

## 2005 Bombardier Challenger 604 Economics

HOURLY DIRECT OPERATING COSTS		
Fuel (\$7.16/gal)		\$2,563.28
Maintenance labor (\$100/hour)		\$136.00
Parts, airframe, engine, avionics		\$156.05
Inspections, component overhauls, life limited parts		\$301.42
Engine restoration		\$476.12
APU overhaul		\$59.10
Landing and parking fees		\$55.10
Crew expenses		\$295.23
Supplies and catering		\$155.75
<b>Total</b>		<b>\$4,198.05</b>
ANNUAL FIXED OPERATING COSTS		
Crew salaries (est.)	Captain	\$138,000.00
	Copilot	\$95,000.00
	Cabin attendant	\$75,000.00
	Benefits	\$92,400.00
Hangar rental (typical)		\$59,900.00
Insurance (insured hull value, \$9.6 million)	Hull (0.15% of value)	\$14,400.00
	Single-limit liability	\$12,500.00
Recurrent crew training		\$65,000.00
Aircraft modernization (avg. per year)		\$50,000.00
Navigational chart service		\$15,205.00
Refurbishing		\$99,750.00
Computer maintenance program		\$10,500.00
Aviation weather service (typical)		\$700.00
<b>Total</b>		<b>\$728,355.00</b>
TOTAL ANNUAL COSTS		
Without depreciation	Hourly costs	\$1,775,775.15
	Fixed operating costs	\$728,355.00
	<b>Total</b>	<b>\$2,504,130.15</b>
	<b>Per flight hour</b>	<b>\$5,919.93</b>
	<b>Per nautical mile</b>	<b>\$14.31</b>
	<b>Per seat nautical mile</b>	<b>\$1.43</b>
With book depreciation (10%)	Hourly costs	\$1,775,775.15
	Fixed operating costs	\$728,355.00
	Depreciation (10%)	\$960,000
	<b>Total</b>	<b>\$3,464,130.15</b>
	<b>Per hour</b>	<b>\$8,189.43</b>
	<b>Per nautical mile</b>	<b>\$19.80</b>
	<b>Per seat nautical mile</b>	<b>\$1.98</b>
With market depreciation	Hourly costs	\$1,775,775.15
	Fixed operating costs	\$728,355.00
	Depreciation	\$384,000.00
	<b>Total</b>	<b>\$2,888,130.15</b>
	<b>Per hour</b>	<b>\$6,827.73</b>
	<b>Per nautical mile</b>	<b>\$16.50</b>
	<b>Per seat nautical mile</b>	<b>\$1.65</b>
Assumptions		
Annual hours		423
Annual nautical miles		175,000
Seats		10
<i>Source: Conklin &amp; de Decker, Orleans, Mass.</i>		