

DEPT. OF TRANSPORTATIO
DOCKET SECTION
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BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

Proposal of
GREAT LAKES AVIATION, LTD.
to provide Essential Air Service
at Worland, Wyoming

Docket OST-97-2981-7

PROPOSAL OF GREAT LAKES AVIATION, LTD.
TO PROVIDE ESSENTIAL AIR SERVICE
AT WORLAND, WYOMING

In response to U.S. Department of Transportation order 97-12-8 in which the Department requested proposals from air carriers interested in providing essential air service at Alamosa, North Platte, Scottsbluff, Laramie, Riverton/Lander, Rock Springs and Worland, Great Lakes Aviation, Ltd. submits the following.

1. Identification of carrier.

Great Lakes Aviation, Ltd.
1965 330th Street
Spencer, IA 51301

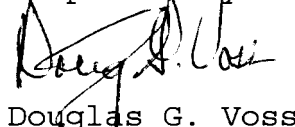
Communications with respect to this document should be directed to:

Douglas G. Voss
President and Chief Executive Officer
Great Lakes Aviation, Ltd.
1965 330th Street
Spencer, IA 51301

Telephone: 712-262-1000
FAX: 712-262-1001

2. Great Lakes Aviation currently provides subsidized essential air service between Denver, CO and a number of communities in Nebraska, Colorado, Kansas and North Dakota.
3. These flights are operated as United Express service under a comprehensive marketing agreement with United Airlines.
4. If selected to provide service in the markets covered in Order 97-12-8, Great Lakes Aviation proposes to operate flights at these communities as United Express and will request approval from United Airlines accordingly.
5. The schedule exhibits contained therein are constructed for the purpose of calculating revenues and expenses and, in actual practice, may vary some in consideration of maximizing connecting opportunities with other airlines at Denver as well as other operational factors. In some cases weekend service may exceed the levels shown.

Respectfully Submitted,



Douglas G. Voss
President and Chief Executive Officer

Spencer, Iowa
December 24, 1997

Great Lakes Aviation, Ltd.

EAS for : Rivet-ton (RIW) & Worland (WRL), WY

Selected Hub:	Denver (DEN), CO	RIW 3 Weekday RT	Available Seats	19
Selected Aircraft:	Beech 1900	WRL 2 Weekday RT		

Frequency	City	Schedule	Block Time	Miles	ASM's
12345	Worland	530			
	Riverton	600	30	67	1273
	Riverton	610			
	Denver	735	85	294	5586
	Denver	815			
	Rivet-ton	940	85	294	5586
	Riverton	1000			
12345	Denver	1125	85	294	5586
	Denver	1200			
	Riverton	1325	85	294	5586
	Riverton	1335			
	Worland	1405	30	67	1273
12345	Worland	1425			
	Riverton	1455	30	67	1273
	Rivet-ton	1505			
	Denver	1630	85	294	5586
	Denver	2030			
	Riverton	2155	85	294	5586
	Rivet-ton	2205			
	Worland	2235	30	67	1273
	Worland	730			
	Riverton	800	30	67	1273
6	Rivet-ton	810			
	Denver	935	85	294	5586
	Denver	1530			
	Riverton	1655	85	294	5586
	Riverton	1705			
	Worland	1735	30	67	1273
	Worland	1155			
	Riverton	1225	30	67	1273
7	Riverton	1235			
	Denver	1400	85	294	5586
	Denver	1520			
	Riverton	1645	85	294	5586
7	Riverton	1705			
	Denver	1830	85	294	5586
	Denver	2030			
	Rivet-ton	2155	85	294	5586
	Riverton	2205			
	Worland	2235	30	67	1273

Hours per Year	3,287	Annual ASMs	12,084,304
Completion Factor	98.00%		
Annual Block Hours	3,221	Net Annual ASMs	11842,618
Subsidy Eligible Arv/Dpts	3,067	(98% Completion)	
Total Cycles	3,067	(98% Completion)	

EAS for : **Riverton (RIW) & Worland (WRL), WY**

Revenue Projection for proposed schedule

City Pair	Distance	Yield	Average Fare	Passengers	Revenue	RPMs
WRL-DEN	361	0.291	\$105.00	5000	\$525,000.00	1,805,000
RIW-DEN	294	0.323	\$95.00	19000	\$1,805,000.00	5,586,000
Totals				24000	\$2,330,000.00	7,391,000
Freight Revenue				1.00% of Pax Rev	\$23,300.00	
Grand Total Revenue					\$2,353,300.00	
Average yield					\$0.3184	

