



**KNOX COUNTY REGIONAL AIRPORT
MONTHLY REPORT: MARCH 2009
AIRPORT MANAGER**

ENPLANMENTS:

CAPE AIR ENPLANEMENTS: Cape Air's enplanements were down by nearly 16%. This mirrors the national trend (down 18%). Cape Air has not put the additional flights onto the schedule yet, which could account for some leakage of passengers, but the economy is probably the primary driver for the down turn.

YEAR	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
2005	422	408	372	532	437	530	991	1176	622	528	414	363	6,761
2006	289	310	294	358	362	443	844	1105	591	467	344	362	5,769
2007	306	275	354	459	445	550	912	1086	608	473	292	264	6,024
2008	238	266	333	389	348	422	773	1101	597	522	267	299	5,555
2009	248	290	281										

PENOBSCOT ISLAND AIR ENPLANEMENTS: PIA's enplanements were up slightly in March (2%). Total enplanements were down a little over 7% (632 to 586).

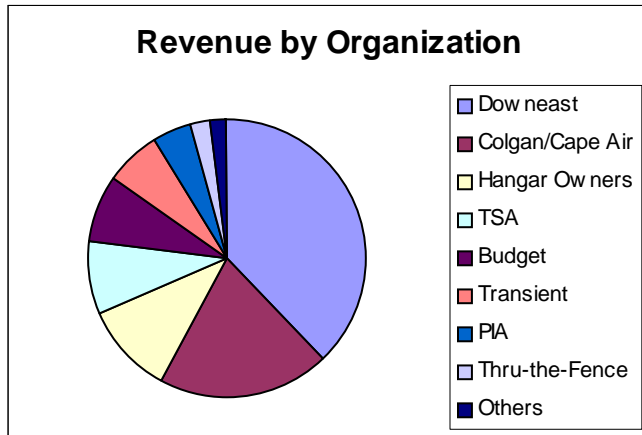
YEAR	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
2005	103	152	220	386	342	480	740	902	788	513	657	486	5,769
2006	245	217	394	548	560	505	1009	1426	770	948	682	515	7,819
2007	269	313	303	335	616	902	867	1543	985	857	839	390	8,219
2008	357	241	299	551	880	616	1037	1374	931	909	543	390	8,128
2009	302	217	305										

AIRCRAFT MOVEMENTS: The arrivals and departures for those flights that filed flight plans continued to spiral down in March, repeating January's 20% decrease. Again, this matches the national aviation trends reflecting the economic down slide.

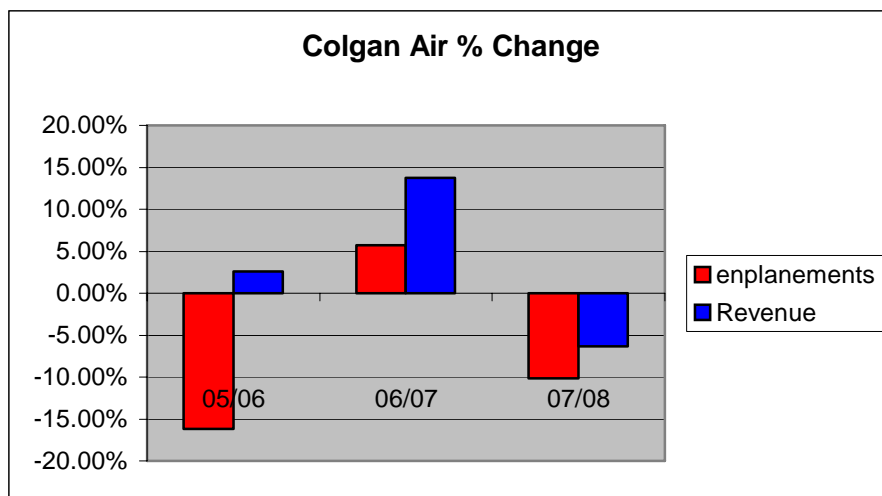
YEAR	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
2005	355	329	382	420	485	666	1057	1184	714	528	454	420	6,994
2006	361	362	410	432	501	671	983	1200	713	612	452	445	7,142
2007	394	345	392	408	524	712	1092	1215	741	609	452	349	7,233
2008	365	286	359	474	626	724	1232	1328	784	799	324	280	7,581
2009	292	272	289										

1. **Projects:** Please see Stantec's report for an overview of the projects. On March 27, Stantec and SMRT briefed the airport manager and Chris Straka (Ascent Energy), on new draft design plans for the terminal and the parking area. The Business Plan Sub-Committee will be briefed at their April 6 meeting. The new terminal design is one floor with a slightly smaller foot print (just under 10K square feet). The new concept eliminates much of the AIP ineligible office areas (specifically the TSA office areas), reducing the eligible vs ineligible ration (and the funding ratio) from 70-30 to 83-17. The new design will also decrease construction costs. Once the Business Plan Sub-committee provides tentative approval, more detailed design options and costing will be developed.

