

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

**Y.E. March 31, 2021**

Total Operating Expense 1/ (000)	\$54,033,935
Less: Property and Mail Revenue 2/ (000)	\$2,812,467
Charter Revenues 3/ (000)	\$456,644
Transport Related Expense Plus Subsidy 4/ (000)	\$12,866,726
Passenger Operating Expense (000)	\$37,898,099
Passenger Fuel Cost 5/ (000)	\$6,392,958
Passenger Non-Fuel Cost (000)	\$31,505,141
Scheduled Service Available Seat-Miles (millions)	418,938
Non-Fuel Operating Expense per Seat-Mile	7.520 ¢
Fuel Expense per Seat-Mile	1.526 ¢
Total Expense per Seat-Mile	9.046 ¢

**Y.E. March 31, 2020**

Total Operating Expense 1/ (000)	\$129,626,226
Less: Property and Mail Revenue 2/ (000)	\$5,336,268
Charter Revenues 3/ (000)	\$460,407
Transport Related Expense Plus Subsidy 4/ (000)	\$21,553,681
Passenger Operating Expense (000)	\$102,275,871
Passenger Fuel Cost 5/ (000)	\$20,132,732
Passenger Non-Fuel Cost (000)	\$82,143,139
Scheduled Service Available Seat-Miles (millions)	839,039
Non-Fuel Operating Expense per Seat-Mile	9.790 ¢
Fuel Expense per Seat-Mile	2.399 ¢
Total Expense per Seat-Mile	12.190 ¢

**Estimated Expense per Available Seat-Mile at April 1, 2021**

Percent Change in Non-Fuel Unit Expense 6/ (%)	-23.19%
Projected Change in Non-Fuel Unit Expense	
Y.E. March 31, 2021 to April 01, 2021 7/ (%)	-12.36%
Percent Change in Unit Fuel Expense 6/ (%)	-36.40%
Change in Fuel Cost at April 1, 2021 8/	34.25%
Non-Fuel Expense per Available Seat-Mile at April 1, 2021 9/	6.591 ¢
Fuel per Available Seat-Mile at April 1, 2021 9/	2.049 ¢
Total Expense per Available Seat-Mile at April 1, 2021	8.640 ¢

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Expense per Available Seat-Mile at April 1, 2021	8.640 ¢
Projected Expense per Available Seat-Mile at July 1, 1977 10/	4.549 ¢
Cost Adjustment Factor at April 1, 2021	1.89926
Cost Adjustment Factor at October 1, 2020	3.82913
Percentage Change From Preceding Period:	-50.40%

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 January 1, 2021 through June 30, 2021 12/

Terminal Charge	\$30.69
Plus:	0.1679 per mile (0-500 miles)
	0.1280 per mile (501-1,500 miles)
	0.1231 per mile (Over 1,500 miles)

1/ Total Operating Expense, all services, for the following major carriers: Alaska (AS), 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.)

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9/ Operating Expense per Seat-Mile for the Y.E. March 31, 2021 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 April 1, 2021

Note: Some of the airlines have included special charges for aircraft groundings and impairments, workforce reductions and other similar special items in operating expenses. Because of the effort to reflect "normal" operations as part of the ratemaking nature of the SIFL calculation, adjustments were made to total operating expenses to reflect these special items.

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

<u>Month</u>	<u>Average Price per Gallon</u>	<u>Change From Preceding Month (%)</u>
2019-July	198.74 ¢	
2019-August	193.73 ¢	-2.52%
2019-September	196.18 ¢	1.26%
2019-October	196.99 ¢	0.42%
2019-November	199.34 ¢	1.19%
2019-December	201.21 ¢	0.94%
2020-January	198.50 ¢	-1.35%
2020-February	179.42 ¢	-9.61%
2020-March	146.04 ¢	-18.60%
2020-April	145.56 ¢	-0.33%
2020-May	106.54 ¢	-26.81%
2020-June	112.47 ¢	5.57%
2020-July	117.68 ¢	4.63%
2020-August	121.16 ¢	2.95%
2020-September	117.77 ¢	-2.80%
2020-October	114.29 ¢	-2.95%
2020-November	121.02 ¢	5.89%
2020-December	147.38 ¢	21.78%
2021-January	151.54 ¢	2.82%
2021-February	161.28 ¢	6.43%
2021-March	186.84 ¢	15.85%
2021-April	176.03 ¢	-5.79%
2021-May	199.25 ¢	13.19%
2021-June	203.29 ¢	2.03%
Fuel Cost/Gallon at April 1, 2021	182.88 ¢	
Fuel Cost/Gallon for Y.E. March 31, 2021	136.22 ¢	
Percentage Change (%)	34.25%	