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Order 2002-5-22  
Served: May 30, 2002



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

Issued by the Department of Transportation  
on the **24th day of May, 2002**

Essential Air Service at

**North Platte, Nebraska  
Norfolk, Nebraska**

under 49 U.S.C. 41731 *et seq.*

Docket OST-1999-5173  
Docket OST-1998-3704 - 12

**ORDER TENTATIVELY RESELECTING CARRIER**

**Summary**

By this order we are, a) tentatively reselecting Great Lakes Aviation, Ltd. (Great Lakes) to provide subsidized essential air service (EAS) at North Platte and Norfolk, Nebraska, for the period from December 1, 2001, through November 30, 2003; b) setting final subsidy rates for the carrier's continued service at both communities, retroactive to October 1, 2001; c) requesting proposals from air carriers interested in providing EAS at Norfolk; and d) extending the date that proposals are due from air carriers interested in providing EAS at North Platte to coincide with the proposal due-date in this order - 20 days from the service date.<sup>1</sup>

**Background**

Great Lakes was last selected to provide subsidized service to North Platte by Order 2000-1-1, and the annual rate expired on September 30, 2001. By Order 2001-11-14, November 28, 2001, Great Lakes' annual rate at North Platte was extended as an interim rate, subject to retroactive adjustment, until further action by the Department. At Norfolk, Great Lakes was last selected to provide subsidized EAS by Order 2001-7-18 and that contract expired on November 30, 2001.

While Great Lakes has served both communities for a number of years, they have not traditionally been served together over the same itinerary, and that is why the contracts were on different time cycles. A map is attached as Appendix A.

<sup>1</sup> We have already requested proposals for services at North Platte by Order 2002-3-5, served March 12, 2002.

Also, as mentioned in footnote 1, we recently issued Order 2002-3-5, March 12, 2002, soliciting proposals from carriers interested in providing EAS at North Platte. Since carriers may be interested in submitting proposals to serve both communities over the same itinerary, we are extending the date that proposals are due under that order to coincide with the proposal due-date in this order – 20 days from the service date.

Under our normal procedures when nearing the end of a subsidy rate term, we contact the incumbent carrier to determine whether it is interested in continuing service and whether it will continue to require subsidy. We would usually negotiate a new subsidy rate with the carrier, issue an order tentatively reselecting it for a new rate term at the agreed-to rate, and direct other parties to show cause why we should not finalize our tentative decision. Other carriers wishing to submit competing proposals are then invited to do so in response to the show-cause order; if any such proposals are filed, we process them as a competitive case. However, the terrorist attacks of September 11 changed the aviation industry and our standard procedures in many ways. In the case of carriers that provide subsidized EAS, they are paid on a pre-agreed, fixed rate per flight. Since September 11, carriers' expenses are significantly higher and revenues are down, meaning that the carriers have incurred substantial losses to the point of jeopardizing service to small, rural communities across the country. As a result, the Department issued Order 2002-2-13, February 15, 2002, authorizing emergency subsidy to carriers, effective retroactive to October 1, 2001, through the end of the normal contract period.<sup>2</sup> That order granted immediate rate relief to carriers in order to get them much-needed cash as soon as possible, and also stated our intention of renegotiating all essential air service contracts, retroactive to October 1. In response to that order, Great Lakes submitted proposals for North Platte and Norfolk based on their post-September 11 operating results.

### **Decision**

After reviewing Great Lakes' proposals, the carrier and staff have agreed on subsidy rates for the carrier to continue to provide North Platte with three nonstop round trips a day to Denver, and to provide Norfolk with two nonstop or one-stop round trips a day, also to Denver. The subsidy rates are based on flights serving Norfolk and North Platte on the same routing using 19-seat Beech 1900D aircraft. As appears to be common in the industry, Great Lakes suffered its worst losses immediately following the September 11 attacks, and passenger traffic and revenue appear to be slowly rebounding. Thus, we have agreed to a two-tiered rate for Great Lakes: the first from October 1, 2001, through May 31, 2002, at a combined annual subsidy rate of \$1,987,318, and the second at a combined annual rate of \$1,502,746 for the period from June 1, 2002, through November 30, 2003. The dramatic increase in subsidy is driven principally by two factors, both directly related to the September 11 attacks. Particularly in the case of North Platte, the prior subsidy rate of \$106,006 contemplated more than \$2 million in passenger revenues – revenues that were significantly impacted after September 11. Specifically, there were \$1,680,000 of North Platte-Denver passenger revenues forecast in each year of the old North Platte contact. However, in the six months after September 11, Great Lakes actually generated only \$476,227 in passenger revenue at North Platte, or \$952,453 annualized – a shortfall of more that \$700,000 annually. The revenue forecast is projected to increase to \$1,386,000 per year for the final eighteen months of the contract as we expect traffic to rebound. Forecast Norfolk revenues are down as well, but with a smaller passenger base, the impact is not as great. To demonstrate the leveraged effect that a revenue reduction can have on the subsidy rate, a modest 5% decrease in revenues in this case,

