



# Memorandum

**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation

Office of Inspector General

Subject: **INFORMATION**: Airline Industry Metrics

Date: July 2, 2003

From: Kenneth M. Mead  
Inspector General

Reply to JA-50 x69970  
Attn of:

To: The Secretary  
Deputy Secretary  
Chief of Staff  
Associate Deputy Secretary  
Assistant Secretary for Aviation  
and International Affairs  
Assistant Secretary for Transportation Policy  
Federal Aviation Administrator  
Deputy Director, Bureau of Transportation  
Statistics

Attached is the fourth in a series of periodic updates to our airline industry metrics. As a result of the September 11, 2001 terrorist attacks, the war in Iraq, and the weakness in business travel that has persisted since early 2001, the airline industry is facing its greatest challenge since deregulation. The attached metrics were developed as a means for monitoring airline industry trends relating to domestic system demand and capacity, performance, finances, and air service at small airports. Overall, the metrics illustrate a number of important trends, including:

- The continuing weakness in passenger demand (down 11 percent in May 2003 from May 2000) coupled with the lack of full-fare business travelers (business travel dropped 26 percent in December 2002 from December 2000) and the drop in fare prices, continue to hamper the industry's ability to increase yields, and in turn, return to profitability.
- Due to the lessening distinction between full-fare and discount ticket prices, the Air Transport Association ceased collecting and reporting data on business fares as of January 2003. We are in the process of determining whether an alternative source for these data is available.

- The larger network airlines, facing growing losses, have cut service and/or shifted capacity to their regional affiliates—leading to low-fare and other smaller airlines expanding their domestic market shares.
- Although service cuts have helped increase passenger load factors, the “break even” load factor (the average percentage of paying passengers needed on all flights to cover airline costs) has risen even faster, due in large part to declining fares and higher fuel costs.
- While the number of flight operations is approaching pre-September 11 levels, the average size of aircraft being flown has dropped due to the rapid introduction of regional jets and the retirement of larger aircraft.
- Finally, the smallest airports (non-hub) continue to experience a disproportionate reduction in air service.

If you have any questions or if I can be of further assistance, please feel free to contact me at (202) 366-1959, or Mark R. Dayton, Assistant Inspector General for Competition and Economic Analysis, at (202) 366-9970.

Attachment

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# **AIRLINE INDUSTRY METRICS**

*Trends on Demand and Capacity,  
Aviation System Performance,  
Airline Finances, and Service to Small Airports*

*Number: CC-2003-048*

*Date Issued: July 2, 2003*

## SUMMARY OF AIRLINE INDUSTRY METRICS

This is the fourth in a series of periodic updates to our airline industry metrics. As a result of the September 11 terrorist attacks, the war in Iraq, and the weakness in business travel demand that has persisted since early 2001, the airline industry is facing its greatest challenge since deregulation.

Based on data obtained from the U.S. Department of Transportation (DOT), Federal Aviation Administration (FAA), and Air Transport Association (ATA), the Office of Inspector General has developed 38 metrics (see Figures 1 through 38, pages 6 through 12) for monitoring airline industry trends relating to domestic system demand and capacity, performance, finances, and air service at small airports.<sup>1</sup> Although subject to change, these metrics provide decisionmakers with past, present, and future indicators of domestic service levels and general state of the airline industry.

### *I. Air Service Demand and Capacity*

- ✓ **AIR TRAFFIC DEMAND:** Although the number of air travelers had been increasing from the sharp decline following September 11, 2001, the number began falling again during the latter part of 2002. While the December 2002 number showed some improvement (down only 4 percent from 2 years earlier), this was due in large part to the timing of holiday travel. With the approach of the war in Iraq, however, passenger enplanements again began dropping, with February through May 2003 numbers down between 16 percent and 18 percent from the same period in 2000. *[Figure 1]*
- ✓ **CAPACITY VERSUS DEMAND:** Actual domestic capacity as measured in available seat miles (ASMs) increased after September 11, 2001, at a faster rate than passenger demand as measured by revenue passenger miles (RPMs)—especially during the spring and early summer of 2002. However, during the latter part of 2002 and first 2 months of 2003, the reverse appeared to be the case as airlines brought capacity in line with travel demand. As of May 2003, passenger demand (RPMs) and actual capacity (ASMs) were down 11 percent and 12 percent, respectively, from May 2000. *[Figure 2]*
- ✓ **FLIGHT OPERATIONS:** FAA's Air Route Traffic Control Centers reported handling nearly the same number of flight operations in January 2003 as in January 2000.<sup>2</sup> Nevertheless, the last 4 months have shown a significant decrease with the number of flight operations down 7 percent in May 2003 versus May 2000. *[Figure 3]*
- ✓ **MAJOR AIRLINES ARRIVALS:** The decline in capacity has not been uniform among major carriers as roughly shown by flight arrivals. Southwest and Alaska reported increases in the number of flight arrivals (i.e., 9 percent and 2 percent, respectively)

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<sup>1</sup> Due to the sizable impact that the terrorist attacks had on domestic flight service during the latter part of 2001, we used 2000 as the base year in many of our metrics.

<sup>2</sup> Includes both scheduled and non-scheduled (for example, general aviation and military) air traffic.

between April 2000 and April 2003. The other seven major airlines reported declines ranging from 2 percent for America West to 38 percent for US Airways. [Figure 4]

- ✓ **AIRLINE SCHEDULES—SUMMER 2003:** Although the number of flights offered in airline schedules increased in 2002 after initially dropping in the months following September 11, 2001, this trend reversed in August 2002. The war in Iraq worsened this reversal so that by May 2003 the number of scheduled flights nearly equaled the lows reached in November 2001. With the end of the war, flight schedules have begun to recover, with the airlines currently scheduling 12 and 13 percent fewer flights and available passenger seats, respectively, in June 2003 versus June 2000. Schedules for this summer, however, show little added improvement, with flights and available passenger seats remaining down, between 9 and 13 percent, from the same period in 2000. [Figure 5]
- ✓ **REGIONAL DIFFERENCES:** When comparing all airports, the Northeast region continues to experience the largest decline in air service as compared to other parts of the country. For example, between June 2000 and June 2003, the Northeast experienced an 18 percent drop in scheduled available passenger seats, versus the Midwest (-13 percent), West (-13 percent), and South (-11 percent). [Figure 6]
- ✓ **AIRPORT RECOVERY RATES:** The recovery rate among the Nation's largest airports continues to vary significantly as measured in scheduled available passenger seats. For example, only one airport saw an increase between June 2000 and June 2003 (Fort Lauderdale +11 percent). All other large airports experienced varying levels of decline during this period—the 10 worst being: San Francisco (-32 percent), Dulles (-32 percent), St. Louis (-32 percent), Honolulu (-28 percent), Pittsburgh (-28 percent), Boston (-27 percent), Los Angeles (-26 percent), Newark (-20 percent), Reagan National (-17 percent), and Miami (-16 percent). [Figure 7]
- ✓ **LOSS OF SHORT HAUL AIR SERVICE:** For scheduled flights of less than 250 miles, nearly one in four (or 24 percent) were dropped between June 2000 and June 2003. In comparison, flights of 500 miles or more experienced far less change in service levels. Moreover, during this period, the major network airlines were more likely to cut their short haul flights, which declined 39 percent, than either the low fare (-6 percent) or other smaller (-22 percent) airlines.<sup>3</sup> [Figures 8 and 9]
- ✓ **LOW-FARE AND OTHER SMALLER AIRLINES GAIN MARKET SHARE:** In contrast to the major network airlines, many low-fare and other smaller airlines have continued to expand their market shares (as measured in scheduled available passenger seats), increasing approximately 5 and 3 percentage points, respectively, between June 2000 and June 2003. Consequently, the major network airlines have seen their share of

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<sup>3</sup> **Network airlines** include American, Alaska, America West, Continental, Delta, Northwest, United, and US Airways.

**Low fare airlines** include AirTran Airways, American Trans Air, Delta Song, Frontier Airlines, JetBlue Airways, National Airlines, Pan American Airways, Southwest Airlines, Spirit Airlines, Sun Country, and Vanguard Airlines. However, Vanguard Airlines and National Airlines ceased operations in July and November 2002, respectively.

**Other airlines** include smaller regional, commuter, and national airlines (many of which are affiliated with the major network carriers).

domestic air service decline from 65 percent to 56 percent during this same period. [Figure 10]

- ✓ **MARKET SHARE AND GROWTH OF LOW-FARE AIRLINES:** Of the total number of passenger seats scheduled by the nine low-fare airlines, Southwest represented approximately 68 percent in June 2003. Southwest also provided nearly 41 percent of the total growth in low-fare service over the last 5 years, followed by JetBlue (17 percent), American Trans Air (13 percent), Airtran (10 percent), Frontier (8 percent), Spirit (6 percent), and Delta Song (4 percent). [Figures 11 and 12]
- ✓ **GROWTH IN REGIONAL JET (RJ) FLIGHTS:** Another significant development involves the phenomenal growth in RJ flights.<sup>4</sup> Scheduled flights involving RJs increased 142 percent (from 71,764 to 173,732) between June 2000 and June 2003. Flights involving other aircraft types experienced far less growth or sharp declines, including piston (no change), turboprop (-44 percent), and large jets (-18 percent). Overall, the portion of scheduled flights involving RJs has grown from 8 percent to 21 percent between June 2000 and June 2003. [Figures 13 and 15]
- ✓ **RJ FLIGHTS AT LARGE AIRPORTS:** RJs are also assuming a larger share of the total number of scheduled flights at the 31 largest airports. Those airports with the highest percentages of RJ flights as of June 2003 are: Cincinnati (72 percent), Houston (40 percent), Newark (36 percent), Reagan National (32 percent), Dallas-Ft. Worth (31 percent), Salt Lake City (31 percent), Boston (30 percent), LaGuardia (30 percent), Atlanta (25 percent), and Chicago O'Hare (24 percent). [Figure 14]

## II. Air System Performance

- ✓ **FLIGHT DELAYS AND CANCELLATIONS:** For most of the last 3 years, flight delays and cancellations have remained well below levels reached in 2000. For example, between April 2000 and April 2003, gate arrival delays were down 60 percent (from 74,655 to 29,885), while cancellations dropped more than 76 percent (from 8,853 to 2,096). Likewise, gate departure delays were down approximately 61 percent (from 63,372 to 24,496). Poor weather conditions in February 2003, however, resulted in a noticeable increase in flight delays and cancellations—although these numbers were still below those reported in February 2000 and February 2001. [Figures 16, 17, and 18]
- ✓ **OTHER INDICATORS OF DELAYS:** Other indicators of flight delays were also down in April 2003 from April 2000, including the percentage of flights arriving late (from 23 percent to 12 percent), the percentage of flights departing late (from 20 percent to 10 percent), the average length of gate arrival delays (from 52 minutes to 46 minutes), and the average length of gate departure delays (from 54 minutes to 47 minutes). [Figures 19, 20, 21, and 22]

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<sup>4</sup> For this analysis, we defined RJs as those jet aircraft seating from 30 to 80 passengers.

