

The Standard Industry Fare Level Methodology for Determining
Change in Operating Expense per Available Seat-Mile
Domestic Operations of the Major Carriers

Y.E. September 30, 2019

Total Operating Expense 1/ (000)	\$127,373,980
Less: Property and Mail Revenue 2/ (000)	\$5,252,855
Charter Revenues 3/ (000)	\$460,639
Transport Related Expense Plus Subsidy 4/ (000)	\$21,549,364
Passenger Operating Expense (000)	\$100,111,122
Passenger Fuel Cost 5/ (000)	\$21,098,494
Passenger Non-Fuel Cost (000)	\$79,012,627
Scheduled Service Available Seat-Miles (millions)	830,489
Non-Fuel Operating Expense per Seat-Mile	9.514 ¢
Fuel Expense per Seat-Mile	2.540 ¢
Total Expense per Seat-Mile	12.054 ¢

Y.E. September 30, 2018

Total Operating Expense 1/ (000)	\$120,954,535
Less: Property and Mail Revenue 2/ (000)	\$4,727,584
Charter Revenues 3/ (000)	\$448,800
Transport Related Expense Plus Subsidy 4/ (000)	\$20,701,322
Passenger Operating Expense (000)	\$95,076,829
Passenger Fuel Cost 5/ (000)	\$20,593,868
Passenger Non-Fuel Cost (000)	\$74,482,961
Scheduled Service Available Seat-Miles (millions)	798,548
Non-Fuel Operating Expense per Seat-Mile	9.327 ¢
Fuel Expense per Seat-Mile	2.579 ¢
Total Expense per Seat-Mile	11.906 ¢

Estimated Expense per Available Seat-Mile at October 1, 2019

Percent Change in Non-Fuel Unit Expense 6/ (%)	2.00%
Projected Change in Non-Fuel Unit Expense	
Y.E. September 30, 2019 to October 01, 2019 7/ (%)	1.00%
Percent Change in Unit Fuel Expense 6/ (%)	-1.49%
Change in Fuel Cost at October 1, 2019 8/	-3.52%
Non-Fuel Expense per Available Seat-Mile at October 1, 2019 9/	9.609 ¢
Fuel per Available Seat-Mile at October 1, 2019 9/	2.451 ¢
Total Expense per Available Seat-Mile at October 1, 2019	12.060 ¢

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Expense per Available Seat-Mile at October 1, 2019	12.060 ¢
Projected Expense per Available Seat-Mile at July 1, 1977 10/	4.549 ¢
Cost Adjustment Factor at October 1, 2019	2.65110
Cost Adjustment Factor at April 1, 2019	2.62719
Percentage Change From Preceding Period:	0.91%

D.P.F.I. Formula Effective July 15, 1977 11/

Terminal Charge	\$16.16
Plus:	0.0884 per mile (0-500 miles)
	0.0674 per mile (501-1,500 miles)
	0.0648 per mile (Over 1,500 miles)

S.I.F.L. Formula Effective July 1, 2019 through December 31, 2019 12/

Terminal Charge	\$42.84
Plus:	0.2344 per mile (0-500 miles)
	0.1787 per mile (501-1,500 miles)
	0.1718 per mile (Over 1,500 miles)

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- 1/ Total Operating Expense, all services, for the following major carriers: Alaska (AS/VX), Allegiant Air (G4), American (AA), Delta (DL), Envoy Air (MQ), Frontier (F9), Hawaiian (HA), JetBlue (B6), Republic (YX), SkyWest (OO), Southwest (WN), Spirit (NK), United (UA)
 - 2/ Total scheduled service cargo revenue. Includes all mail, freight, express and excess baggage revenues.
 - 3/ Total non-scheduled revenue times .95, assuming charter operations would only be conducted at a profit.
 - 4/ No adjustment has been made for the difference between transport related revenues and transport related expenses. Amounts include subsidy payments.
 - 5/ Total fuel cost, times complement of Property and Mail Revenue to Total Operating Expense.
 - 6/ Change in unit rate from one year to the next.
 - 7/ Percentage change (ratio) in Non-Fuel Unit Expense raised to the .50 power. (Unit rate projected six months from the midpoint of the base year to the midpoint of the six-month projection period.)
 - 8/ Page 3.
 - 9/ Operating Expense per Seat-Mile for the Y.E. September 30, 2019 times percentage changes, above.
 - 10/ Year Ended March 1977 cost per ASM, times cost escalation factor of 1.04543 (to July 5, 1977). See D.P.F.I. Workpapers, Y.E. March 1977, and C.A.B. Order 80-12-96, which incorporated the capitalized lease adjustment required under F.A.S.B. standard 13.
 - 11/ Order 77-7-26.
 - 12/ D.P.F.I. Fare Formula effective July 15, 1977, times Cost Adjustment Factor at October 1, 2019

Note: Some airlines can include special charges for aircraft grounding and impairment, workforce reductions, and other similar special items in operating expenses. To reflect "normal" operations as part of the ratemaking nature of the SIFL calculation, adjustments may be made to operating expenses to reflect these special items.

Fuel Price Per Gallon, Domestic Operations
of the Major, National and Large Regional Carriers

Month	Average Price per Gallon	Change From Preceding Month (%)
2018-January	201.77 ¢	
2018-February	202.25 ¢	0.24%
2018-March	195.53 ¢	-3.32%
2018-April	207.72 ¢	6.23%
2018-May	218.36 ¢	5.12%
2018-June	220.29 ¢	0.88%
2018-July	219.29 ¢	-0.46%
2018-August	219.29 ¢	0.00%
2018-September	223.31 ¢	1.83%
2018-October	234.14 ¢	4.85%
2018-November	225.19 ¢	-3.82%
2018-December	203.36 ¢	-9.70%
2019-January	190.83 ¢	-6.16%
2019-February	199.03 ¢	4.30%
2019-March	202.22 ¢	1.61%
2019-April	205.77 ¢	1.75%
2019-May	211.73 ¢	2.90%
2019-June	199.50 ¢	-5.78%
2019-July	198.74 ¢	-0.38%
2019-August	193.73 ¢	-2.52%
2019-September	196.18 ¢	1.26%
2019-October	196.99 ¢	0.42%
2019-November	199.93 ¢	1.49%
2019-December	201.21 ¢	0.64%
Fuel Cost/Gallon at October 1, 2019	197.79 ¢	
Fuel Cost/Gallon for Y.E. September 30, 2019	205.00 ¢	
Percentage Change (%)	-3.52%	