2. **APAC:** The APAC met March 23 and their next meeting will be April 13, 2009. The APAC recommended (7-1) to reseat the three incumbents whose terms expire this year (Bill Maddox, Kathy Allain and Jim Kirstead). South Thomaston Board of Selectmen recommended reseating Kathy and Camden Board of Selectmen recommended reseating Jim. Subsequent to the APAC meeting, the Penobscot Bay Regional Chamber of Commerce recommended reseating Bill Maddox. The only other input came directly from an individual interested in the District #3 seat (Candy Johanson). The Business Plan Sub-Committee met March 2 and 16, and they're scheduled to meet April 6 and 27, in the County Administration office, at 4:30 PM.
3. **Colgan/Cape Air:** Last month I highlighted Downeast Air's financial history and trends. They are our #1 source of income (other than grants), accounting for about 38% of our revenue. The scheduled air carrier (Colgan/Cape Air) is our second source of revenue at about 20%.

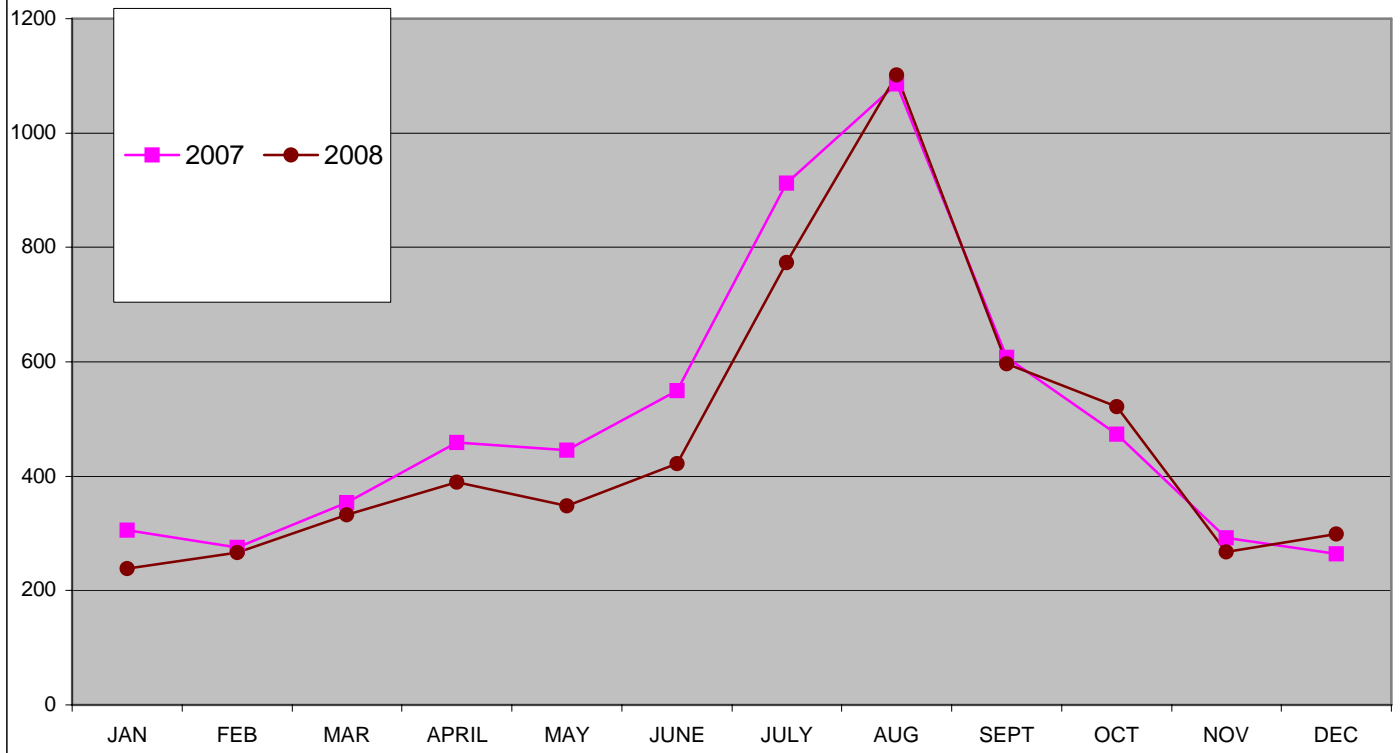


Between August 2005 and August 2006, Colgan Air made 3 rate hikes, going from \$203 for a one-way ticket to Boston up to \$273 for the same ticket. The total increase was nearly 35% and as could be expected the enplanements between 2005 and 2006 fell by over 15% but, the revenue from those passengers actually increased by about 2.5%. Between 2006 and 2007 one rate increase (slightly over 3%) was made and both enplanements and revenues increased (nearly 6% and 14%, respectively).



Another rate increase in April of 2008 (nearly 4%) accentuated already depressed riderships, resulting in a decrease of over 10% in enplanements **and** a corresponding decrease in revenue of over 6%.

Scheduled Carrier Enplanements



The change from Colgan Air to Cape Air resulted in additional income from the leased office area (from \$1274 to \$1447 per month) but, also resulted in decreased income from their passenger fee. Colgan paid 2.5% of the one-way ticket fare (\$7.32) for each passenger enplaning here. Because the ticket price for Cape Air is considerably lower we collect less per passenger (currently a flat rate of \$5.50) for each enplanement. (But, if we had used the same 2.5% rate, we would only be getting \$3.16 per enplanement). In the last chart, you can see Cape Air's enplanements from November 2008 through March 2009 were virtually the same as Colgan's enplanements from November 2007 through March 2008 but, the revenue we received from those passengers was over \$2,000 less.