### III. Airline Finances

- ✓ **BUSINESS AND LEISURE TRAVEL:** The drop in higher-fare business travelers, which began before September 11, has especially hurt the airlines. Although business (first-class and full-fare coach) and leisure traffic improved significantly in the months immediately following the terrorist attacks, both remained consistently down in 2002. Business travel, in particular, was down 26 percent in December 2002 from December 2000. As of January 2003, ATA ceased collecting and reporting business versus leisure fares due to the lessening distinction between full-fare and discount ticket prices. [Figure 23]
- ✓ **AIRLINE TICKET PRICES AND YIELDS:** The decline in high-fare business travel, coupled with an overall drop in ticket prices, has significantly affected airline yields. Between May 2000 and May 2003, for instance, the average ticket price for a 1,000 mile flight dropped from \$147 to \$118, resulting in a 20 percent decline in airline yields from passenger traffic. [Figures 24 and 25]
- ✓ **AIRLINE LOAD FACTORS:** Because of the airlines' continuing efforts to constrain capacity and the gradual return of passengers in response to fare discounting, aircraft load factors reached 70 percent for the quarter ending December 2002—matching the level achieved during the same period in 2000. Yet, the “break even” load factor (the average percentage of paying passengers needed on all flights to cover airline costs) has risen more than 13 percentage points (from 72 to 85 percent) during this same period. Among the major airlines, the break even load factor ranged from a low of 58 percent for Southwest to a high of 106 percent for United. [Figures 26 and 27]
- ✓ **AIRLINE REVENUES AND EXPENSES:** Airline operating revenues were down more than expenses in 2002. For the quarter ending December 2002 as compared to the same period in 2000, operating revenues declined 22 percent, whereas operating expenses declined 10 percent.<sup>5</sup> One recent factor hampering the airlines' efforts to reduce expenses was the rapid increase in jet fuel costs, which increased over 20 percent between April 2002 and April 2003. [Figures 28 and 29]
- ✓ **AIRLINE DEBT TO INVESTMENT:** Due to large operating losses, airline debt to investment ratios climbed from 50 percent in 2000 to 66 percent in 2001. For the quarter ending December 2002, the ratio had increased further to 87 percent, with individual airline ratios ranging from 28 percent for Southwest to 314 percent for US Airways.<sup>6</sup> Debt to investment, in part, measures an airline's ability to finance operations, given fluctuations in demand and revenue. [Figures 30 and 31]
- ✓ **AIRPORT AND AIRWAY TRUST FUND:** Lower demand and ticket prices have also reduced tax collections for the Airport and Airway Trust Fund. Prior to September 11, 2001, FAA projected overall collections of \$11.9 billion for Fiscal Year

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<sup>5</sup> Airline operating revenue was also affected by a sharp drop in domestic mail shipments, which declined 60 percent between 2000 and 2002.

<sup>6</sup> DOT publishes debt to total investment ratios in the Major Airline Quarterly Financial Review. Debt is defined as long-term debt, capital leases, and advances from associated companies, less unamortized debt expenses. Total investment includes all the debt items plus stockholder's equity.

(FY) 2003. FAA now estimates \$9.4 billion in tax collections in FY 2003, a drop of more than 21 percent. Current estimates also show that over the next 5 years (FY 2004 through FY 2008) Trust Fund tax revenues are expected to be about \$13 billion less than projections made in April 2001. *[Figure 32]*

### ***III. Air Service at Small Airports***

- ✓ **CHANGES IN AIR SERVICE:** Over the last 5 years, the smallest airports (non-hubs) have experienced deeper cuts in air service than their larger counterparts. As of June 2003, for instance, non-hub airports saw a 19 percent reduction in scheduled available passenger seats from June 1998. This compares to a 3 percent reduction for the larger airports. Airline schedules currently project little improvement in air service by September 2003, with non-hub airports down 18 percent versus 4 percent for larger airports when compared to September 1998. *[Figure 33]*
- ✓ **REGIONAL DIFFERENCES:** Non-hub airports in the Northeast and Midwest have had far larger drops in air service than other parts of the country in the last 3 years. Between June 2000 and June 2003, these two regions lost 36 percent and 26 percent, respectively, of their scheduled available passenger seats versus an 18 percent decline in the South and an 8 percent decline in the West. *[Figure 34]*
- ✓ **ACCESS TO LARGE AIRPORTS:** Non-hub airports also experienced a greater loss of direct service to and from the largest airports than did other airports. Non-hub airports lost 23 percent of scheduled flights to the largest airports between June 2000 and June 2003. In comparison, small, medium, and large airports experienced reductions of only 5 percent to 13 percent. *[Figure 35]*
- ✓ **RJ GROWTH:** Overall, scheduled flights at non-hub airports involving RJs increased 155 percent between June 2000 and June 2003. In comparison, flights involving other aircraft types experienced either far less growth or sharp declines, including piston (no change), large jets (-29 percent), and turboprop (-35 percent). *[Figure 36]*
- ✓ **LOW FARE SERVICE:** Non-hub airports can anticipate little or no added air service by low-fare airlines—even though these airlines are one of the few segments of the industry experiencing continued expansion. Overall, low-fare airlines scheduled service to only 8 of the more than 400 non-hub airports in June 2003,<sup>7</sup> representing approximately 3 percent of the total available passenger seats to these airports. In comparison, the major network and other smaller airlines comprised roughly 19 percent and 78 percent, respectively, of scheduled service. *[Figure 37]*
- ✓ **ESSENTIAL AIR SERVICE (EAS):** In the aftermath of September 11, 2001, congressional funding and the number of small communities requesting EAS subsidies increased significantly. For example, between FYs 2001 and 2003, funding rose 126 percent (from \$50 million to \$113 million), while the number of subsidized communities increased 9 percent (from 115 to 125). For FY 2004, however, the President's budget request calls for a return to the \$50 million level and is proposing significant changes in how subsidies are allocated. *[Figure 38]*

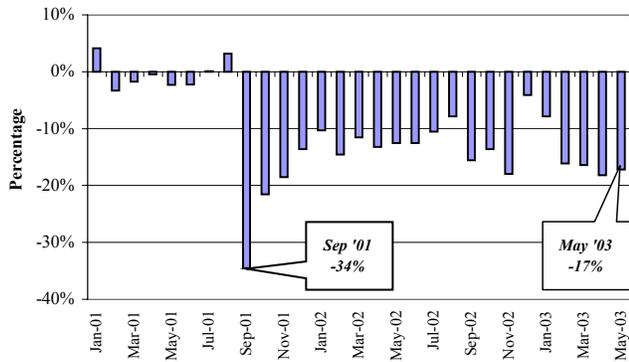
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<sup>7</sup> These data include only those non-hub airports that receive at least one scheduled flight per week.

# Airline Industry Metrics

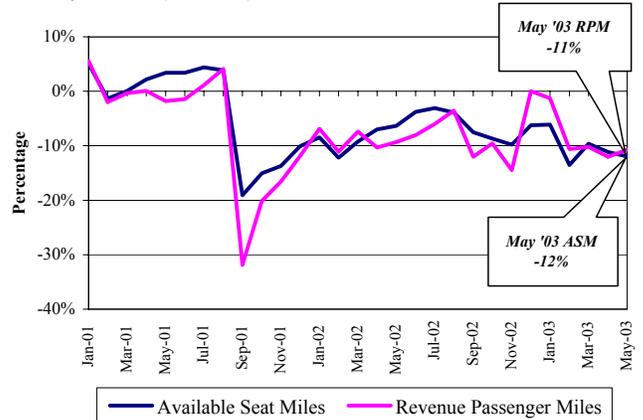
**Figure 1: Passenger Enplanements**

Percent Change in Revenue Passenger Enplanements from 2000 (ATA Data)



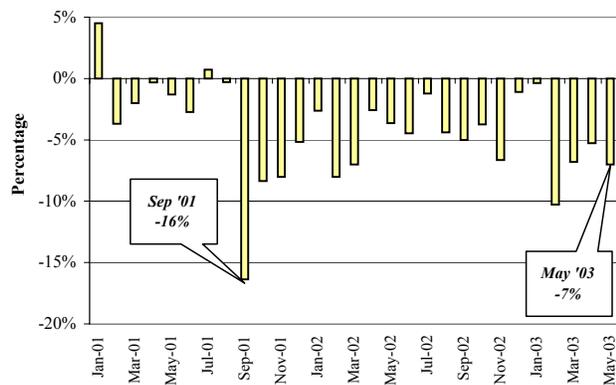
**Figure 2: Capacity vs. Demand**

Percent Change in Available Seat Miles vs. Revenue Passenger Miles from 2000 (ATA Data)



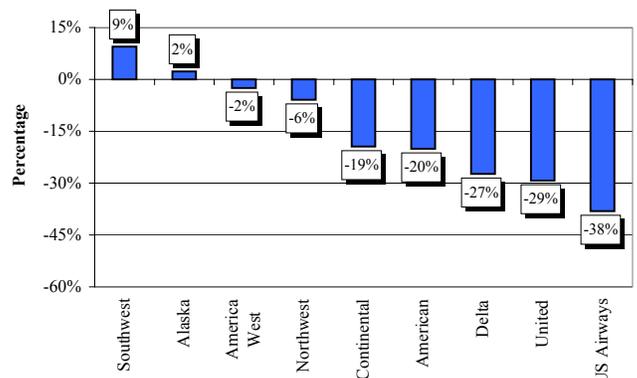
**Figure 3: Actual Flight Operations**

Percent Change in Air Route Traffic Control Center Operations from 2000 (FAA Data)



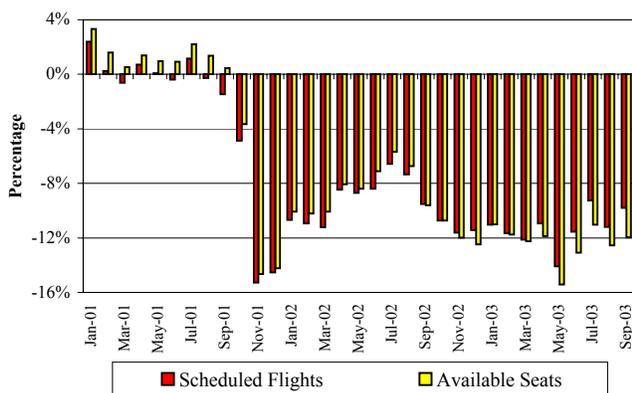
**Figure 4: Major Airlines Actual Arrivals**

Percent Change in Actual Arrivals by Airline 4/03 vs. 4/00 (FAA Data)



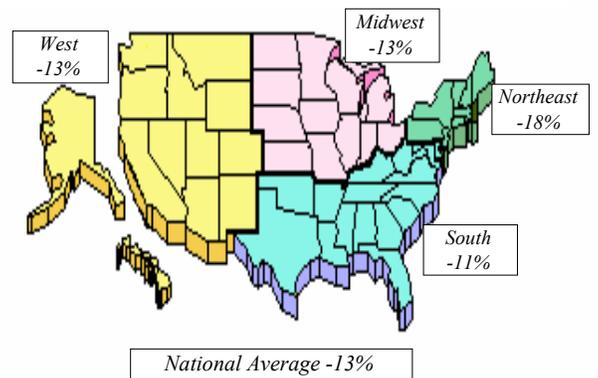
**Figure 5: Scheduled Capacity**

Percent Change in Scheduled Flights and Available Seats at All Airports from 2000 (FAA Data)



