

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, 2022

Total Operating Expense 1/ (000)	\$111,064,499
Less: Property and Mail Revenue 2/ (000)	\$5,921,871
Charter Revenues 3/ (000)	\$571,952
Transport Related Expense Plus Subsidy 4/ (000)	\$18,726,092
Passenger Operating Expense (000)	\$85,844,584
Passenger Fuel Cost 5/ (000)	\$19,219,982
Passenger Non-Fuel Cost (000)	\$66,624,602
Scheduled Service Available Seat-Miles (millions)	760,558
Non-Fuel Operating Expense per Seat-Mile	8.760 ¢
Fuel Expense per Seat-Mile	2.527 ¢
Total Expense per Seat-Mile	11.287 ¢

Y.E. March 31, 2021

Total Operating Expense 1/ (000)	\$54,206,320
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)	\$38,070,484
Passenger Fuel Cost 5/ (000)	\$6,394,075
Passenger Non-Fuel Cost (000)	\$31,676,409
Scheduled Service Available Seat-Miles (millions)	418,938
Non-Fuel Operating Expense per Seat-Mile	7.561 ¢
Fuel Expense per Seat-Mile	1.526 ¢
Total Expense per Seat-Mile	9.087 ¢

Estimated Expense per Available Seat-Mile at April 1, 2022

Percent Change in Non-Fuel Unit Expense 6/ (%)	15.86%
Projected Change in Non-Fuel Unit Expense	
Y.E. March 31, 2022 to April 01, 2022 7/ (%)	7.64%
Percent Change in Unit Fuel Expense 6/ (%)	65.57%
Change in Fuel Cost at April 1, 2022 8/	48.59%
Non-Fuel Expense per Available Seat-Mile at April 1, 2022 9/	9.429 ¢
Fuel per Available Seat-Mile at April 1, 2022 9/	3.755 ¢
Total Expense per Available Seat-Mile at April 1, 2022	13.184 ¢

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Expense per Available Seat-Mile at April 1, 2022	13.184 ¢
Projected Expense per Available Seat-Mile at July 1, 1977 10/	4.549 ¢
Cost Adjustment Factor at April 1, 2022	2.89819
Cost Adjustment Factor at October 1, 2021	2.78312
Percentage Change From Preceding Period:	4.13%

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, 2022 through June 30, 2022 12/

Terminal Charge	\$46.83
Plus:	0.2562 per mile (0-500 miles)
	0.1953 per mile (501-1,500 miles)
	0.1878 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, 2022 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, 2022

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>
2020-July	117.68 ¢	
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	203.32 ¢	2.04%
2021-July	199.08 ¢	-2.08%
2021-August	197.64 ¢	-0.72%
2021-September	200.50 ¢	1.45%
2021-October	223.97 ¢	11.71%
2021-November	230.49 ¢	2.91%
2021-December	213.49 ¢	-7.37%
2022-January	236.10 ¢	10.59%
2022-February	258.99 ¢	9.70%
2022-March	302.95 ¢	16.97%
2022-April	357.92 ¢	18.15%
2022-May	390.34 ¢	9.06%
2022-June	402.91 ¢	3.22%
Fuel Cost/Gallon at April 1, 2022	328.25 ¢	
Fuel Cost/Gallon for Y.E. March 31, 2022	220.91 ¢	
Percentage Change (%)	48.59%	