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<sup>2</sup> See Order 2002-2-13 for a full discussion.

for example, increases subsidy 100%. Assuming initial subsidy of \$100,000, a 5% reduction in forecast revenue of \$2 million, also \$100,000, causes subsidy to double from \$100,000 to \$200,000. Likewise, a 30% revenue reduction (\$600,000) would cause the subsidy rate to go up seven fold (\$100,000 to \$700,000), before taking into account the increases in such airline operating costs as security and insurance. Taking all these factors into consideration, the proposed rates appear reasonable for the service at issue and the carrier's performance continues to be satisfactory.

### **Responses to Tentative Decision**

As usual, we will allow interested parties 20 days from the date of service of this order to file objections or competing proposals in this case. If no timely objections or competing proposals are filed, this order will automatically become final. We expect persons objecting to our tentative decision to support their objections with relevant and material facts. We will not entertain general, vague or unsupported objections.

### **Essential Air Service At Norfolk<sup>3</sup>**

Norfolk's EAS determination, last set by Civil Aeronautics Board Order 84-5-103, requires a minimum of two weekday round trips and two round trips each weekend period to Omaha on a one-stop or nonstop basis. Great Lakes currently serves Norfolk on a one-stop basis over a North Platte to Denver routing. While the number of passengers using the local airport declined from 1993 through 1997, passenger traffic grew from 1998 through 2000. Traffic data for 2001, which are currently available for only the first three quarters, is down significantly from recent years. Appendix B provides historical passenger traffic.

### **Request for Proposals**

Carriers interested in filing competing proposals, with or without subsidy requests, should file them within the 20-day period set for objections. At the end of that period, our staff will docket any competing proposals, thereby making them public, and direct each carrier to serve a copy of its proposal on the civic parties and other applicants. Each applicant, including the incumbent, will then have an opportunity to finalize its proposal in rate discussions with Department staff before we seek final community comments. We will give full consideration to all proposals that are filed in a timely manner. In addition to the defined hub of Omaha, we will also entertain proposals to serve other hubs, such as Denver or Minneapolis, that provide access to the National air transportation system in order to give the Department and the communities as broad an array of proposals as possible from which to choose. Of course, as always, we will formally solicit the communities' views on any service options we receive before making a long-term carrier selection decision.

### **Procedures for Filing Competitive Proposals**

For interested carriers unfamiliar with our procedures and recommended form for supplying the necessary information, we have prepared two explanatory documents that we will make available upon request. The first describes the process for handling carrier replacement cases under 49 U.S.C. 41734(f), and discusses in detail the process of requesting proposals, conducting reviews of applicants, and selecting a replacement carrier. The second is an evidence request containing an explanatory statement, a copy of Part 204 of our

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<sup>3</sup> North Platte's EAS Determination, discussed in Order 2002-3-5, requires at least two round trips each weekday and weekend to Denver or Omaha providing a total of 67 seats each service day with 15-seat or larger aircraft.

regulations (14 CFR 204), and schedules setting forth our recommended form for submitting data required for calculating compensation and determining the financial and operational ability of applicants to provide reliable service. (Section 204.4 describes the fitness information required of all applicants for authority to provide essential air service.) Applicant carriers that have already submitted this information in another case need only resubmit it if a substantial change has occurred. However, if there are more recent data or if there have been any changes to the information on file, carriers should provide updates of those information elements. Interested carriers that need to obtain copies of these documents may contact the Office of Aviation Analysis at (202) 366-1053.

