share agreements with United Air Lines and Frontier provide Pierre travelers with single connections to over a hundred destinations around the country. Great Lakes will be providing Pierre with 38 seats in each direction each service day to Denver, which, in combination with Pierre's service to Minneapolis, will be sufficient to accommodate the community's historical traffic. During the three-year period 2000-2002, Pierre averaged 27.0, 23.5 and 18.3 enplanements to Denver per day, respectively. In its proposal, Great Lakes is projecting 12,916 yearly passengers, or an average of 10.5 passengers per flight.

At Brookings and Huron, we have decided to select Air Midwest's Option 3. Our decision is based on the strong support from both communities. We first eliminated

Westward from consideration. Both communities are entitled to 15-seat or larger aircraft and aircraft with two or more engines. While communities may waive such entitlements, neither has done so in this case; in fact, each has strongly supported the 19-seat, twin-engine proposal of Air Midwest. Even though Westward's smaller aircraft may be better suited to the very low passenger levels at both Brookings and Huron than the larger, 19-seaters, absent community waivers, we are not able to select it.[2]

Neither community supports Great Lakes, nor would Great Lakes' option yield substantial cost savings. Big Sky's proposal, on the other hand, would yield a not insubstantial savings over Air Midwest. While we are reluctant to authorize additional annual subsidy, we want to offer the communities a full opportunity, working with the carrier of their choice, to demonstrate that they can generate significantly higher passenger levels. The communities have argued strongly that Air Midwest represents their best opportunity to rebuild traffic, and we will accordingly select Air Midwest's Option 3. We stress, however, that we are very concerned over the low passenger levels and expect both communities to work diligently with Air Midwest to improve traffic levels, which should also result in decreasing subsidy levels in future years. During the three years from 2000-2002, Brookings averaged 3.8, 2.9 and 2.8 enplanements per day respectively, and Huron averaged 9.3, 4.8 and 4.0 enplanements per day respectively.

Past-Period Rate

Finally, Great Lakes' current annual subsidy rate for Pierre of $318,861, expired October 31, 2003, and the carrier has been providing two nonstop round trips a day to Denver (three over the weekend period) since that time without being compensated. Therefore, we will make the rate we are selecting here for Great Lakes at Pierre effective retroactive to November 1, 2003, through June 30, 2006.

Carrier Transition

We expect Air Midwest and Great Lakes to coordinate the transition in essential air service responsibilities at Brookings and Huron; our staff is prepared to assist in that effort. In addition, we expect Great Lakes to contact all persons holding reservations for affected flights, inform them of the change in carrier, and assist them in arranging alternate transportation.

Carrier Fitness

49 U.S.C. 41737(b) and 41738 require that we find an air carrier fit, willing and able to provide reliable service before we may compensate it for essential air service. We last

[2] We do not want to discourage Westward from submitting essential air service proposals in the future, especially at communities that generate relatively low passenger levels. However, we would encourage Westward to work with communities upfront, as it is preparing its proposals, to see if they would be willing to accept the smaller aircraft, perhaps in exchange for additional frequencies.

found Air Midwest fit to provide scheduled passenger service as a certificated air carrier by Order 2004-5-20, when we selected it to provide essential air service at Lancaster, Pennsylvania. Also, we last found Great Lakes Aviation fit to provide scheduled passenger air service as a certificated air carrier by Order 2004-5-15, when we selected it to provide essential air service at five communities in Nebraska.

The Department has routinely monitored the carriers' continuing fitness. No information has come to our attention that would lead us to conclude that Air Midwest or Great Lakes do not continue to be fit. The Federal Aviation Administration states that it knows of no reason to question Air Midwest's or Great Lakes' fitness. We therefore conclude that Air Midwest and Great Lakes Aviation remain fit to conduct the operations proposed here.

This order is issued under authority delegated in 49 CFR 1.56a(f).

