

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, 2024

Total Operating Expense 1/ (000)	\$164,396,865
Less: Property and Mail Revenue 2/ (000)	\$6,720,742
Charter Revenues 3/ (000)	\$709,725
Transport Related Expense Plus Subsidy 4/ (000)	\$20,218,665
Passenger Operating Expense (000)	\$136,747,734
Passenger Fuel Cost 5/ (000)	\$29,779,287
Passenger Non-Fuel Cost (000)	\$106,968,447
Scheduled Service Available Seat-Miles (millions)	907,397
Non-Fuel Operating Expense per Seat-Mile	11.788 ¢
Fuel Expense per Seat-Mile	3.282 ¢
Total Expense per Seat-Mile	15.070 ¢

Y.E. March 31, 2023

Total Operating Expense 1/ (000)	\$157,936,082
Less: Property and Mail Revenue 2/ (000)	\$6,852,991
Charter Revenues 3/ (000)	\$707,759
Transport Related Expense Plus Subsidy 4/ (000)	\$22,361,780
Passenger Operating Expense (000)	\$128,013,552
Passenger Fuel Cost 5/ (000)	\$34,292,414
Passenger Non-Fuel Cost (000)	\$93,721,139
Scheduled Service Available Seat-Miles (millions)	835,224
Non-Fuel Operating Expense per Seat-Mile	11.221 ¢
Fuel Expense per Seat-Mile	4.106 ¢
Total Expense per Seat-Mile	15.327 ¢

Estimated Expense per Available Seat-Mile at April 1, 2024

Percent Change in Non-Fuel Unit Expense 6/ (%)	5.06%
Projected Change in Non-Fuel Unit Expense	
Y.E. March 31, 2024 to April 01, 2024 7/ (%)	2.50%
Percent Change in Unit Fuel Expense 6/ (%)	-20.07%
Change in Fuel Cost at April 1, 2024 8/	-2.39%
Non-Fuel Expense per Available Seat-Mile at April 1, 2024 9/	12.083 ¢
Fuel per Available Seat-Mile at April 1, 2024 9/	3.203 ¢
Total Expense per Available Seat-Mile at April 1, 2024	15.286 ¢

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Expense per Available Seat-Mile at April 1, 2024	15.286 ¢
Projected Expense per Available Seat-Mile at July 1, 1977 10/	4.549 ¢
Cost Adjustment Factor at April 1, 2024	3.36037
Cost Adjustment Factor at October 1, 2023	3.40685
Percentage Change From Preceding Period:	-1.36%

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, 2024 through June 30, 2024 12/

Terminal Charge	\$54.30
Plus:	0.2971 per mile (0-500 miles)
	0.2265 per mile (501-1,500 miles)
	0.2178 per mile (Over 1,500 miles)

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- 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), Sun Country (SY)
- 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. March 31, 2024 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, 2024

Note: Airlines have at times 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 are made as needed to total operating expenses to reflect these special items when they occur.

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>
2022-July	367.65 ¢	
2022-August	345.32 ¢	-6.08%
2022-September	349.24 ¢	1.14%
2022-October	348.30 ¢	-0.27%
2022-November	333.05 ¢	-4.38%
2022-December	313.93 ¢	-5.74%
2023-January	330.44 ¢	5.26%
2023-February	325.25 ¢	-1.57%
2023-March	293.02 ¢	-9.91%
2023-April	266.18 ¢	-9.16%
2023-May	244.68 ¢	-8.08%
2023-June	243.88 ¢	-0.33%
2023-July	249.70 ¢	2.39%
2023-August	284.09 ¢	13.77%
2023-September	315.66 ¢	11.11%
2023-October	311.97 ¢	-1.17%
2023-November	301.65 ¢	-3.31%
2023-December	279.32 ¢	-7.40%
2024-January	270.79 ¢	-3.05%
2024-February	285.16 ¢	5.31%
2024-March	277.58 ¢	-2.66%
2024-April	275.75 ¢	-0.66%
2024-May	264.31 ¢	-4.15%
2024-June	253.37 ¢	-4.14%
Fuel Cost/Gallon at April 1, 2024	270.72 ¢	
Fuel Cost/Gallon for Y.E. March 31, 2024	277.35 ¢	
Percentage Change (%)	-2.39%	