**Figure 6: Regional Differences at All Airports**

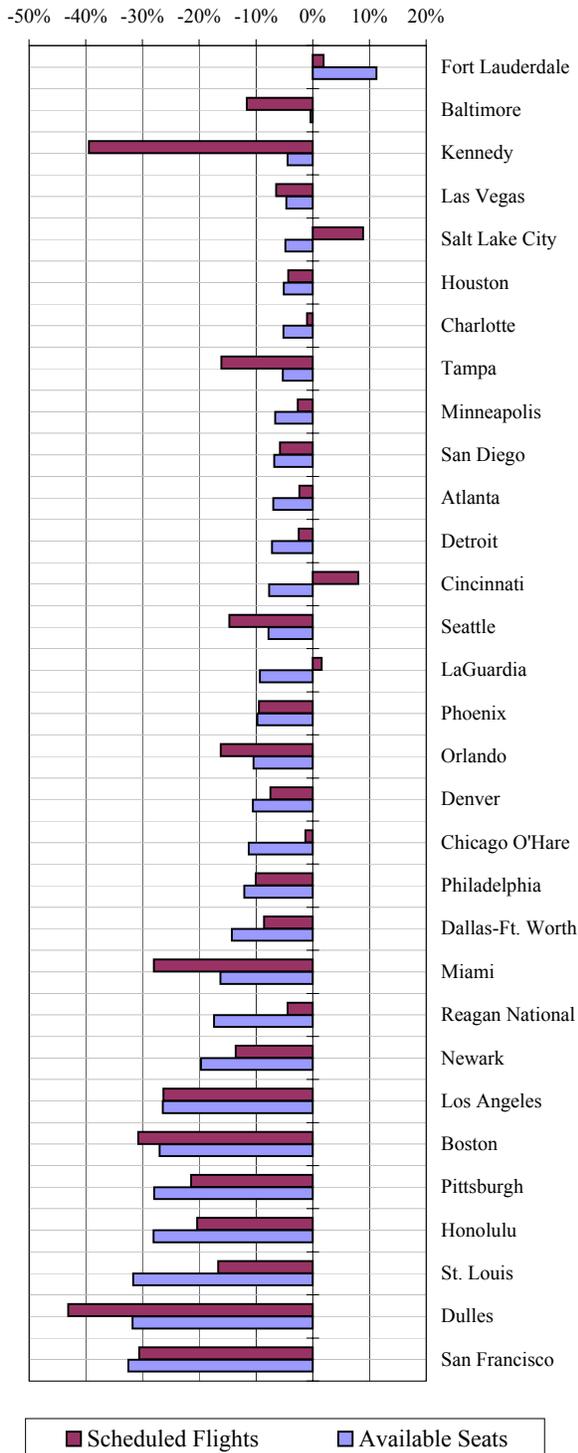
Percent Change in Available Seats at All Airports 6/03 vs. 6/00 (FAA Data)



## Airline Industry Metrics

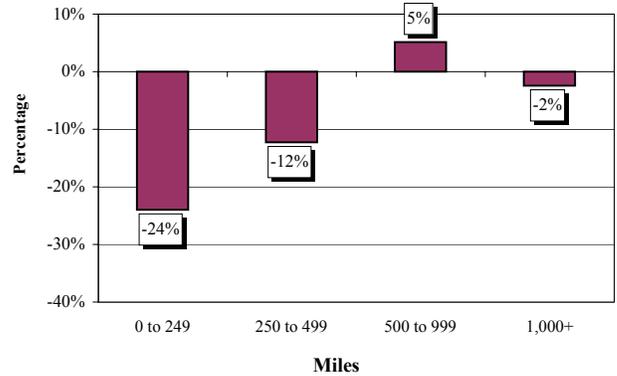
**Figure 7: Large Airports**

Percent Change in Scheduled Flights and Available Seats at the 31 Largest Airports 6/03 vs. 6/00 (FAA Data)



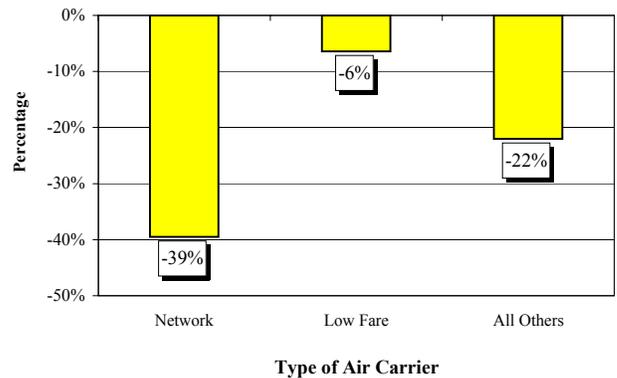
**Figure 8: Length of Flight**

Percent Change in Scheduled Flights by Length of Flight 6/03 vs. 6/00 (FAA Data)



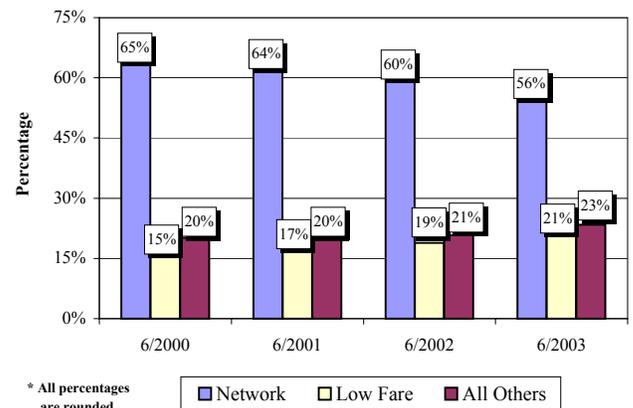
**Figure 9: Short Haul Flights by Type of Airline**

Percent Change in Scheduled Flights Less Than 250 Miles by Type of Airline 6/03 vs. 6/00 (FAA Data)



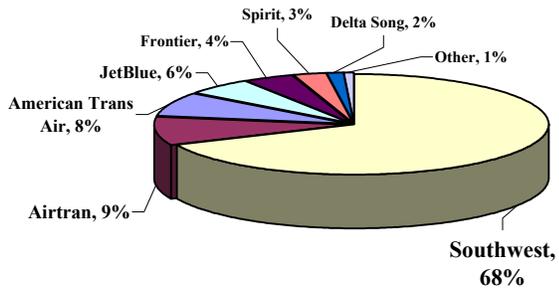
**Figure 10: Airline Market Share**

Airline Market Share by Available Seats (FAA Data)\*



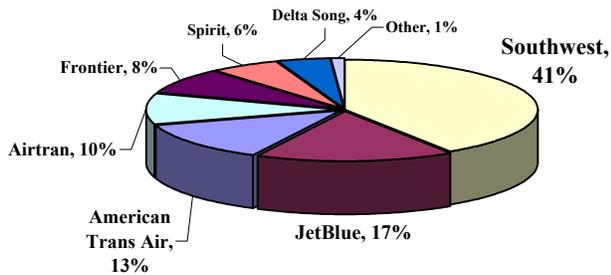
## Airline Industry Metrics

**Figure 11: Market Share of Low-Fare Service**  
Airline Share of Service by Available Seats, 6/03 (FAA Data)\*



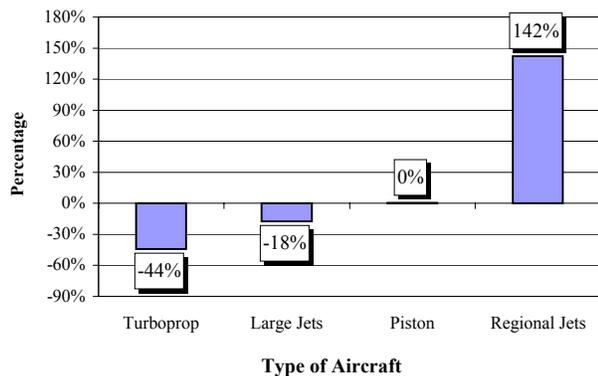
\* All percentages are rounded.

**Figure 12: Low-Fare Service Growth**  
Airline Share of Growth by Available Seats, 6/03 vs. 6/98 (FAA Data)\*

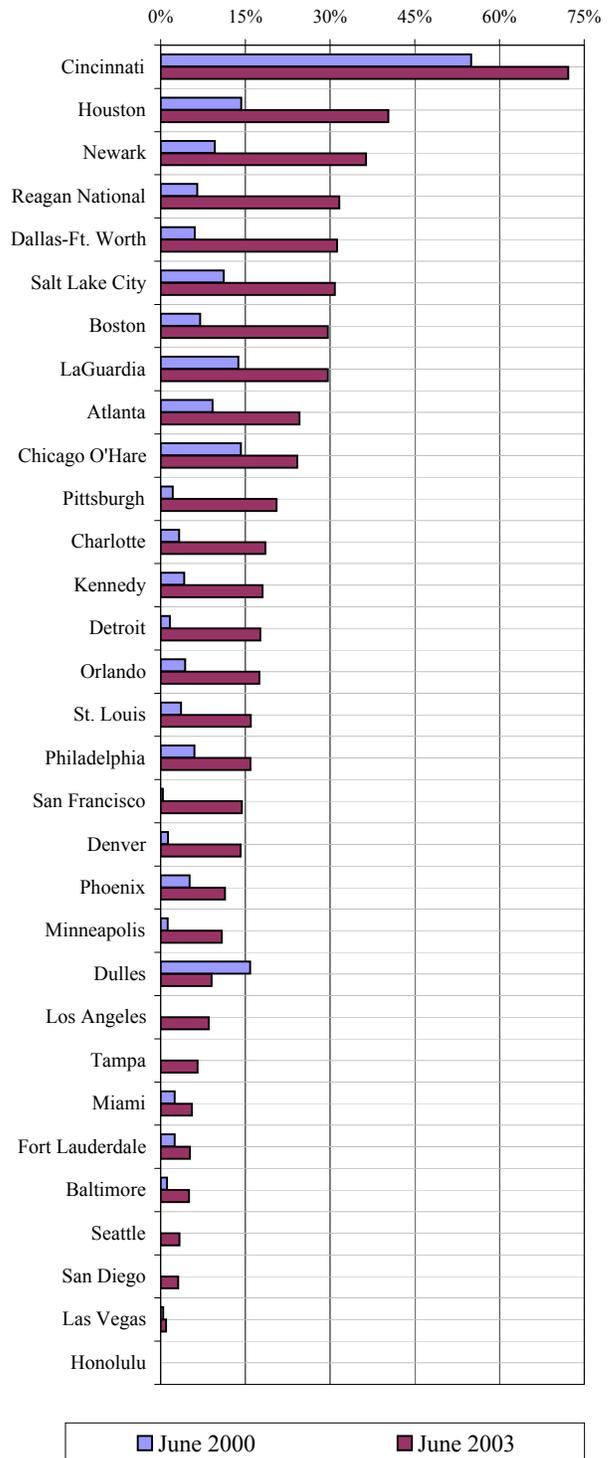


\* All percentages are rounded.