ACCORDINGLY,

1. The Department selects Mesa Air Group, Inc., d/b/a Air Midwest, to provide essential air service at Brookings and Huron, South Dakota, as described in Appendix B, for the period beginning on the date the carrier inaugurates service at the community, through the end of the 24th month thereafter;

2. The Department sets the final rate of compensation for Mesa Air Group, Inc., d/b/a Air Midwest, for the provision of essential air service Brookings and Huron, South Dakota, as described in Appendix B, for the period set forth in ordering paragraph (1), payable as follows: for each calendar month during which essential air service is provided, the amount of compensation shall be subject to the weekly ceiling set forth in Appendix B, and shall be determined by multiplying the subsidy-eligible arrivals and departures performed during the month by $876.73;[3]

3. The Department selects Great Lakes Aviation, Ltd., to provide essential air service at Pierre, South Dakota, as described in Appendix C, for the period beginning November 1, 2003, and ending June 30, 2006;

4. The Department sets the final rate of compensation for Great Lakes Aviation, Ltd., for the provision of essential air service Pierre, South Dakota, as described in Appendix C, for the period set forth in ordering paragraph (3), payable as follows: for each calendar month during which essential air service is provided, the amount of compensation shall be subject to the weekly ceiling set forth in Appendix C, and shall be determined by multiplying the subsidy-eligible arrivals and departures performed during the month by $366.68;[4]

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[3] See Appendix B for the calculation of this rate, which assumes the use of the aircraft designated. If the carrier reports a significant number of aircraft substitutions, revision of this rate may be required.

[4] See Appendix C for the calculation of this rate, which assumes the use of the aircraft designated. If the carrier reports a significant number of aircraft substitutions, revision of this rate may be required.

5. We direct Mesa Air Group, Inc., d/b/a Air Midwest, and Great Lakes Aviation, Ltd., to retain all books, records, and other source and summary documentation to support claims for payment, and to preserve and maintain such documentation in a manner that readily permits its audit and examination by representatives of the Department. Such documentation shall be retained for seven years or until the Department indicates that the records may be destroyed, whichever comes first. Copies of flight logs for aircraft sold or disposed of must be retained. The carriers may forfeit their compensation for any claim that is not supported under the terms of this order;

6. We find that Mesa Air Group, Inc., d/b/a Air Midwest, continues to be fit, willing and able to operate as a certificated air carrier and capable of providing reliable essential air service at Brookings and Huron, South Dakota;

7. We find that Great Lakes Aviation, Ltd., continues to be fit, willing and able to operate as a certificated air carrier and capable of providing reliable essential air service at Pierre, South Dakota;

8. Dockets OST-1997-2785, OST-2000-7138, and OST 2001-10128 shall remain open until further order of the Department; and

9. We will serve a copy of this order on the mayors and airport managers of Brookings, Huron and Pierre, South Dakota, the Governor of South Dakota, Mesa Air Group, Great Lakes Aviation, Big Sky Transportation Company, and Westward Airways.

By:

KARAN K. BHATIA
Assistant Secretary for Aviation
and International Affairs

(SEAL)

An electronic version of this document is available on the World Wide Web at http://dms.dot.gov [5]

[5] Click on "Simple Search" and enter "2785," "7138," or "10128" in the space provided for the docket number.

Appendix A

Area Map

AIR MIDWEST
ESSENTIAL AIR SERVICE TO BE PROVIDED AT
BROOKINGS AND HURON, SOUTH DAKOTA

Effective Period:	Date of inauguration of service through the end of the 24th month thereafter
Service:	12 flights each week routed HON-BLX-OMA-BLX-HON
Aircraft:	Beech 1900D (19 passenger seats)
Timing of Flights:	Flights must be well timed and well spaced to ensure full compensation.
Subsidy Rate:	Per year - $2,078,727
	Per arrival from or departure to Omaha - $876.73 [1]
Weekly Compensation Ceiling:	$42,083.04 [2]

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[1] Annual compensation of $2,078,727, divided by the number of arrivals and departures estimated to be performed annually (2,371), calculated by multiplying 48 arrivals and departures each week times 52 weeks, and multiplying further by 95 percent completion.