Direct Expense:

			Hours	Rate	Expense	
Aircraft Lease	100.00%	\$33,000	3,221		396,000	
Hull Insurance	100.00%	\$4,100,000	A/C Value	Rate 1000	0.006695	27,451
Flying Operations	Equivalent	\$82.43	3,221	\$0.0224175 ASM	265,482	
Fuel & Oil	Hourly	\$102.54	3,221	\$60.57 DPT / \$0.0122 ASM	330,248	
Maintenance	Rate	\$92.36	3,221	\$50.65 DPT / \$0.0120 ASM	<u>297,455</u>	
Total Direct Expense					<u>\$1,316,636</u>	

Indirect Expense:

	Units	Rate	Expense	
RIW Facility Lease	12	\$700.00 Month	8,400	
RIW Landing Fee	1	\$600.00 Month	7,200	
RIW Local Advertising	1	\$5,000.00	5,000	
Station Manager		\$22,600.00 Year	22,600	
Station Agent		\$17,300.00 Year (3 Agents)	51,900	
WRL Facility Lease	12	\$700.00 Month	8,400	
WRL Landing Fee	12	\$600.00 Month	7,200	
WRL Local Advertising	1	\$5,000.00	5,000	
Station Manager		\$22,600.00 Year	22,600	
Station Agent		\$17,300.00 Year (3 Agents)	51,900	
DEN Ground Handling and Facility Fee				
DEN Landing Fee				
DEN Airport Baggage System Fee	TOTALS	920	\$203.74 Turn	187,441
DEN Airport Terminal Transit System Fee	24000	\$1.31 Passenger	31,440	
DEN United Baggage System Fee	24000	\$4.25 Passenger	102,000	
Liability Insurance	7,391,000 RPM's @	0.00429 per RPM	31,685	
Marketing	24,000	\$1.54 per passenger	36,960	
Communications	24,000	\$1.15 per passenger	27,600	
Reservations	24,000	\$7.44 per passenger	178,560	
Supplies	24,000	\$1.91 per passenger	45,840	
Commissions	\$2,353,300.00	7.50% of Revenue	176,498	
Training Expense	\$1,316,635.51 @	2.57% of directs	33,838	
Administrative	\$1,316,635.51 @	6.00% of directs	<u>78,998</u>	
Total Indirect Expense				<u>\$1,121,059</u>

Great Lakes Aviation, Ltd.

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EAS for : **Riverton (RIW) & Worland (WRL), WY**

Operating Revenue's **\$2,353,300.00**

Operating Expense:

Direct **\$1,316,635.51**

Indirect **\$1,121,059.18**

Total Operating Expenses \$2,437,694.69

Operating Loss **\$84,394.69**

Profit Element 5.00% **\$121,885**

Compensation Requirement \$206,279

Grand Total Revenue Required **\$2,559,579.42**

Subsidy per Passenger **\$8.59**

Subsidy per Eligible Departure **\$67.26**

Load Factor **62.41%**

Breakeven Load Factor **64.65%**

Great Lakes Aviation, Ltd.

EAS for : Riverton (RIW) & Worland (WRL), WY

Selected Hub: Denver (DEN), CO **RIW 4 Weekday RT**
 Selected Aircraft: Beech 1990 **WRL 3 Weekday RT** Available Seats **19**

Frequency	City	Schedule	Block	Time	Miles	ASM's
12345	Wodand	530				
	Riverton	600	30		67	1273
	Riverton	610				
	Denver	735	85		294	5586
	Denver	815				
	Riverton	940	85		294	5586
12345	Riverton	1000				
	Denver	1125	85		294	5586
	Denver	1200				
	Riverton	1325	85		294	5586
12345	Riverton	1335				
	Wodand	1405	30		67	1273
	Wodand	1425				
	Riverton	1455	30		67	1273
12345	Riverton	1505				
	Denver	1630	85		294	5586
	Denver	1520				
	Riverton	1645	85		294	5586
12345	Riverton	1705				
	Denver	1830	85		294	5586
	Denver	2030				
	Riverton	2155	85		294	5586
6	Riverton	2205				
	Wodand	2235	30		67	1273
	Wodand	730				
	Riverton	800	30		67	1273
6	Riverton	810				
	Denver	935	85		294	5586
	Denver	1520				
	Riverton	1645	85		294	5586
6	Riverton	1705				
	Denver	1830	85		294	5586
	Denver	1530				
	Riverton	1655	85		294	5586
7	Riverton	1705				
	Wodand	1735	30		67	1273
	Wodand	1155				
	Riverton	1225	30		67	1273
7	Riverton	1235				
	Denver	1400	85		294	5586
	Denver	1520				
	Riverton	1645	85		294	5586
7	Riverton	1705				
	Denver	1830	85		294	5586
	Denver	2030				
	Riverton	2155	85		294	5586
7	River-ton	2205				
	Wodand	2235	30		67	1273