**Figure 13: Type of Aircraft**  
Percent Change in Number of Scheduled Flights by Type of Aircraft 6/03 vs. 6/00 (FAA Data)



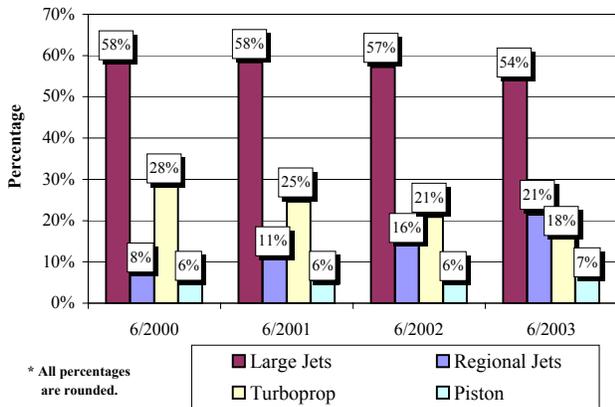
**Figure 14: RJs at Large Airports**  
RJs Share of Scheduled Flights at 31 Largest Airports 6/03 vs. 6/00 (FAA Data)



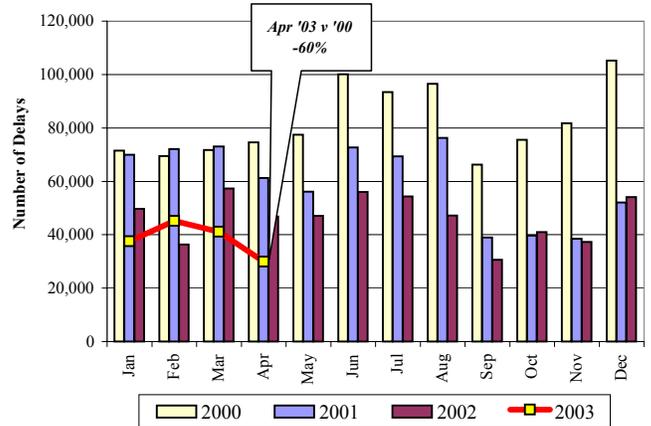
# Airline Industry Metrics

**Figure 15: Market Share by Aircraft Type**

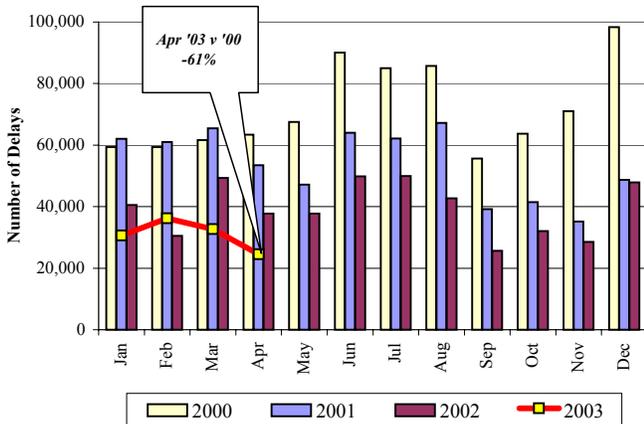
Percent Share of Scheduled Flights by Type of Aircraft (FAA Data)\*



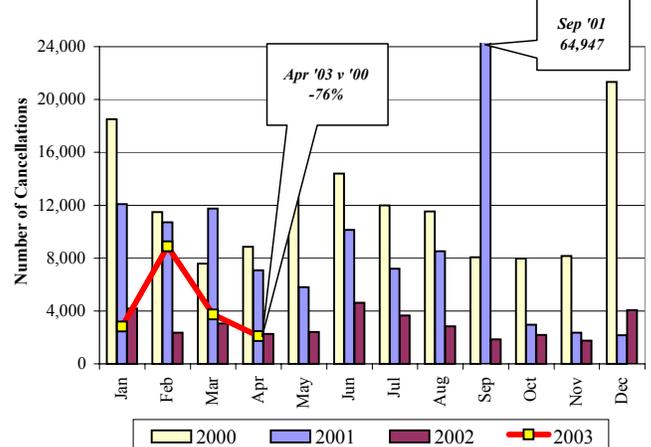
**Figure 16: Arrival Delays (FAA Data)**



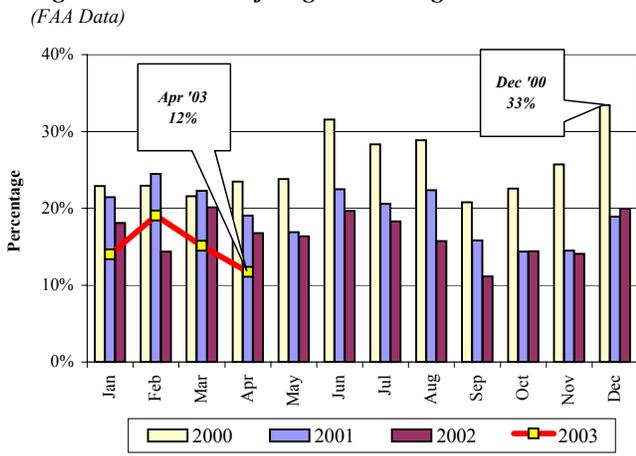
**Figure 17: Departure Delays (FAA Data)**



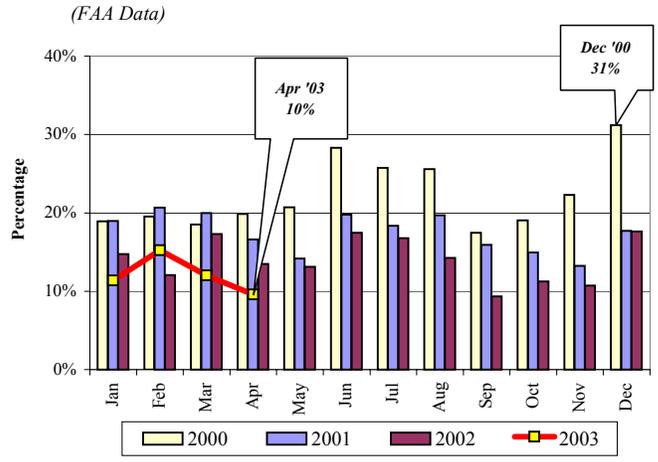
**Figure 18: Cancellations (FAA Data)**



**Figure 19: Percent of Flights Arriving Late (FAA Data)**

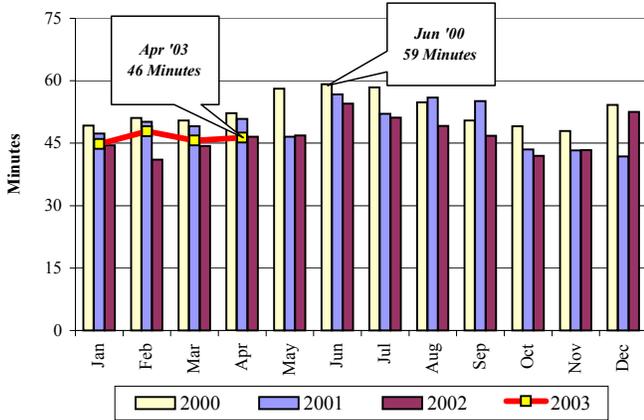


**Figure 20: Percent of Flights Departing Late (FAA Data)**

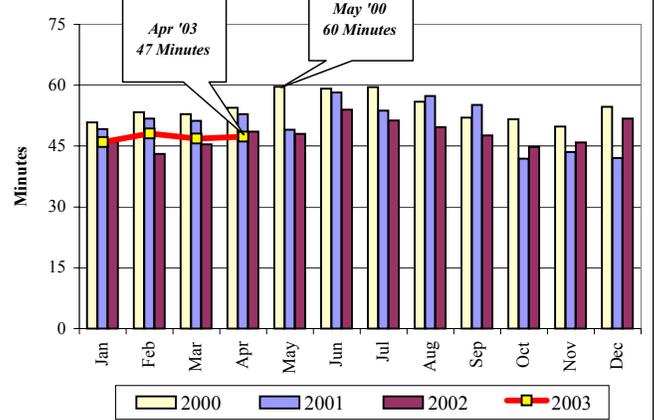


# Airline Industry Metrics

**Figure 21: Length of Arrival Delays** (FAA Data)

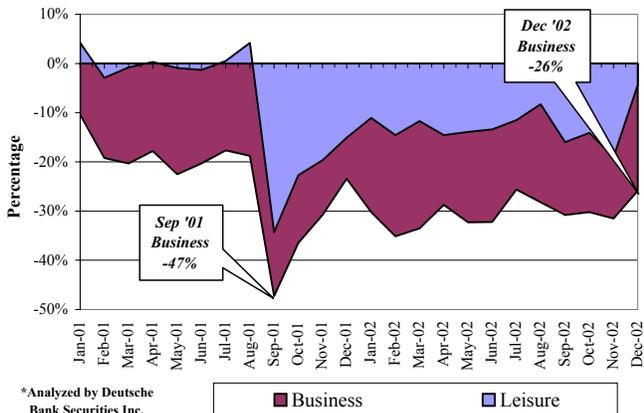


**Figure 22: Length of Departure Delays** (FAA Data)



**Figure 23: Business and Leisure Travel**

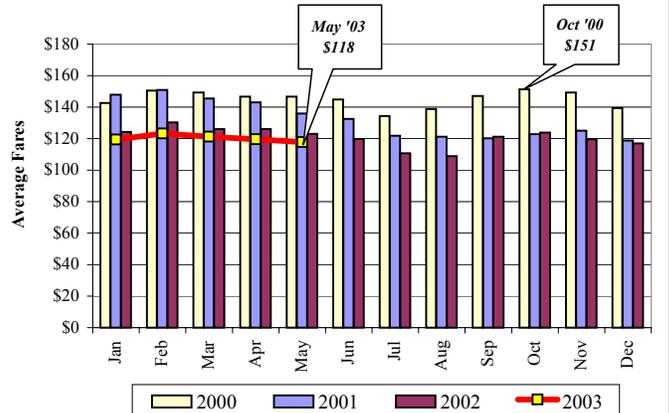
Percent Change in Business and Leisure Travel from 2000 (ATA Data)\*



\*Analyzed by Deutsche Bank Securities Inc.

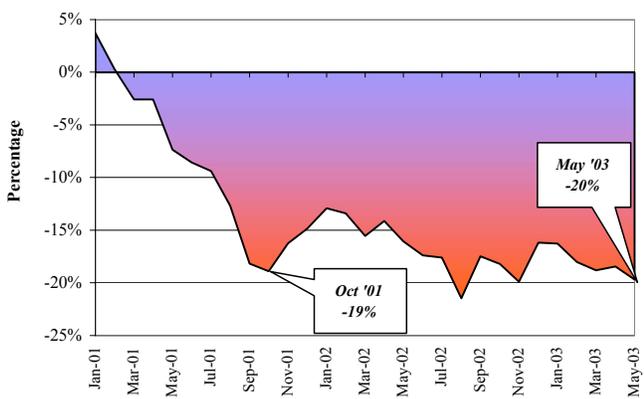
**Figure 24: Air Fares for Major Network Airlines**

Average Fare for 1,000 Mile Trip, Excluding Taxes (ATA Data)



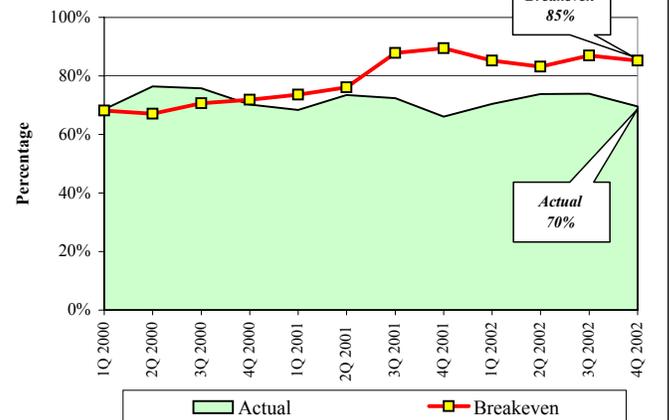
**Figure 25: Airline Yield**

Percent Change in Airline Yield from 2000 (ATA Data)