[2] The subsidy rate for each arrival/departure ($876.73) multiplied by the number of scheduled subsidy-eligible flights per week (48).

Note: The carrier understands that it may forfeit its compensation for any flights that it does not operate in conformance with the terms and stipulations of the rate order, including the service plan outlined in the order and any other significant elements of the required service, without prior approval. The carrier understands that an aircraft take-off and landing at its scheduled destination constitutes a completed flight; absent an explanation supporting subsidy eligibility for a flight that has not been completed, such as certain weather cancellations, only completed flights are considered eligible for subsidy. In addition, if the carrier does not schedule or operate its flights in full conformance with this order for a significant period, it may jeopardize its entire subsidy claim for the period in question. If the carrier contemplates any such changes beyond the scope of the order during the applicable period of these rates, it must first notify the Office of Aviation Analysis in writing and receive written approval from the Department to be assured of full compensation. Should circumstances warrant, the Department may locate and select a replacement carrier to provide service on these routes. The carrier must complete all flights that can be safely operated; flights that overfly points for lack of traffic will not be compensated. In determining whether subsidy payment for a deviating flight should be adjusted or disallowed, the Department will consider the extent to which the goals of the program are met and the extent of access to the national air transportation system provided to the community.

If the Department unilaterally, either partially or completely, terminates or reduces payments for service or changes service requirements at a specific location provided for under this order, then, at the end of the period for which the Department does make payments in the agreed amounts or at the agreed service levels, the carrier may cease to provide service to that specific location without regard to any requirement for notice of such cessation. Those adjustments in the levels of subsidy and/or service that are mutually agreed to in writing by the parities to the agreement do not constitute a total or partial reduction or cessation of payment.

Subsidy contracts are subject to, and incorporate by reference, relevant statutes and Department regulations, as they may be amended from time to time. However, any such statutes, regulations, or amendments thereto shall not operate to controvert the foregoing paragraph.

GREAT LAKES AVIATION
ESSENTIAL AIR SERVICE TO BE PROVIDED AT
PIERRE, SOUTH DAKOTA

Effective Period:	November 1, 2003, through June 30, 2006
Service:	12 nonstop round trips each week between Pierre and Denver
Aircraft:	Beech 1900D (19 passenger seats)
Timing of Flights:	Flights must be well timed and well spaced to ensure full compensation.
Subsidy Rate:	Per year - $449,912
	Per arrival from or departure to Denver - $366.68 [1]
Weekly Compensation Ceiling:	$8,800.32 [2]

[1] Annual compensation of $449,912, divided by the number of arrivals and departures estimated to be performed annually (1,227), calculated by multiplying 4 arrivals and departures each service day times 313 days, and multiplying further by 98 percent completion.

[2] The subsidy rate for each arrival/departure ($366.68) multiplied by the number of scheduled subsidy-eligible flights per week (24).

Note: The carrier understands that it may forfeit its compensation for any flights that it does not operate in conformance with the terms and stipulations of the rate order, including the service plan outlined in the order and any other significant elements of the required service, without prior approval. The carrier understands that an aircraft take-off and landing at its scheduled destination constitutes a completed flight; absent an explanation supporting subsidy eligibility for a flight that has not been completed, such as certain weather cancellations, only completed flights are considered eligible for subsidy. In addition, if the carrier does not schedule or operate its flights in full conformance with this order for a significant period, it may jeopardize its entire subsidy claim for the period in question. If the carrier contemplates any such changes beyond the scope of the order during the applicable period of these rates, it must first notify the Office of Aviation Analysis in writing and receive written approval from the Department to be assured of full compensation. Should circumstances warrant, the Department may locate and select a replacement carrier to provide service on these routes. The carrier must complete all flights that can be safely operated; flights that overfly points for lack of traffic will not be compensated. In determining whether subsidy payment for a deviating flight should be adjusted or disallowed, the Department will consider the extent to which the goals of the program are met and the extent of access to the national air transportation system provided to the community.