### **Other Carrier Requirements**

The Department is responsible for implementing various Federal statutes governing lobbying activities, drug-free workplaces, and nondiscrimination.<sup>4</sup> Consequently, all carriers receiving Federal subsidy for essential air service must certify that they are in compliance with Department regulations regarding drug-free workplaces and nondiscrimination, and those carriers whose subsidies exceed \$100,000 over the life of the rate term must also certify that they are in compliance with the regulations governing lobbying activities. All carriers that plan to submit proposals involving subsidy should submit the required certifications along with their proposals. Interested carriers requiring more detailed information regarding these requirements as well as copies of the certifications should contact the Office of Aviation Analysis at (202) 366-1053. The Department is prohibited from paying subsidy to carriers that do not submit these documents.

### **Community and State Comments**

If we receive competing proposals, the community and state are welcome to submit comments on the proposals at any time. Early in the proceeding, comments on the proposals' strengths and weaknesses would be particularly helpful, and the civic parties may also express a preference for a particular carrier, if they choose. In any event, after conducting rate conferences with all applicants, we will provide a summary of the conference results to the civic parties and ask them to file their final comments.<sup>5</sup>

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

### **ACCORDINGLY,**

1. The Department tentatively reselects Great Lakes Aviation, Ltd., to continue to provide essential air service at North Platte and Norfolk, Nebraska, and sets the final subsidy rates for

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<sup>4</sup> The regulations applicable to these areas are: (1) 49 CFR Part 20 – New restrictions on lobbying; (2) 49 CFR Part 21 – Nondiscrimination in federally-assisted programs of the Department of Transportation – Effectuation of title VI of the Civil Rights Act of 1964; 49 CFR Part 27 – Nondiscrimination on the basis of disability in programs and activities receiving or benefiting from Federal financial assistance; and 14 CFR Part 382 - Nondiscrimination on the basis of disability in air travel; and (3) 49 CFR Part 29 – Government-wide debarment and suspension (non-procurement) and government-wide requirements for drug-free workplace (grants).

<sup>5</sup> In cases where a carrier proposes to provide service without subsidy and we determine that service can be reliably provided without such compensation, we do not normally hold rate conferences. Instead, we rely on the carrier's subsidy-free service as proposed.

Great Lakes Aviation, Ltd., for the provision of essential air service at North Platte and Norfolk as described in Appendix C for the period from October 1, 2001, through May 30, 2002, to be 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 and shall be determined by multiplying the subsidy-eligible flights completed during the month to Denver by \$668.23; <sup>6</sup>

2. The Department tentatively sets the final subsidy rate for Great Lakes Aviation, Ltd., for the provision of essential air service at North Platte and Norfolk, Nebraska, as described in Appendix D for the period from June 1, 2002, until November 30, 2003, to be 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 and shall be determined by multiplying the subsidy-eligible flights completed during the month to Denver by \$505.29; <sup>7</sup>

3. These rates are in lieu of, and not in addition to, those set by Order 2001-7-18, and Order 2002-2-13;

4. We extend the date that proposals are due under Order 2002-3-5, March 12, 2002, to coincide with the proposal due-date in this order – 20 days from the service date of this order;

5. We direct 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 the 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. Copies of flight logs for aircraft sold or disposed of must be retained. The carrier may forfeit its compensation for any claim that is not supported under the terms of this order;

6. We find that Great Lakes continues to be fit, willing and able to operate as a commuter air carrier and capable of providing reliable essential air service at Norfolk and North Platte, Nebraska.

7. We direct any interested persons having objections to the selection of Great Lakes to continue to provide essential air service as described in ordering paragraph 1 above, at the rates set forth in ordering paragraph 1 and 2, to file such objections or competing service proposals no later than 20 days from the date of service of this order;<sup>8</sup>

8. If we receive objections or competing proposals within the 20-day period, Great Lakes will be compensated at the subsidy rate set forth in ordering paragraph 1 above as a final rate until all objections are resolved;

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<sup>6</sup> See Appendix C for calculation.

<sup>7</sup> See Appendix D for calculation.

<sup>8</sup> Objections should be filed with the Documentary Services and Media Management Division, SVC-124, Room PL. 401, Department of Transportation, 400 7<sup>th</sup> Street S.W., Washington DC 20590. Proposals to provide essential air service should be filed with the Chief, EAS & Domestic Analysis Division, S-53, Office of Aviation Analysis, Room 6401, Department of Transportation, 40 7<sup>th</sup> Street, S.W., Washington DC 20590. Questions regarding filings in response to this order may be directed to Mike Waters at 202-366-6494.