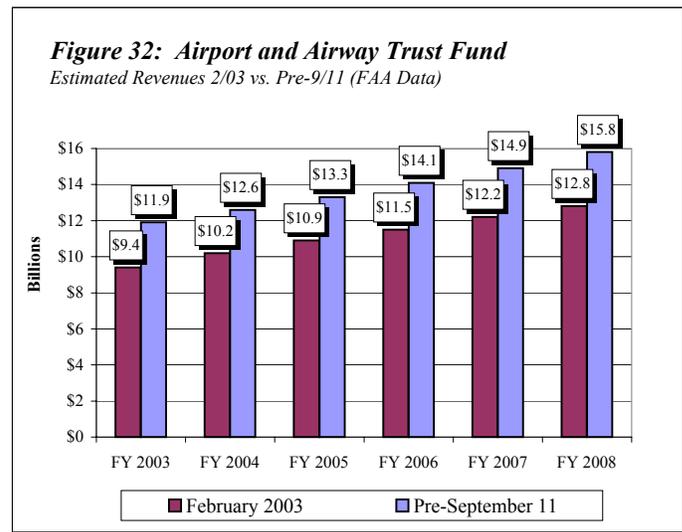
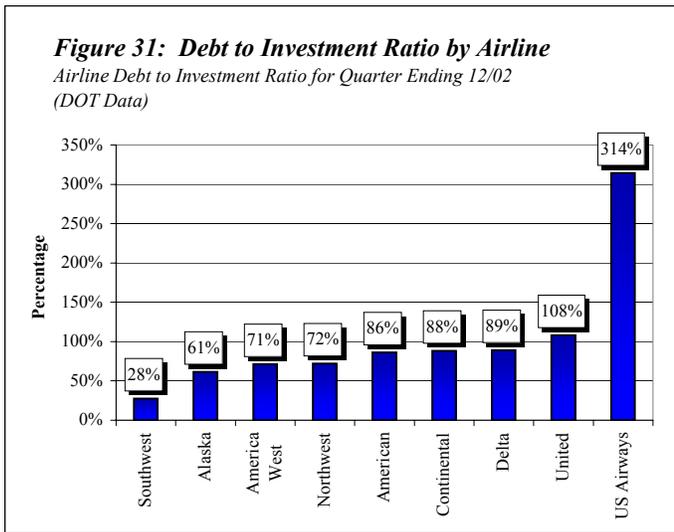
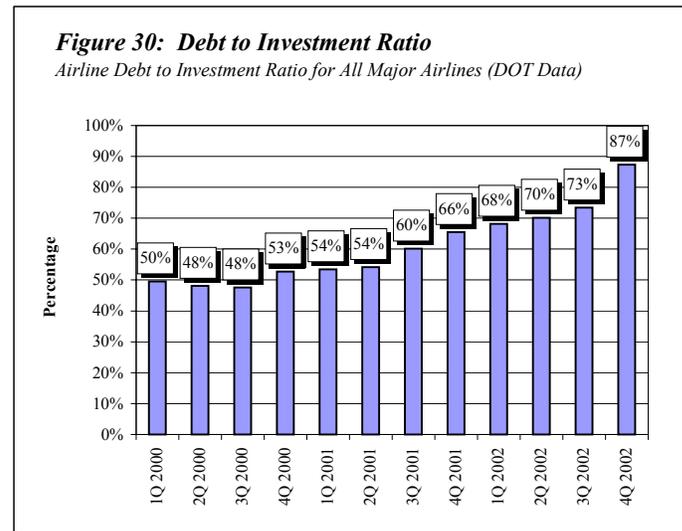
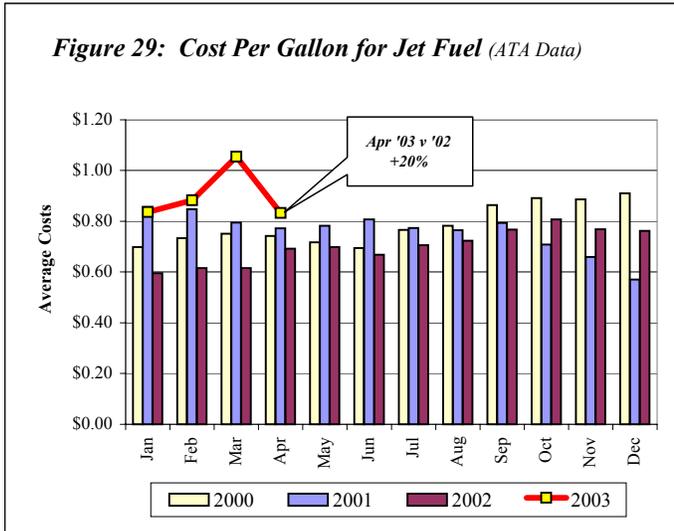
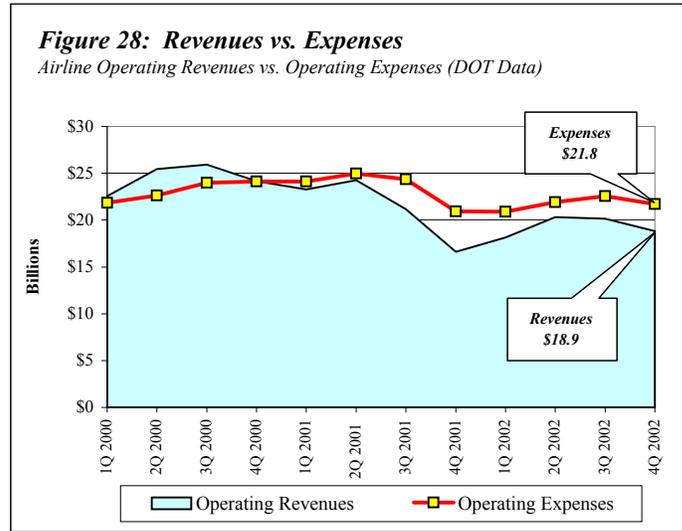
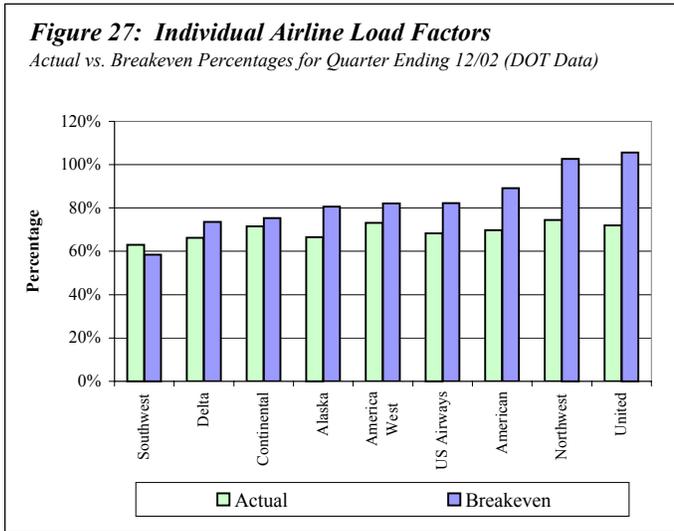


**Figure 26: Passenger Load Factors**

Actual vs. Breakeven Percentages (DOT Data)



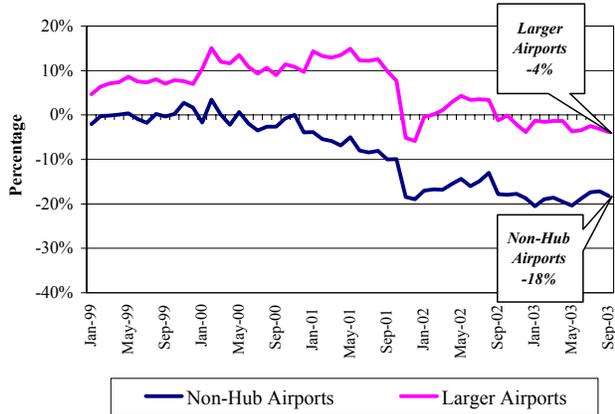
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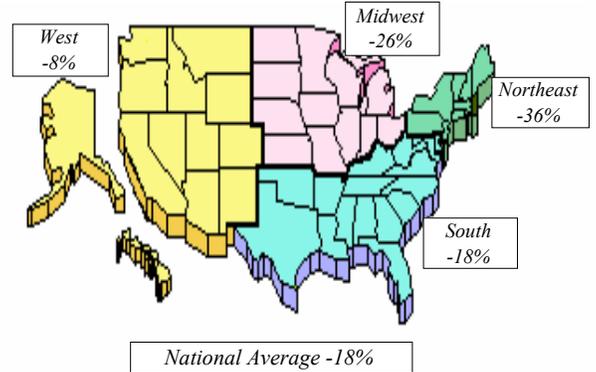
**Figure 33: Non-Hub vs. Larger Airports**

Percent Change in Available Seats from 1998 (FAA Data)



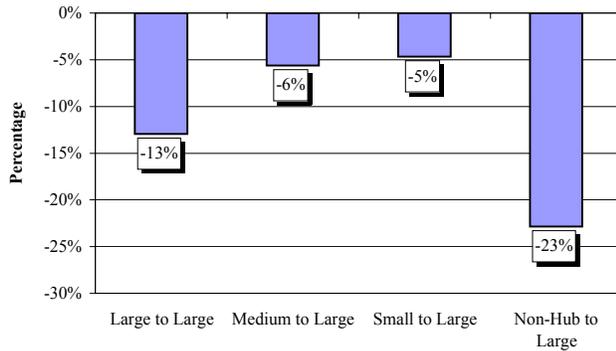
**Figure 34: Regional Differences at Non-Hubs**

Percent Change in Available Seats at Non-Hub Airports 6/03 vs. 6/00 (FAA Data)



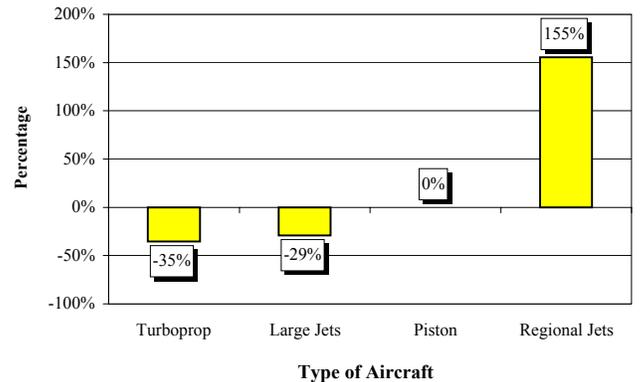
**Figure 35: Access to Large Airports**

Percent Change in Number of Scheduled Flights 6/03 vs. 6/00 (FAA Data)



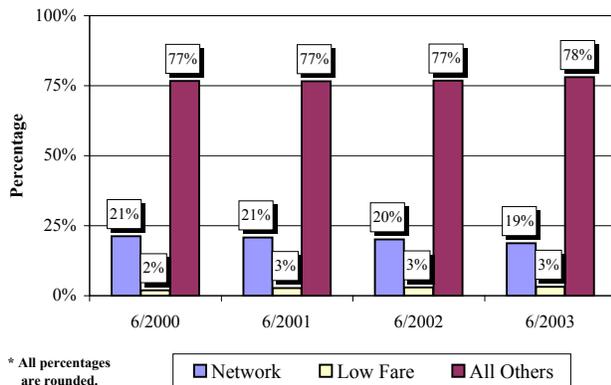
**Figure 36: Type of Aircraft at Non-Hub Airports**

Percent Change in Scheduled Flights by Type of Aircraft 6/03 vs. 6/00 (FAA Data)



**Figure 37: Airline Market Share at Non-Hubs**

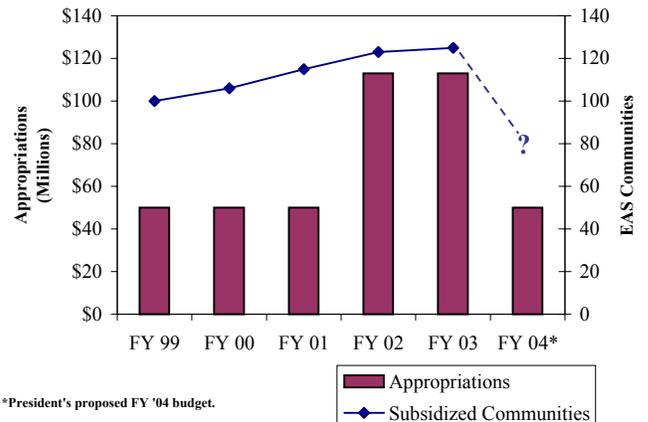
Airline Market Share by Available Seats at Non-Hub Airports (FAA Data)\*



\* All percentages are rounded.