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Subsidy contracts are subject to, and incorporate by reference, relevant statutes and Department regulations, as they may be amended from time to time. However, any such statutes, regulations, or amendments thereto shall not operate to controvert the foregoing paragraph.

Mesa Air Group, Inc.

Subsidy Calculation for:
Brookings and Huron to Omaha, NE
Operated By Air Midwest, Inc. (a wholly-owned subsidiary)
2 Non stop trips BKX-OMA / 2 One stop trips HON-OMA

			Explanation	
Aircraft		Beech 1900D		
Completed Departures		2,865	See Exhibit 2	
Block Hours per Flight		0.79		
Total Block Hours		2,261	See Exhibit 2	
Average Seats per Departure		19		
Round Trip Mileage		286		
Average Mileage per Trip		143	See Exhibit 2	
Passengers per Trip		2.5		
Total Passengers		7,150	See Exhibit 2	
ASM's		7,779,117	See Exhibit 2	
RPMs		1,519,800	See Exhibit 2	
Load Factor		19.5%		
Average Fare	$	86.45	See Exhibit 2	
Revenues				
Passenger Revenue		$618,105	See Exhibit 2	
Other Revenue		6,181	1% of Passenger Revenue	
Total Revenue		$624,286		
Direct Expenses			See Exhibit 5:	Rates
Crew & Training		$291,540	Cost per BH =	$128.95
Hull Insurance		$15,668	Cost per BH =	$6.93
Fuel & Oil		$368,975	Cost per BH =	$163.20
Maintenance		$770,958	Cost per BH =	$341.00
Aircraft Rent		$183,600	Cost per Month =	$15,300.00
Total Direct Expenses		$1,630,740		
Indirect Expenses			See Exhibit 5:	
Traffic (RPM) Related		$99,091	Cost per RPM =	$0.065
Marketing		$10,000	EAS Allocation/City =	$5,000
Capacity (departure) Related		$582,180	Cost per Departure =	$203
Capacity (ASM) Related		$175,030	Cost per ASM =	0.0225
Total Indirect Expenses		$866,301		
Total Operating Expenses		$2,497,041		
Return		124,852	5% of Total Operating Expenses including Marketing Expenses	
Operating Profit (Loss)		($1,997,607)		
Interest Expense	$	81,120	Cost per BH =	$35.880
Compensation Required		$2,078,727		
Subsidy per Departure	$	725.51		
Subsidy per Passenger	$	290.73		

MESA AIR GROUP, INC.

Proposed Schedule
Brookings and Huron to Omaha, NE

Beech 1900D - 19-Seat Aircraft

BKX, HON tentative schedule

Flt. #	ORG-DEST	DEP	ARV	BLK TIME	FREQ	EQUIP	M-F Miles	Sa Miles	Su Miles	M-F Hours	Sa Hours	Su Hours	M-F	SA	SU
914	HON-BKX	600	627	0.450	123456	B19	70	70		0.450	0.450		1	1	
914	BKX-OMA	640	745	1.083	123456	B19	212	212		1.083	1.083		1	1	
914	OMA-MCI	800	855	0.917	12345__	B19	152			0.917			1		
915	MCI-OMA	1130	1225	0.917	12345__	B19	152			0.917			1		
915	OMA-BKX	1240	1345	1.083	123456	B19	212	212		1.083	1.083		1	1	
915	BKX-HON	1400	1426	0.433	123456	B19	70	70		0.433	0.433		1	1	
916	HON-BKX	1610	1637	0.450	12345_7	B19	70		70	0.450		0.450	1		1
916	BKX-OMA	1650	1755	1.083	12345_7	B19	212		212	1.083		1.083	1		1
917	OMA-BKX	1830	1935	1.083	12345_7	B19	212		212	1.083		1.083	1		1
917	BKX-HON	1949	2015	0.433	12345_7	B19	70		70	0.433		0.433	1		1
						Plane Miles	1,432	564	564						
						ASMs	27208	10716	10716	7.93	3.05	3.05	10	4	4