9. We will afford full consideration to the matters and issues raised in any timely and properly filed objections and service proposals before we take further action.<sup>9</sup> If no objections or competing service proposals are filed, all further procedural steps will be deemed waived and this order shall become final, effective on the twenty-first day after its service date;

10. We request that carriers interested in providing essential air service at Norfolk, Nebraska, submit their proposals, with or without requests for subsidy, within 20 days of the service date of this order. An original and five copies of the proposal should be sent to the EAS and Domestic Analysis Division, X-53, Office of Aviation Analysis, Room 6401, Department of Transportation, 400 7<sup>th</sup> Street, S.W., Washington, D.C. 20590, with the title: "Proposal to Provide Essential Air Service at Norfolk, Nebraska," Docket OST-1998-3704; and<sup>10</sup>

11. The Department will serve copies of this order on Mayors and airport managers of Norfolk and North Platte, Nebraska, the Governor and the Department of Aeronautics of the State of Nebraska, Great Lakes Aviation, Ltd., and on the Service List for the State of Nebraska, Appendix E.

By:

**Read C. Van de Water**  
Assistant Secretary for Aviation  
and International Affairs

(SEAL)

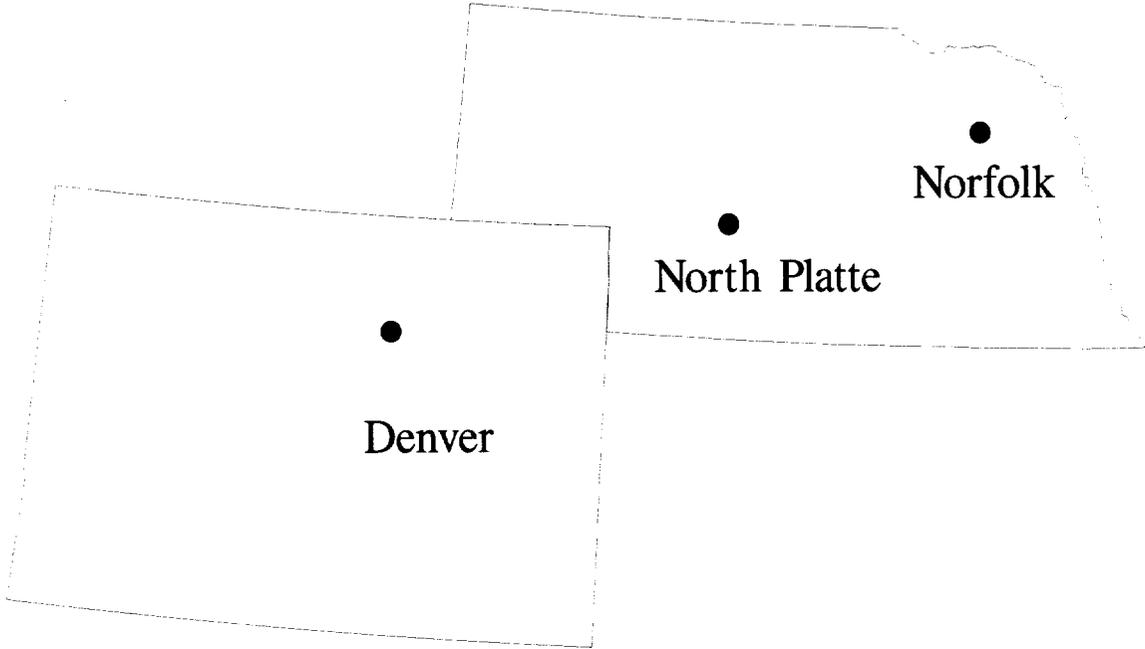
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<http://dms.dot.gov>

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<sup>9</sup> Since we are providing for the filing of objections to this order, we will not entertain petitions for reconsideration.

<sup>10</sup> After serving a copy of its proposal on the civic officials of Norfolk and each of the other applicants, each applicant must then file a certification of service with the Department's Docket Operations and Media Management Division, SVC-124.