**Figure 38: Essential Air Service**

Congressional Funding and Subsidized Communities (DOT Data)



\*President's proposed FY '04 budget.

## Airline Industry Metrics

**Figure 1: Passenger Enplanements**

**Percent Change in Revenue Passenger Enplanements from 2000  
(ATA Data)**

<b>Month</b>	<b>2001 (Percent Change from 2000)</b>	<b>2002 (Percent Change from 2000)</b>	<b>2003 (Percent Change from 2000)</b>
<b>January</b>	<b>4%</b>	<b>-10%</b>	<b>-8%</b>
<b>February</b>	<b>-3%</b>	<b>-15%</b>	<b>-16%</b>
<b>March</b>	<b>-2%</b>	<b>-12%</b>	<b>-16%</b>
<b>April</b>	<b>0%</b>	<b>-13%</b>	<b>-18%</b>
<b>May</b>	<b>-2%</b>	<b>-13%</b>	<b>-17%</b>
<b>June</b>	<b>-2%</b>	<b>-13%</b>	<b>Not Given</b>
<b>July</b>	<b>0%</b>	<b>-11%</b>	<b>Not Given</b>
<b>August</b>	<b>3%</b>	<b>-8%</b>	<b>Not Given</b>
<b>September</b>	<b>-34%</b>	<b>-16%</b>	<b>Not Given</b>
<b>October</b>	<b>-22%</b>	<b>-14%</b>	<b>Not Given</b>
<b>November</b>	<b>-19%</b>	<b>-18%</b>	<b>Not Given</b>
<b>December</b>	<b>-14%</b>	<b>-4%</b>	<b>Not Given</b>

**Note: September 2001 Enplanements Down 34 Percent**

**Note: May 2003 Enplanements Down 17 Percent**

**Figure 2: Capacity versus Demand**  
**Percent Change in Available Seat Miles Versus Revenue Passenger**  
**Miles from 2000 (ATA Data)**

<b>Month</b>	<b>2001 Change in Available Seat Miles</b>	<b>2001 Change in Revenue Passenger Miles</b>	<b>2002 Change in Available Seat Miles</b>	<b>2002 Change in Revenue Passenger Miles</b>	<b>2003 Change in Available Seat Miles</b>	<b>2003 Change in Revenue Passenger Miles</b>
<b>January</b>	<b>5%</b>	<b>6%</b>	<b>-8%</b>	<b>-7%</b>	<b>-6%</b>	<b>-1%</b>
<b>February</b>	<b>-1%</b>	<b>-2%</b>	<b>-12%</b>	<b>-11%</b>	<b>-14%</b>	<b>-11%</b>
<b>March</b>	<b>0%</b>	<b>0%</b>	<b>-9%</b>	<b>-7%</b>	<b>-10%</b>	<b>-10%</b>
<b>April</b>	<b>2%</b>	<b>0%</b>	<b>-7%</b>	<b>-10%</b>	<b>-11%</b>	<b>-12%</b>
<b>May</b>	<b>3%</b>	<b>-2%</b>	<b>-6%</b>	<b>-9%</b>	<b>-12%</b>	<b>-11%</b>
<b>June</b>	<b>3%</b>	<b>-1%</b>	<b>-4%</b>	<b>-8%</b>	<b>Not Given</b>	<b>Not Given</b>
<b>July</b>	<b>4%</b>	<b>1%</b>	<b>-3%</b>	<b>-6%</b>	<b>Not Given</b>	<b>Not Given</b>
<b>August</b>	<b>4%</b>	<b>4%</b>	<b>-4%</b>	<b>-4%</b>	<b>Not Given</b>	<b>Not Given</b>
<b>September</b>	<b>-19%</b>	<b>-32%</b>	<b>-8%</b>	<b>-12%</b>	<b>Not Given</b>	<b>Not Given</b>
<b>October</b>	<b>-15%</b>	<b>-20%</b>	<b>-9%</b>	<b>-10%</b>	<b>Not Given</b>	<b>Not Given</b>
<b>November</b>	<b>-14%</b>	<b>-17%</b>	<b>-10%</b>	<b>-14%</b>	<b>Not Given</b>	<b>Not Given</b>
<b>December</b>	<b>-10%</b>	<b>-12%</b>	<b>-6%</b>	<b>0%</b>	<b>Not Given</b>	<b>Not Given</b>

**Note: May 2003 Available Seat Miles Down 12 Percent**

**Note: May 2003 Revenue Passenger Miles Down 11 Percent**

**Figure 3: Actual Flight Operations  
Percent Change in Air Route Traffic Control Center Operations  
from 2000 (FAA Data)**

<b>Month</b>	<b>2001 Percent Change in Operations</b>	<b>2002 Percent Change in Operations</b>	<b>2003 Percent Change in Operations</b>
<b>January</b>	<b>5%</b>	<b>-3%</b>	<b>0%</b>
<b>February</b>	<b>-4%</b>	<b>-8%</b>	<b>-10%</b>
<b>March</b>	<b>-2%</b>	<b>-7%</b>	<b>-7%</b>
<b>April</b>	<b>0%</b>	<b>-3%</b>	<b>-5%</b>
<b>May</b>	<b>-1%</b>	<b>-4%</b>	<b>-7%</b>
<b>June</b>	<b>-3%</b>	<b>-4%</b>	<b>Not Given</b>
<b>July</b>	<b>1%</b>	<b>-1%</b>	<b>Not Given</b>
<b>August</b>	<b>0%</b>	<b>-4%</b>	<b>Not Given</b>
<b>September</b>	<b>-16%</b>	<b>-5%</b>	<b>Not Given</b>
<b>October</b>	<b>-8%</b>	<b>-4%</b>	<b>Not Given</b>
<b>November</b>	<b>-8%</b>	<b>-7%</b>	<b>Not Given</b>
<b>December</b>	<b>-5%</b>	<b>-1%</b>	<b>Not Given</b>

**Note: September 2001 Actual Flight Operations Down 16 Percent**

**Note: May 2003 Actual Flight Operations Down 7 Percent**

**Figure 4: Major Airlines Actual Arrivals  
Percent Change in Actual Arrivals by Airline April 2003 Versus April 2000  
(FAA Data)**

<b>Airline</b>	<b>2003 Percentage Change</b>
<b>Southwest</b>	<b>9%</b>
<b>Alaska</b>	<b>2%</b>
<b>America West</b>	<b>-2%</b>
<b>Northwest</b>	<b>-6%</b>
<b>Continental</b>	<b>-19%</b>
<b>American</b>	<b>-20%</b>
<b>Delta</b>	<b>-27%</b>
<b>United</b>	<b>-29%</b>
<b>US Airways</b>	<b>-38%</b>

**Figure 5: Scheduled Capacity  
Percent Change in Scheduled Flights and Available Seats at  
All Airports from 2000 (FAA Data)**

Month	2001 Percent Change in Flights	2001 Percent Change in Seats	2002 Percent Change in Flights	2002 Percent Change in Seats	2003 Percent Change in Flights	2003 Percent Change in Seats
January	2%	3%	-11%	-10%	-11%	-11%
February	0%	2%	-11%	-10%	-12%	-12%
March	-1%	1%	-11%	-10%	-12%	-12%
April	1%	1%	-8%	-8%	-11%	-12%
May	0%	1%	-9%	-8%	-14%	-15%
June	0%	1%	-8%	-7%	-12%	-13%
July	1%	2%	-7%	-6%	-9%	-11%
August	0%	1%	-7%	-7%	-11%	-13%
September	-1%	0%	-10%	-10%	-10%	-12%
October	-5%	-4%	-11%	-11%	Not Given	Not Given
November	-15%	-15%	-12%	-12%	Not Given	Not Given
December	-15%	-14%	-11%	-12%	Not Given	Not Given

**Figure 6: Regional Differences at All Airports  
Percent Change in Available Seats at All Airports June 2003 Versus June 2000  
(FAA Data)**

Region	Percent Change in Available Seats
Northeast (includes Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont)	-18%
Midwest (includes Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin)	-13%
West (includes Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming)	-13%
South (includes Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia)	-11%
National Average	-13%

**Figure 7: Large Airports  
Percent Change in Scheduled Flights and Available Seats at the  
31 Largest Airports June 2003 Versus June 2000 (FAA Data)**

<b>Largest Airports</b>	<b>Percent Change in Flights</b>	<b>Percent Change in Available Seats</b>
<b>Fort Lauderdale</b>	<b>2%</b>	<b>11%</b>
<b>Baltimore</b>	<b>-12%</b>	<b>0%</b>
<b>Kennedy</b>	<b>-39%</b>	<b>-4%</b>
<b>Las Vegas</b>	<b>-6%</b>	<b>-5%</b>
<b>Salt Lake City</b>	<b>9%</b>	<b>-5%</b>
<b>Houston</b>	<b>-4%</b>	<b>-5%</b>
<b>Charlotte</b>	<b>-1%</b>	<b>-5%</b>
<b>Tampa</b>	<b>-16%</b>	<b>-5%</b>
<b>Minneapolis</b>	<b>-3%</b>	<b>-7%</b>
<b>San Diego</b>	<b>-6%</b>	<b>-7%</b>
<b>Atlanta</b>	<b>-2%</b>	<b>-7%</b>
<b>Detroit</b>	<b>-2%</b>	<b>-7%</b>
<b>Cincinnati</b>	<b>8%</b>	<b>-8%</b>
<b>Seattle</b>	<b>-15%</b>	<b>-8%</b>
<b>LaGuardia</b>	<b>2%</b>	<b>-9%</b>
<b>Phoenix</b>	<b>-9%</b>	<b>-10%</b>
<b>Orlando</b>	<b>-16%</b>	<b>-10%</b>
<b>Denver</b>	<b>-7%</b>	<b>-11%</b>
<b>Chicago O'Hare</b>	<b>-1%</b>	<b>-11%</b>
<b>Philadelphia</b>	<b>-10%</b>	<b>-12%</b>
<b>Dallas-Ft. Worth</b>	<b>-9%</b>	<b>-14%</b>
<b>Miami</b>	<b>-28%</b>	<b>-16%</b>
<b>Reagan National</b>	<b>-4%</b>	<b>-17%</b>
<b>Newark</b>	<b>-14%</b>	<b>-20%</b>
<b>Los Angeles</b>	<b>-26%</b>	<b>-26%</b>
<b>Boston</b>	<b>-31%</b>	<b>-27%</b>
<b>Pittsburgh</b>	<b>-21%</b>	<b>-28%</b>
<b>Honolulu</b>	<b>-20%</b>	<b>-28%</b>
<b>St. Louis</b>	<b>-17%</b>	<b>-32%</b>
<b>Dulles</b>	<b>-43%</b>	<b>-32%</b>
<b>San Francisco</b>	<b>-31%</b>	<b>-32%</b>

**Figure 8: Length of Flight**  
**Percent Change in Scheduled Flights by Length of Flight**  
**June 2003 Versus June 2000 (FAA Data)**

<b>Range in Miles</b>	<b>2003 Percent Change in Flights</b>
<b>0 to 249 miles</b>	<b>-24%</b>
<b>250 to 499 miles</b>	<b>-12%</b>
<b>500 to 999 miles</b>	<b>5%</b>
<b>1,000 miles or more</b>	<b>-2%</b>

**Figure 9: Short Haul Flights by Type of Airline**  
**Percent Change in Scheduled Flights Less Than 250 Miles by**  
**Type of Airline June 2003 Versus June 2000 (FAA Data)**

