

Before the United States Department of Transportation

Washington, DC

March 21, 2008

Essential Air Service at

HARRISON, ARKANSAS
JONESBORO, ARKANSAS
COLUMBIA/JEFFERSON CITY, MISSOURI
JOPLIN, MISSOURI
GRAND ISLAND, NEBRASKA
McCOOK, NEBRASKA

Docket OST-1997-2935
Docket OST-1997-2935
Docket OST-2006-23931
Docket OST-2006-23932
Docket OST-2002-13983
Docket OST-1997-3005

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

This contains Great Lakes Aviation, Ltd. response to Order Requesting Proposals 2008-2-2.

Great Lakes Aviation, Ltd. is pleased to submit these proposals to provide essential air transportation at these points in Arkansas, Missouri and Nebraska. Each proposal should be considered a stand alone proposal.

We were not able to provide a proposal for Kirksville, MO that would comply with current legislation which limits subsidy, per passenger, at a \$200 maximum.

El Dorado and Hot Springs, AR are not commercially feasible for Great Lakes to serve to hubs within our current system and we feel would be better served by a carrier with an established hub in Dallas, TX.

In accordance with the instructions in the order to provide a "best and final" proposal, Great Lakes has provided a description of the proposed service to each of these Essential Air Service points.

Great Lakes will provide service at these Essential Air Service points in a similar fashion as is offered at our Denver hub and utilize our code-share and interline agreements, which will enable connecting bag service through our Kansas City and St. Louis hubs.

All proposals contemplate the use of 19 seat Beechcraft 1900D airliner equipment.

Questions and comments may be referred to:

Michael O. Matthews
Chief Financial Officer
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Table of Contents:

Proposal Part	Service Point(s)	Hub(s) Served	Round Trips	Equipment	Subsidy Requirement	Passengers Forecast	Average Fare
1	Harrison, Arkansas	Kansas City	3	1900D	\$2,236,934	9,850	\$89.98
2	Jonesboro, Arkansas	St. Louis	2	1900D	\$1,607,385	6,750	\$88.97
3	Columbia/Jefferson City, MO	Kansas City	4	1900D	\$1,587,451	22,500	\$74.54
4	Joplin, Missouri	Kansas City	3	1900D	\$671,977	27,750	\$76.12
5	Grand Island, Nebraska	Kansas City	3	1900D	\$1,867,351	15,000	\$89.98
6	McCook, Nebraska	Kansas City	2	1900D	\$1,583,277	5,500	\$92.88
Total			Total Bid Proposal:		\$9,554,375		

Great Lakes Aviation, Ltd.

Annual Compensation Requirements for Essential Air Service at

Harrison, Arkansas

Three round trip non stops to Kansas City Hub
(at 98 percent completion)

Departures:	1,840
Block Hours:	2,300
Revenue Passenger Miles:	2,226,100
Available Seat Miles:	7,900,960

Operating Revenues:				
Passenger:	9,850	psgrs at	\$89.98	\$886,303

Other:	(at 0.62% of passenger revenue)			\$5,495
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Total Operating Revenues:				\$891,798
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Operating Expenses:				
Direct:	Aircraft and Hull Insurance			\$332,101
	Fuel and Oil			\$992,187
	Flying Operations			\$367,356
	Maintenance			\$498,447

Total Direct Expenses:				\$2,190,091
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Total Indirect Expenses:				<u>\$789,653</u>
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Total Operating Expenses:				\$2,979,745
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Operating Loss				(\$2,087,947)
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Profit Element (5.0% of Total Operating Expenses)				\$148,987
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Annual Compensation Requirement:				\$2,236,934
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Representative Schedule

Flt #	Freq	Flow	Schedule	Time	Equip
7200	123456	HRO-MCI	0600-715	75	BE1
7201	123456	MCI-HRO	1140-1255	75	BE1
7202	1234567	HRO-MCI	1310-1425	75	BE1
7203	1234567	MCI-HRO	1530-1645	75	BE1
7204	12345 7	HRO-MCI	1700-1815	75	BE1
7205	12345 7	MCI-HRO	2000-2115	75	BE1

Great Lakes Aviation, Ltd.

Annual Compensation Requirements for Essential Air Service at

Jonesboro, Arkansas

Two round trip one stops to St. Louis Hub

(at 98 percent completion)

Departures:	1,227
Block Hours:	1,435
Revenue Passenger Miles:	1,363,500
Available Seat Miles:	4,709,226

Operating Revenues:				
Passenger:	6,750	psgrs at	\$88.97	\$600,548

Other:	(at 0.62% of passenger revenue)			\$3,723
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Total Operating Revenues:				\$604,271
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Operating Expenses:				
Direct:				
Aircraft and Hull Insurance				\$332,101
Fuel and Oil				\$622,058
Flying Operations				\$229,198
Maintenance				\$321,077

Total Direct Expenses:				\$1,504,435
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Total Indirect Expenses:				<u>\$601,904</u>
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Total Operating Expenses:				\$2,106,339
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Operating Loss				(\$1,502,069)
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Profit Element (5.0% of Total Operating Expenses)				\$105,317
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Annual Compensation Requirement:				\$1,607,385
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Representative Schedule

Flt #	Freq	Flow	Schedule	Time	Equip
7200	123456	JBR-STL	0550-0700	70	BE1
7201	123456	STL-JBR	1150-1300	70	BE1
7202	1234567	JBR-STL	1310-1420	70	BE1
7203	1234567	STL-JBR	1950-2100	70	BE1

Great Lakes Aviation, Ltd.

