

**BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.**

DEPT. OF TRANSPORTATION
DOCKETS

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Essential air service at

STAUNTON, VIRGINIA

DOT-OST-2002-11378

**PROPOSAL OF COLGAN AIR, INC. TO PROVIDE SUBSIDIZED ESSENTIAL
AIR SERVICE FOR
THE COMMUNITY OF STAUNTON, VIRGINIA**

Communications with respect to this document should be directed to :

**George Casey
President
Colgan Air, Inc.
10677 Aviation Lane
Manassas, Virginia 20110
(703) 331-3101**

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By order 2008-10-31, the Department requested proposals from carriers interested in providing Essential Air Service for a future two-year period.

Colgan Air, Inc. (hereinafter "Colgan") respectfully submits a proposal to continue providing subsidized service between the community of Staunton, Virginia and Washington-Dulles International Airport. Colgan Air would operate as United Express utilizing a 34 passenger Saab 340 aircraft. This proposal uses Saab 340 aircraft and would require an annual subsidy of \$1,911,466.

The proposed service options for the Shenandoah Valley community is as follows: 18 round-trips per week operated as non-stop service to Washington-Dulles International Airport. Colgan intends to maintain 18 round trips per week reducing weekend frequencies. Some of these flights would be upline and downline to and from an additional city. All flights between Shenandoah Valley and Dulles would operate as nonstop. Past experience suggests that this upline and downline service would not negatively impact the point to point nonstop Shenandoah Valley traffic or connectivity through United Airlines' hub operation at Dulles.

Colgan is a regional airline operating a Saab 340 aircraft. Colgan operates regional scheduled service as United Express under agreement with United Airlines. The services offered by Colgan allow seamless connection to United Airlines' domestic and international route system via the United Airlines Hub at Washington-Dulles International Airport. Colgan is the incumbent carrier, and as such, has consistently surpassed community air service needs as well as demonstrating a commitment to outstanding passenger service.

The attached schedule presents optimized timing to maximize connecting options with the United Airlines system out of Washington Dulles International Airport. In addition, the options provide attractive scheduling options for both business and leisure travelers.

Respectfully submitted,

George Casey by JBC

George Casey
President
Colgan Air, Inc.
10677 Aviation Lane
Manassas, Virginia 20110
(703) 331-3101

Colgan Air, d/b/a United Express, Essential Air Service at
SHD

3-1-2 Schedule

	<u>SHD</u>
Carrier Affiliation	United
Aircraft Type	Saab 340
Block Hours (Est at 97% Completion)	1,495
Block to Flight Ratio	90%
Flight Hours (Est at 97% Completion)	1305
LAD Landings at 97% Completion	908
SHD Landings at 97% Completion	908
Stage Length	100
Projected Passengers	17,096
ASMs	3,450,400
RPMs	1,709,600
Aircraft	100%
Average Fare	\$101
Pax/Dept	9.41
Total Pax. Revenue	\$ 1,733,363
Operations	\$962,414
Fuel Expense	\$812,764
Ownership Costs of \$38,500/month at 75% utilization	\$346,500
Total Directs	\$2,121,678
Ground Handling	\$969,895
Marketing Budget	\$20,000
Indirects	\$359,692
Total Indirects	\$1,349,587
Total Operating Expense	\$3,471,266
Return (@ 5%)	\$173,563
Total Economic Cost	\$3,644,829
Annual Subsidy (@ 97% completion)	\$1,911,466

Washington-Dulles to Staunton, VA

Weekdays

8:50am - 9:45am

5:45pm - 6:40pm

9:52pm - 10:37pm

Saturday

8:50am - 9:45pm

Sunday

5:45pm - 6:40pm

9:52pm - 10:37pm

Staunton, VA to Washinton-Dulles

Weekdays

6:55am - 7:40am

10:37am - 11:22am

7:45pm - 8:30pm

Saturday

6:55am - 7:40am

10:37am - 11:22am

Sunday

10:40am - 11:25am

7:45pm - 8:30pm

***Schedule subject to change**

CERTIFICATE OF SERVICE

I hereby certify that I have caused a copy of the forgoing Proposal to Provide Subsidized Essential Air Service to be served this 2nd day of May, 2008, upon each of the following persons:

Dennis DeVany
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United States Department of Transportation
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Mayor -- Staunton, VA
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