<b>Type of Air Carrier</b>	<b>2003 Percent Change in Type</b>
<b>Network</b>	<b>-39%</b>
<b>Low Fare</b>	<b>-6%</b>
<b>All Others</b>	<b>-22%</b>

**Figure 10: Airline Market Share**  
**Airline Market Share by Available Seats (FAA Data)**

<b>Carrier Type</b>	<b>June 2000</b>	<b>June 2001</b>	<b>June 2002</b>	<b>June 2003</b>
<b>Network</b>	<b>65%</b>	<b>64%</b>	<b>60%</b>	<b>56%</b>
<b>Low Fare</b>	<b>15%</b>	<b>17%</b>	<b>19%</b>	<b>21%</b>
<b>All Others</b>	<b>20%</b>	<b>20%</b>	<b>21%</b>	<b>23%</b>

**Note: All percentages are rounded.**

**Figure 11: Market Share of Low-Fare Service  
Airline Share of Service by Available Seats, June 2003 (FAA Data)**

<b>Low-Fare Airline</b>	<b>Market Share Percentage</b>
<b>Southwest</b>	<b>68%</b>
<b>Airtran</b>	<b>9%</b>
<b>American Trans Air</b>	<b>8%</b>
<b>JetBlue</b>	<b>6%</b>
<b>Frontier</b>	<b>4%</b>
<b>Spirit</b>	<b>3%</b>
<b>Delta Song</b>	<b>2%</b>
<b>Other</b>	<b>1%</b>

**Note: All Percentages are rounded.**

**Figure 12: Low-Fare Service Growth  
Airline Share of Growth by Available Seats, June 2003 Versus June 1998  
(FAA Data)**

<b>Low-Fare Airline</b>	<b>Service Growth Percentages</b>
<b>Southwest</b>	<b>41%</b>
<b>JetBlue</b>	<b>17%</b>
<b>American Trans Air</b>	<b>13%</b>
<b>Airtran</b>	<b>10%</b>
<b>Frontier</b>	<b>8%</b>
<b>Spirit</b>	<b>6%</b>
<b>Delta Song</b>	<b>4%</b>
<b>Other</b>	<b>1%</b>

**Note: All percentages are rounded.**

**Figure 13: Type of Aircraft  
Percent Change in Number of Scheduled Flights by Type of Aircraft  
June 2003 Versus June 2000 (FAA Data)**

<b>Type of Aircraft</b>	<b>Percent Change in Flights</b>
<b>Turboprop</b>	<b>-44%</b>
<b>Large Jets</b>	<b>-18%</b>
<b>Piston</b>	<b>0%</b>
<b>Regional Jets</b>	<b>142%</b>

**Figure 14: Regional Jets at Large Airports**  
**Regional Jets Share of Scheduled Flights at 31 Largest Airports June 2003**  
**Versus June 2000 (FAA Data)**

<b>Largest Airports</b>	<b>June 2000 Percentage Share of Flights</b>	<b>June 2003 Percentage Share of Flights</b>
<b>Cincinnati</b>	<b>55%</b>	<b>72%</b>
<b>Houston</b>	<b>14%</b>	<b>40%</b>
<b>Newark</b>	<b>10%</b>	<b>36%</b>
<b>Reagan National</b>	<b>7%</b>	<b>32%</b>
<b>Dallas-Ft. Worth</b>	<b>6%</b>	<b>31%</b>
<b>Salt Lake City</b>	<b>11%</b>	<b>31%</b>
<b>Boston</b>	<b>7%</b>	<b>30%</b>
<b>LaGuardia</b>	<b>14%</b>	<b>30%</b>
<b>Atlanta</b>	<b>9%</b>	<b>25%</b>
<b>Chicago O'Hare</b>	<b>14%</b>	<b>24%</b>
<b>Pittsburgh</b>	<b>2%</b>	<b>21%</b>
<b>Charlotte</b>	<b>3%</b>	<b>19%</b>
<b>Kennedy</b>	<b>4%</b>	<b>18%</b>
<b>Detroit</b>	<b>2%</b>	<b>18%</b>
<b>Orlando</b>	<b>4%</b>	<b>17%</b>
<b>St. Louis</b>	<b>4%</b>	<b>16%</b>
<b>Philadelphia</b>	<b>6%</b>	<b>16%</b>
<b>San Francisco</b>	<b>0%</b>	<b>14%</b>
<b>Denver</b>	<b>1%</b>	<b>14%</b>
<b>Phoenix</b>	<b>5%</b>	<b>11%</b>
<b>Minneapolis</b>	<b>1%</b>	<b>11%</b>
<b>Dulles</b>	<b>16%</b>	<b>9%</b>
<b>Los Angeles</b>	<b>0%</b>	<b>8%</b>
<b>Tampa</b>	<b>0%</b>	<b>7%</b>
<b>Miami</b>	<b>2%</b>	<b>6%</b>
<b>Fort Lauderdale</b>	<b>2%</b>	<b>5%</b>
<b>Baltimore</b>	<b>1%</b>	<b>5%</b>
<b>Seattle</b>	<b>0%</b>	<b>3%</b>
<b>San Diego</b>	<b>0%</b>	<b>3%</b>
<b>Las Vegas</b>	<b>0%</b>	<b>1%</b>
<b>Honolulu</b>	<b>0%</b>	<b>0%</b>

**Figure 15: Market Share by Aircraft Type**  
**Percent Share of Scheduled Flights by Type of Aircraft (FAA Data)**

<b>Aircraft Type</b>	<b>June 2000</b>	<b>June 2001</b>	<b>June 2002</b>	<b>June 2003</b>
<b>Large Jets</b>	<b>58%</b>	<b>58%</b>	<b>57%</b>	<b>54%</b>
<b>Regional Jets</b>	<b>8%</b>	<b>11%</b>	<b>16%</b>	<b>21%</b>
<b>Turboprop</b>	<b>28%</b>	<b>25%</b>	<b>21%</b>	<b>18%</b>
<b>Piston</b>	<b>6%</b>	<b>6%</b>	<b>6%</b>	<b>7%</b>

**Note: All percentages are rounded.**

**Figure 16: Arrival Delays (FAA Data)**

<b>Month</b>	<b>2000 Arrival Delays</b>	<b>2001 Arrival Delays</b>	<b>2002 Arrival Delays</b>	<b>2003 Arrival Delays</b>
<b>January</b>	<b>71,485</b>	<b>69,926</b>	<b>49,657</b>	<b>37,552</b>
<b>February</b>	<b>69,499</b>	<b>72,135</b>	<b>36,355</b>	<b>45,191</b>
<b>March</b>	<b>71,757</b>	<b>73,004</b>	<b>57,281</b>	<b>41,095</b>
<b>April</b>	<b>74,655</b>	<b>61,285</b>	<b>46,842</b>	<b>29,885</b>
<b>May</b>	<b>77,400</b>	<b>56,141</b>	<b>47,038</b>	<b>Not Given</b>
<b>June</b>	<b>100,115</b>	<b>72,641</b>	<b>56,011</b>	<b>Not Given</b>
<b>July</b>	<b>93,399</b>	<b>69,392</b>	<b>54,355</b>	<b>Not Given</b>
<b>August</b>	<b>96,550</b>	<b>76,237</b>	<b>47,160</b>	<b>Not Given</b>
<b>September</b>	<b>66,251</b>	<b>38,967</b>	<b>30,598</b>	<b>Not Given</b>
<b>October</b>	<b>75,543</b>	<b>39,694</b>	<b>41,050</b>	<b>Not Given</b>
<b>November</b>	<b>81,731</b>	<b>38,464</b>	<b>37,357</b>	<b>Not Given</b>
<b>December</b>	<b>105,180</b>	<b>52,064</b>	<b>54,108</b>	<b>Not Given</b>

**Note: April 2003 Versus April 2000 Down 60 Percent**

**Figure 17: Departure Delays (FAA Data)**

<b>Month</b>	<b>2000 Departure Delays</b>	<b>2001 Departure Delays</b>	<b>2002 Departure Delays</b>	<b>2003 Departure Delays</b>
January	59,344	62,032	40,524	30,598
February	59,316	61,044	30,542	36,228
March	61,678	65,503	49,324	32,712
April	63,372	53,421	37,751	24,496
May	67,571	47,207	37,706	Not Given
June	90,115	63,980	49,880	Not Given
July	85,049	62,108	49,973	Not Given
August	85,760	67,209	42,680	Not Given
September	55,667	39,229	25,672	Not Given
October	63,742	41,444	32,072	Not Given
November	70,997	35,169	28,495	Not Given
December	98,386	48,710	47,855	Not Given

**Note: April 2003 Versus April 2000 Down 61 Percent**

**Figure 18: Cancellations (FAA Data)**

<b>Month</b>	<b>2000 Cancellations</b>	<b>2001 Cancellations</b>	<b>2002 Cancellations</b>	<b>2003 Cancellations</b>
January	18,512	12,077	4,199	2,813
February	11,477	10,706	2,361	8,873
March	7,585	11,753	3,063	3,743
April	8,853	7,086	2,265	2,096
May	12,835	5,796	2,399	Not Given
June	14,407	10,135	4,621	Not Given
July	11,985	7,189	3,659	Not Given
August	11,538	8,528	2,834	Not Given
September	8,057	64,947	1,861	Not Given
October	7,977	2,966	2,188	Not Given
November	8,150	2,371	1,767	Not Given
December	21,333	2,161	4,057	Not Given

**Note: April 2003 Versus April 2000 Down 76 Percent**

**Note: September 2001 Cancellations Totaled 64,947**

**Figure 19: Percent of Flights Arriving Late  
(FAA Data)**

<b>Month</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
<b>January</b>	<b>23%</b>	<b>21%</b>	<b>18%</b>	<b>14%</b>
<b>February</b>	<b>23%</b>	<b>24%</b>	<b>14%</b>	<b>19%</b>
<b>March</b>	<b>22%</b>	<b>22%</b>	<b>20%</b>	<b>15%</b>
<b>April</b>	<b>23%</b>	<b>19%</b>	<b>17%</b>	<b>12%</b>
<b>May</b>	<b>24%</b>	<b>17%</b>	<b>16%</b>	<b>Not Given</b>
<b>June</b>	<b>32%</b>	<b>22%</b>	<b>20%</b>	<b>Not Given</b>
<b>July</b>	<b>28%</b>	<b>21%</b>	<b>18%</b>	<b>Not Given</b>
<b>August</b>	<b>29%</b>	<b>22%</b>	<b>16%</b>	<b>Not Given</b>
<b>September</b>	<b>21%</b>	<b>16%</b>	<b>11%</b>	<b>Not Given</b>
<b>October</b>	<b>23%</b>	<b>14%</b>	<b>14%</b>	<b>Not Given</b>
<b>November</b>	<b>26%</b>	<b>14%</b>	<b>14%</b>	<b>Not Given</b>
<b>December</b>	<b>33%</b>	<b>19%</b>	<b>20%</b>	<b>Not Given</b>