Annual Compensation Requirements for Essential Air Service at

Columbia/Jefferson City, Missouri

Four round trip non stops to Kansas City Hub

(at 98 percent completion)

Departures:	2,454
Block Hours:	1,840
Revenue Passenger Miles:	3,105,000
Available Seat Miles:	6,434,388

Operating Revenues:				
Passenger:	22,500	psgrs at	\$74.54	\$1,677,150

Other:	(at 0.62% of passenger revenue)			\$10,398
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Total Operating Revenues:				\$1,687,548
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Operating Expenses:

Direct:	Aircraft and Hull Insurance			\$332,101
	Fuel and Oil			\$990,153
	Flying Operations			\$293,885
	Maintenance			\$524,178

Total Direct Expenses:				\$2,140,317
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Total Indirect Expenses:				<u>\$978,730</u>
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Total Operating Expenses:				\$3,119,047
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Operating Loss				(\$1,431,499)
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Profit Element (5.0% of Total Operating Expenses)				\$155,952
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Annual Compensation Requirement:				\$1,587,451
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Representative Schedule

Flt #	Freq	Flow	Schedule	Time	Equip
7200	123456	COU-MCI	0600-0645	45	BE1
7201	12345	MCI-COU	0750-835	45	BE1
7202	12345	COU-MCI	0900-0945	45	BE1
7203	123456	MCI-COU	1100-1145	45	BE1
7204	1234567	COU-MCI	1345-1345	45	BE1
7205	1234567	MCI-COU	1530-1615	45	BE1
7206	12345 7	COU-MCI	1630-1715	45	BE1
7207	12345 7	MCI-COU	2000-2045	45	BE1

Great Lakes Aviation, Ltd.

Annual Compensation Requirements for Essential Air Service at

Joplin, Missouri

Three round trip non stops to Kansas City Hub
(at 98 percent completion)

Departures:	1,840
Block Hours:	1,380
Revenue Passenger Miles:	4,466,275
Available Seat Miles:	5,209,040

Operating Revenues:				
Passenger:	27,750	psgrs at	\$76.12	\$2,112,330

Other:	(at 0.62% of passenger revenue)			\$13,096
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Total Operating Revenues:				\$2,125,426
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Operating Expenses:				
Direct:	Aircraft and Hull Insurance			\$332,101
	Fuel and Oil			\$777,542
	Flying Operations			\$220,414
	Maintenance			\$393,070

Total Direct Expenses:				\$1,723,127
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Total Indirect Expenses:				<u>\$941,067</u>
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Total Operating Expenses:				\$2,664,194
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Operating Loss				(\$538,767)
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Profit Element (5.0% of Total Operating Expenses)				\$133,210
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Annual Compensation Requirement:				\$671,977
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Representative Schedule

Flt #	Freq	Flow	Schedule	Time	Equip
7200	123456	JOP-MCI	0600-0645	45	BE1
7201	123456	MCI-JOP	1100-1145	45	BE1
7202	1234567	JOP-MCI	1345-1345	45	BE1
7203	1234567	MCI-JOP	1530-1615	45	BE1
7204	12345 7	JOP-MCI	1630-1715	45	BE1
7205	12345 7	MCI-JOP	2000-2045	45	BE1

Great Lakes Aviation, Ltd.

Annual Compensation Requirements for Essential Air Service at

Grand Island, Nebraska

Three round trip non stops to Kansas City Hub
(at 98 percent completion)

Departures:	1,840
Block Hours:	2,300
Revenue Passenger Miles:	3,495,000
Available Seat Miles:	8,145,680

Operating Revenues:				
Passenger:	15,000	psgrs at	\$89.98	\$1,349,700

Other:	(at 0.62% of passenger revenue)			\$8,368
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Total Operating Revenues:				\$1,358,068
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Operating Expenses:				
Direct:	Aircraft and Hull Insurance		\$332,101	
	Fuel and Oil		\$1,010,484	
	Flying Operations		\$367,356	
	Maintenance		\$498,447	

Total Direct Expenses:				\$2,208,387
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Total Indirect Expenses:				<u>\$863,440</u>
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Total Operating Expenses:				\$3,071,828
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Operating Loss				(\$1,713,760)
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Profit Element (5.0% of Total Operating Expenses)				\$153,591
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Annual Compensation Requirement:				\$1,867,351
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Representative Schedule

Flt #	Freq	Flow	Schedule	Time	Equip
7200	123456	GRI-MCI	0600-715	75	BE1
7201	123456	MCI-GRI	1140-1255	75	BE1
7202	1234567	GRI-MCI	1310-1425	75	BE1
7203	1234567	MCI-GRI	1530-1645	75	BE1
7204	12345 7	GRI-MCI	1700-1815	75	BE1
7205	12345 7	MCI-GRI	2000-2115	75	BE1

Great Lakes Aviation, Ltd.

Annual Compensation Requirements for Essential Air Service at

McCook, Nebraska

Two round trip one stops to Kansas City Hub

(at 98 percent completion)

Departures:	1,227
Block Hours:	1,227
Revenue Passenger Miles:	1,028,500
Available Seat Miles:	4,359,531

Operating Revenues:				
Passenger:	5,500	psgrs at	\$92.88	\$510,840

Other: (at 0.62% of passenger revenue) \$3,167

Total Operating Revenues: \$514,007

Operating Expenses:			
Direct:	Aircraft and Hull Insurance	\$332,101	
	Fuel and Oil	\$594,465	
	Flying Operations	\$195,976	
	Maintenance	\$297,253	

Total Direct Expenses: \$1,419,795

Total Indirect Expenses: \$577,618

Total Operating Expenses: \$1,997,413

Operating Loss (\$1,483,406)

Profit Element (5.0% of Total Operating Expenses) \$99,871

Annual Compensation Requirement: \$1,583,277

Schedules for McCook will operate one stop over either Hays, KS, Salina, KS or Grand Island, NE

Schedules for McCook to our Kansas City Hub will include an originating early morning departure