# AREA MAP



**Historical Passenger Traffic at Norfolk, Nebraska<sup>1</sup>**

<b>Year</b>	<b>Number of Passengers in Both Directions</b>	<b>Enplanements per Day at Norfolk<sup>2</sup></b>
1991	4,210	6.7
1992	7,854	12.5
1993	8,957	14.3
1994	7,635	12.2
1995	6,069	9.7
1996	4,472	7.1
1997 <sup>3</sup>	2,315	3.7
1998	3,366	5.4
1999	3,708	5.9
2000	3,914	6.3
2001	2,486	4.0

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<sup>1</sup> Source: Part 298-C data reported by Great Lakes Aviation, Ltd. for the period indicated.

<sup>2</sup> Enplanements per day are based on 313 days to reflect six-day-a-week service.

<sup>3</sup> There was a service hiatus in 1997.

**Great Lakes Aviation, Ltd.**

Annual Compensation Requirement for Essential Air Service at North Platte and Norfolk, Nebraska

Effective period: December 1, 2001, through May 31, 2002.  
Service: North Platte: 18 nonstop round trips per week to Denver.  
Norfolk: 12 nonstop or one-stop round trips per week to Denver.  
Intermediate stops and upline service: Flights serving Norfolk may stop at North Platte.  
Flights serving North Platte may serve Norfolk as an upline point.  
Aircraft type: Beech 1900D (19 passenger seats).  
Combined Subsidy Rate per Flight: \$668.23<sup>4</sup>

Weekly Compensation Ceiling: \$38,217.62<sup>5</sup>

**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 parties 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.

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<sup>4</sup> \$1,987,317 compensation, divided by 2,974 one-way flights at North Platte and Norfolk, calculated as follows:  
For North Platte: 3 flights/day x 313 days x 0.95 completion factor x 2 = 1,784 flights; for Norfolk: 2 flights/day x 313 days x 0.95 x 2 = 1,190.

<sup>5</sup> 2,974 flights/52 weeks x \$668.23 = \$38,217.62.

**Great Lakes Aviation, Ltd.**  
Essential Air Service at North Platte and Norfolk, Nebraska

Calculation of Compensation Requirement (Rate Applicable to First Six Months)

Departures:	2,974	Mileages:	LBF-DEN	227
			OFK-DEN	405
Block hours	3,172		OFK-LBF	178
Available seat-miles	11,717,374	Revenue passenger-miles	2,938,154	
Operating revenue:				
Passenger	9,682	LBF-DEN passengers @ \$98.37 average fare	\$952,453	
	<u>1,828</u>	OFK-DEN passengers @ \$108.00 average fare	<u>197,422</u>	
Subtotals	<u>11,510</u>		<u>\$1,149,875</u>	
Other	0.0062	of passenger revenue of \$1,149,875	<u>7,129</u>	
Total operating revenue			\$1,157,004	
Operating expense:				
Direct operating expense:				
Flying operations	\$149.05	per block hour	3,172	\$472,747
Hull insurance	\$7.50	per departure	2,974	22,301
Fuel & oil	\$1.0686	per gallon	401,382	428,917
Maintenance (a)	\$109.26	per departure	2,974	324,885
Maintenance (b)	\$97.28	per block hour	3,172	308,546
Aircraft lease	\$170.00	per block hour	3,172	<u>539,195</u>
Total direct operating expense				\$2,096,591
Indirect operating expense:				
Passenger-related	\$10.25	11,510	total passengers	\$117,978
War risk liability insurance	\$1.25	11,510	total passengers	14,388
Liability insurance	\$0.00790	2,938,154	revenue pass.-miles	23,211
General and administrative	\$0.01710	11,717,374	available seat-miles	200,367
Local marketing	\$5,000	2	communities	10,000
Denver station expense	\$318	892	departures	283,656
North Platte station expense	\$14,500	12	months	174,000
Norfolk station expense	\$6,200	12	months	<u>74,000</u>
Total indirect operating expense				<u>\$898,000</u>
Total operating expense				<u>\$2,994,591</u>
Operating loss				\$1,837,587
Profit element	0.05	\$2,994,591	Total operating expense	<u>149,730</u>
Compensation requirement				<u>\$1,987,317</u>

**Great Lakes Aviation, Ltd.**  
Essential Air Service at North Platte and Norfolk, Nebraska

Effective period: June 1, 2002, through November 30, 2003.  
Service: North Platte: 18 nonstop round trips per week to Denver.  
Norfolk: 12 nonstop or one-stop round trips per week to Denver.  
Intermediate stops and upline service: Flights serving Norfolk may stop at North Platte.  
Flights serving North Platte may serve Norfolk as an  
upline point.  
Aircraft type: Beech 1900D (19 passenger seats).