Hours per Year	4,173	Annual ASMs	15,581,140
Completion Factor	98.00%		
Annual Block Hours	4,090	Net Annual ASMs	15,269,517
Subsidy Eligible Arv/Dpts	3,681 (98% Completion)		
Total Cycles	3,681 (98% Completion)		

Great Lakes Aviation, Ltd.

EAS for : Riverton (RIW) & Woriand (WRL), WY

Revenue Projection for proposed schedule

City Pair	Distance	Yield	Average Fare	Passengers	Revenue	RPMs
WRL-DEN	361	0.291	\$105.00	5000	\$525,000.00	1,805,000
RIW-DEN	294	0.323	\$95.00	25000	\$2,375,000.00	7,350,000
Totals				30000	\$2,900,000.00	9,155,000
Freight Revenue		1.00% of Pax Rev		\$29,000.00		
Grand Total Revenue					\$2,929,000.00	
Average yield					\$0.3199	

Direct Expense:

			Hours	Rate	Expense	
Aircraft Lease	125.00%	\$33,000	4,090		495,000	
Hull Insurance	125.00%	\$4,100,000	A/C Value	Rate / 1000	0.006695	42,891
Flying Operations	Equivalent	\$83.70	4,090	\$0.0224178 ASM	342,304	
Fuel & Oil	Hourly	\$100.06	4,090	\$60.57 DPT / \$0.0122 ASM	409,246	
Maintenance	Rate	\$90.39	4,090	\$50.65 DPT / \$0.0120 ASM	369,677	
Total Direct Expense					\$1,659,119	

Indirect Expense:

	Units	Rate	Expense	
RIW Facility Lease	12	\$700.00 Month	6,400	
RIW Landing Fee	12	\$600.00 Month	7,200	
RIW Local Advertising	1	\$5,000.00	5,000	
Station Manager		\$22,600.00 Year	22,600	
Station Agent		\$17,300.00 Year (3 Agents)	51,900	
WRL Facility Lease	12	\$700.00 Month	6,400	
WRL Landing Fee	12	\$600.00 Month	7,200	
WRL Local Advertising	1	\$5,000.00	5,000	
Station Manager		\$22,600.00 Year	22,600	
Station Agent		\$17,300.00 Year (3 Agents)	51,900	
DEN Ground Handling and Facility Fee				
DEN Landing Fee				
DEN Airport Baggage System Fee	TOTALS	1227	\$203.74 Turn	249,989
DEN Airport Terminal Transit System Fee		30000	\$1.31 Passenger	39,300
DEN United Baggage System Fee		30000	\$4.25 Passenger	127,500
Liability Insurance	9,155,000 RPM's @	0.00429 per RPM	39,247	
Marketing	30,000	\$1.54 per passenger	46,200	
Communications	30,000	\$1.15 per passenger	34,500	
Reservations	30,000	\$7.44 per passenger	223,200	
Supplies	30,000	\$1.91 per passenger	57,300	
Commissions	\$2,929,000.00	7.50% of Revenue	219,675	
Training Expense	\$1,659,118.99 @	2.57% of directs	42,639	
Administrative	\$1,659,118.99 @	6.00% of directs	99,547	
Total Indirect Expense			\$1,369,298	

Great Lakes Aviation, Ltd.

EAS for : **Riverton (RIW) & Worland (WRL), WY**

Operating Revenue's **\$2,929,000.00**

Operating Expense:

Direct **\$1,659,118.99**

Indirect **\$1,369,297.96**

Total Operating Expenses \$3,028,416.95

Operating Loss **\$99,416.95**

Profit Element **5.00% \$151,421**

Compensation Requirement \$250,838

Grand Total Revenue Required **\$3,179,837.80**

Subsidy per Passenger **\$8.36**

Subsidy per Eligible Departure **\$68.14**

Load Factor **59.96%**

Breakeven Load Factor **61.99%**