Mileage Calculation

Weekly ASMs	157,472
Annual ASMs	8,188,544
Ann. Completed ASMs	7,779,117
Weekly Plane Miles	8,288

Block Hour Calculation

Weekly Block	45.766667
Annual Block	2,380
Ann. Completed Block	2,261

Trip Calculation

Weekly Trips	58
Annual Trips	3,016
Annual Completed Trips	2,865

RPM Calculations

	PAX	AVG	REV	Ilin Mileage	RPMs
BKX-OMA	1,800	$ 80.00	$144,000	212	381,600
HON-OMA	2,500	$ 95.25	$238,125	282	705,000
OMA-MCI	2,850	$ 82.80	$235,980	152	433,200
Totals	7,150		618,105		1,519,800
		Average Fare	86.44825175		

Average Stage Length	143
Annual Completion	95%
Load Factor %	20%
RPM's	1,519,800

Omaha, NE

TO Brookings, SD [BKX]

DEP	ARR	FLT#	STOPS	FREQ	EQUIP
1240	1345	915	0	X7	BE1
1830	1935	917	0	X6	BE1

FROM Brookings, SD [BKX]

DEP	ARR	FLT#	STOPS	FREQ	EQUIP
640	745	914	0	X7	BE1
1650	1755	916	0	X6	BE1

TO Huron, SD [HON]

DEP	ARR	FLT#	STOPS	FREQ	EQUIP
1240	1425	915	1	X7	BE1
1830	2015	917	1	X6	BE1

FROM Huron, SD [HON]

DEP	ARR	FLT#	STOPS	FREQ	EQUIP
600	745	914	1	X7	BE1
1610	1755	916	1	X6	BE1

TO Kansas City, MO [MCI]

DEP	ARR	FLT#	STOPS	FREQ	EQUIP
800	855	914	0	X67	BE1

FROM Kansas City, MO [MCI]

DEP	ARR	FLT#	STOPS	FREQ	EQUIP
1130	1225	915	0	X67	BE1

Great Lakes Aviation, Ltd.

Annual Compensation Requirements for Essential Air Service at

Pierre, South Dakota

Appendix E

2004 Forecast - Two Round Trips - B1900

(at 98 percent completion)

Departures:						1,227
Block Hours:						1,932
Revenue Passenger Miles:						4,972,660
Available Seat Miles:						8,975,212
Operating Revenues:						
Passenger:	PIR-DEN	12,916	psgrs at	$119.99	$1,549,727	
Other:	(at 0.62% of passenger revenue)				$9,608	
Total Operating Revenues:						$1,559,336
Operating Expenses:						
Direct:	Aircraft and Hull Insurance				$274,228	
	Fuel and Oil				$379,516	
	Flying Operations				$287,965	
	Maintenance				$322,007	
Total Direct Expenses:						$1,263,716
Total Indirect Expenses:						$649,853
Total Operating Expenses:						$1,913,569
Operating Loss						($354,233)
Profit Element (5.0% of Total Operating Expenses)						$95,678
Annual Compensation Requirement:						**$449,912**

Representative Schedule

Flt #	Freq	Flow	Schedule	Time	Equip
5126	123456	PIR-DEN	0715-0750	95	BE1
5127	12345	DEN-PIR	1245-1518	93	BE1
5128	12345 7	PIR-DEN	1533-1610	97	BE1
5129	1234567	DEN-PIR	1850-2123	93	BE1