Combined Subsidy Rate per Flight: \$505.29<sup>6</sup>

Weekly Compensation Ceiling: \$28,898.70<sup>7</sup>

**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 parties 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.

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<sup>6</sup> \$1,502,746 compensation, divided by 2,974 one-way flights at North Platte and Norfolk, calculated as follows:  
For North Platte: 3 flights/day x 313 days x 0.95 completion x 2 = 1,784 flights; for Norfolk: 2 flights/day x 313 days x 0.95 x 2 = 1,190.

<sup>7</sup> 2,974 flights/52 weeks x \$505.29 = \$28,898.70.

**Great Lakes Aviation, Ltd.**  
Essential Air Service at North Platte and Norfolk, Nebraska

Calculation of Compensation Requirement (Rate Applicable to Final 18 Months of Selection Period)

Departures:	2,974	Mileages:	LBF-DEN	227
			OFK-DEN	405
Block hours	3,172		OFK-LBF	178
Available seat-miles	11,717,374	Revenue passenger-miles		4,231,000
Operating revenue:				
Passenger	14,000	LBF-DEN passengers @ \$99 average fare		\$1,386,000
	<u>2,600</u>	OFK-DEN passengers @ \$122 average fare		<u>317,200</u>
Subtotals	<u>16,600</u>			<u>\$1,703,200</u>
Other	0.0062	of passenger revenue of \$1,703,200		<u>10,560</u>
Total operating revenue				\$1,713,760
Operating expense:				
Direct operating expense:				
Flying operations	\$149.05	per block hour	3,172	\$472,747
Hull insurance	\$7.50	per departure	2,974	22,301
Fuel & oil	\$1.0686	per gallon	401,382	428,917
Maintenance (a)	\$109.26	per departure	2,974	324,885
Maintenance (b)	\$97.28	per block hour	3,172	308,546
Aircraft lease	\$170.00	per block hour	3,172	<u>539,195</u>
Total direct operating expense				\$2,096,591
Indirect operating expense:				
Passenger-related	\$10.25	16,600	total passengers	\$170,150
War risk liability insurance	\$1.25	16,600	total passengers	20,750
Liability insurance	\$0.00790	4,231,000	revenue pass.-miles	33,425
General and administrative	\$0.01710	11,717,374	available seat-miles	200,367
Local marketing	\$5,000	2	communities	10,000
Denver station expense	\$318	892	departures	283,656
North Platte station expense	\$14,500	12	months	174,000
Norfolk station expense	\$6,200	12	months	<u>74,000</u>
Total indirect operating expense				<u>\$966,748</u>
Total operating expense				<u>\$3,063,339</u>
Operating loss				\$1,349,579
Profit element	0.05	\$3,063,339	Total operating expense	<u>153,167</u>
Compensation requirement				<u>\$1,502,746</u>

**Service List for the State of Nebraska**

Air Casino, Inc.  
Air Midwest, Inc.  
Air Wisconsin, Inc.  
Amerijet International, Inc.  
Corporate Airlines, Inc.  
Delta Connection  
Dwyer Aircraft Sales, Inc.  
Falcon Aviation, Inc.  
Great Lakes Aviation, Ltd.  
Heartland Aviation, Inc.  
Mesa Airlines, Inc.  
Mesaba Aviation, Inc.  
Metroflight, Inc.  
Midway Airlines, Inc.  
Midwest Express Airlines, Inc.  
Multi Aero, Inc.  
Northwest AirlinK  
Redwing Airways, Inc.  
Renown Aviation, Inc.  
Rocky Mountain Airways, Inc.  
Thunderbird Aviation, Inc.  
Trans States Airlines, Inc.  
Westward Airways, Inc.

Louis Andrews  
Ken Bannon  
Doug Franklin  
E.B. Freeman  
Douglas Gumula  
Ben Harrison  
A. Edward Jenner  
Bob Karns  
William Kostel  
Lee Mason  
John McFarlane  
Robert Wigmore