**Note: April 2003 12 Percent of Flights Arrived Late**

**Note: December 2000 33 Percent of Flights Arrived Late**

**Figure 20: Percent of Flights Departing Late  
(FAA Data)**

<b>Month</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
<b>January</b>	<b>19%</b>	<b>19%</b>	<b>15%</b>	<b>11%</b>
<b>February</b>	<b>20%</b>	<b>21%</b>	<b>12%</b>	<b>15%</b>
<b>March</b>	<b>19%</b>	<b>20%</b>	<b>17%</b>	<b>12%</b>
<b>April</b>	<b>20%</b>	<b>17%</b>	<b>14%</b>	<b>10%</b>
<b>May</b>	<b>21%</b>	<b>14%</b>	<b>13%</b>	<b>Not Given</b>
<b>June</b>	<b>28%</b>	<b>20%</b>	<b>17%</b>	<b>Not Given</b>
<b>July</b>	<b>26%</b>	<b>18%</b>	<b>17%</b>	<b>Not Given</b>
<b>August</b>	<b>26%</b>	<b>20%</b>	<b>14%</b>	<b>Not Given</b>
<b>September</b>	<b>17%</b>	<b>16%</b>	<b>9%</b>	<b>Not Given</b>
<b>October</b>	<b>19%</b>	<b>15%</b>	<b>11%</b>	<b>Not Given</b>
<b>November</b>	<b>22%</b>	<b>13%</b>	<b>11%</b>	<b>Not Given</b>
<b>December</b>	<b>31%</b>	<b>18%</b>	<b>18%</b>	<b>Not Given</b>

**Note: April 2003 10 Percent of Flights Departed Late**

**Note: December 2000 31 Percent of Flights Departed Late**

**Figure 21: Length of Arrival Delays (FAA Data)**

<b>Month</b>	<b>2000 (In Minutes)</b>	<b>2001 (In Minutes)</b>	<b>2002 (In Minutes)</b>	<b>2003 (In Minutes)</b>
<b>January</b>	<b>49</b>	<b>47</b>	<b>44</b>	<b>45</b>
<b>February</b>	<b>51</b>	<b>50</b>	<b>41</b>	<b>48</b>
<b>March</b>	<b>50</b>	<b>49</b>	<b>44</b>	<b>46</b>
<b>April</b>	<b>52</b>	<b>51</b>	<b>47</b>	<b>46</b>
<b>May</b>	<b>58</b>	<b>47</b>	<b>47</b>	<b>Not Given</b>
<b>June</b>	<b>59</b>	<b>57</b>	<b>55</b>	<b>Not Given</b>
<b>July</b>	<b>58</b>	<b>52</b>	<b>51</b>	<b>Not Given</b>
<b>August</b>	<b>55</b>	<b>56</b>	<b>49</b>	<b>Not Given</b>
<b>September</b>	<b>50</b>	<b>55</b>	<b>47</b>	<b>Not Given</b>
<b>October</b>	<b>49</b>	<b>44</b>	<b>42</b>	<b>Not Given</b>
<b>November</b>	<b>48</b>	<b>43</b>	<b>43</b>	<b>Not Given</b>
<b>December</b>	<b>54</b>	<b>42</b>	<b>53</b>	<b>Not Given</b>

**Note: April 2003 Arrivals Delayed 46 Minutes**

**Note: June 2000 Arrivals Delayed 59 Minutes**

**Figure 22: Length of Departure Delays (FAA Data)**

<b>Month</b>	<b>2000 (In Minutes)</b>	<b>2001 (In Minutes)</b>	<b>2002 (In Minutes)</b>	<b>2003 (In Minutes)</b>
<b>January</b>	<b>51</b>	<b>49</b>	<b>46</b>	<b>46</b>
<b>February</b>	<b>53</b>	<b>52</b>	<b>43</b>	<b>48</b>
<b>March</b>	<b>53</b>	<b>51</b>	<b>45</b>	<b>47</b>
<b>April</b>	<b>54</b>	<b>53</b>	<b>49</b>	<b>47</b>
<b>May</b>	<b>60</b>	<b>49</b>	<b>48</b>	<b>Not Given</b>
<b>June</b>	<b>59</b>	<b>58</b>	<b>54</b>	<b>Not Given</b>
<b>July</b>	<b>60</b>	<b>54</b>	<b>51</b>	<b>Not Given</b>
<b>August</b>	<b>56</b>	<b>57</b>	<b>50</b>	<b>Not Given</b>
<b>September</b>	<b>52</b>	<b>55</b>	<b>48</b>	<b>Not Given</b>
<b>October</b>	<b>52</b>	<b>42</b>	<b>45</b>	<b>Not Given</b>
<b>November</b>	<b>50</b>	<b>44</b>	<b>46</b>	<b>Not Given</b>
<b>December</b>	<b>55</b>	<b>42</b>	<b>52</b>	<b>Not Given</b>

**Note: April 2003 Departures Delayed 47 Minutes**

**Note: May 2000 Departures Delayed 60 Minutes**

**Figure 23: Business and Leisure Travel**  
**Percent Change in Business and Leisure Travel from 2000**  
**Analyzed by Deutsche Bank Securities Inc. (ATA Data)**

<b>Month</b>	<b>2001 Change in Business</b>	<b>2001 Change in Leisure</b>	<b>2002 Change in Business</b>	<b>2002 Change in Leisure</b>
<b>January</b>	<b>-10%</b>	<b>4%</b>	<b>-30%</b>	<b>-11%</b>
<b>February</b>	<b>-19%</b>	<b>-3%</b>	<b>-35%</b>	<b>-15%</b>
<b>March</b>	<b>-20%</b>	<b>-1%</b>	<b>-34%</b>	<b>-12%</b>
<b>April</b>	<b>-18%</b>	<b>0%</b>	<b>-29%</b>	<b>-15%</b>
<b>May</b>	<b>-23%</b>	<b>-1%</b>	<b>-32%</b>	<b>-14%</b>
<b>June</b>	<b>-20%</b>	<b>-1%</b>	<b>-32%</b>	<b>-13%</b>
<b>July</b>	<b>-18%</b>	<b>1%</b>	<b>-26%</b>	<b>-12%</b>
<b>August</b>	<b>-19%</b>	<b>4%</b>	<b>-28%</b>	<b>-8%</b>
<b>September</b>	<b>-47%</b>	<b>-34%</b>	<b>-31%</b>	<b>-16%</b>
<b>October</b>	<b>-37%</b>	<b>-23%</b>	<b>-30%</b>	<b>-14%</b>
<b>November</b>	<b>-31%</b>	<b>-20%</b>	<b>-32%</b>	<b>-19%</b>
<b>December</b>	<b>-23%</b>	<b>-15%</b>	<b>-26%</b>	<b>-4%</b>

**Note: September 2001 Business Travel Down 47 percent**

**Note: December 2002 Business Travel Down 26 Percent**

**Figure 24: Air Fares for Major Network Airlines  
Average Fare for 1,000 Mile Trip, Excluding Taxes (ATA Data)**

<b>Month</b>	<b>2000 Average Fare Cost</b>	<b>2001 Average Fare Cost</b>	<b>2002 Average Fare Cost</b>	<b>2003 Average Fare Cost</b>
<b>January</b>	<b>\$143</b>	<b>\$148</b>	<b>\$124</b>	<b>\$119</b>
<b>February</b>	<b>\$150</b>	<b>\$151</b>	<b>\$130</b>	<b>\$123</b>
<b>March</b>	<b>\$149</b>	<b>\$145</b>	<b>\$126</b>	<b>\$121</b>
<b>April</b>	<b>\$147</b>	<b>\$143</b>	<b>\$126</b>	<b>\$120</b>
<b>May</b>	<b>\$147</b>	<b>\$136</b>	<b>\$123</b>	<b>\$118</b>
<b>June</b>	<b>\$145</b>	<b>\$133</b>	<b>\$120</b>	<b>Not Given</b>
<b>July</b>	<b>\$134</b>	<b>\$122</b>	<b>\$111</b>	<b>Not Given</b>
<b>August</b>	<b>\$139</b>	<b>\$121</b>	<b>\$109</b>	<b>Not Given</b>
<b>September</b>	<b>\$147</b>	<b>\$120</b>	<b>\$121</b>	<b>Not Given</b>
<b>October</b>	<b>\$151</b>	<b>\$123</b>	<b>\$124</b>	<b>Not Given</b>
<b>November</b>	<b>\$149</b>	<b>\$125</b>	<b>\$120</b>	<b>Not Given</b>
<b>December</b>	<b>\$139</b>	<b>\$119</b>	<b>\$117</b>	<b>Not Given</b>

**Note: May 2003 Air Fare \$118**

**Note: October 2000 Air Fare \$151**

**Figure 25: Airline Yield**  
**Percent Change in Airline Yield from 2000 (ATA Data)**

<b>Month</b>	<b>2001 Percent Change in Yield</b>	<b>2002 Percent Change in Yield</b>	<b>2003 Percent Change in Yield</b>
<b>January</b>	<b>4%</b>	<b>-13%</b>	<b>-16%</b>
<b>February</b>	<b>0%</b>	<b>-13%</b>	<b>-18%</b>
<b>March</b>	<b>-3%</b>	<b>-16%</b>	<b>-19%</b>
<b>April</b>	<b>-3%</b>	<b>-14%</b>	<b>-18%</b>
<b>May</b>	<b>-7%</b>	<b>-16%</b>	<b>-20%</b>
<b>June</b>	<b>-9%</b>	<b>-17%</b>	<b>Not Given</b>
<b>July</b>	<b>-9%</b>	<b>-18%</b>	<b>Not Given</b>
<b>August</b>	<b>-13%</b>	<b>-21%</b>	<b>Not Given</b>
<b>September</b>	<b>-18%</b>	<b>-17%</b>	<b>Not Given</b>
<b>October</b>	<b>-19%</b>	<b>-18%</b>	<b>Not Given</b>
<b>November</b>	<b>-16%</b>	<b>-20%</b>	<b>Not Given</b>
<b>December</b>	<b>-15%</b>	<b>-16%</b>	<b>Not Given</b>

**Note: October 2001 Yield Down 19 Percent**

**Note: May 2003 Yield Down 20 Percent**

**Figure 26: Passenger Load Factors  
Actual Versus Breakeven Percentages (DOT Data)**

<b>Quarter</b>	<b>Actual Load Factor</b>	<b>Breakeven Load Factor</b>
<b>First Quarter 2000</b>	<b>69%</b>	<b>68%</b>
<b>Second Quarter 2000</b>	<b>76%</b>	<b>67%</b>
<b>Third Quarter 2000</b>	<b>76%</b>	<b>71%</b>
<b>Fourth Quarter 2000</b>	<b>70%</b>	<b>72%</b>
<b>First Quarter 2001</b>	<b>68%</b>	<b>74%</b>
<b>Second Quarter 2001</b>	<b>74%</b>	<b>76%</b>
<b>Third Quarter 2001</b>	<b>72%</b>	<b>88%</b>
<b>Fourth Quarter 2001</b>	<b>66%</b>	<b>90%</b>
<b>First Quarter 2002</b>	<b>70%</b>	<b>85%</b>
<b>Second Quarter 2002</b>	<b>74%</b>	<b>83%</b>
<b>Third Quarter 2002</b>	<b>74%</b>	<b>87%</b>
<b>Fourth Quarter 2002</b>	<b>70%</b>	<b>85%</b>

**Note: Fourth Quarter 2002 Breakeven Load Factor 85 Percent**

**Note: Fourth Quarter 2002 Actual Load Factor 70 Percent**

**Figure 27: Individual Airline Load Factors  
Actual Versus Breakeven Percentages for Quarter Ending December 2002  
(DOT Data)**

<b>Airline</b>	<b>Actual Load Factor</b>	<b>Breakeven Load Factor</b>
<b>Southwest</b>	<b>63%</b>	<b>58%</b>
<b>Delta</b>	<b>66%</b>	<b>74%</b>
<b>Continental</b>	<b>71%</b>	<b>75%</b>
<b>Alaska</b>	<b>67%</b>	<b>81%</b>
<b>America West</b>	<b>73%</b>	<b>82%</b>
<b>US Airways</b>	<b>68%</b>	<b>82%</b>
<b>American</b>	<b>70%</b>	<b>89%</b>
<b>Northwest</b>	<b>74%</b>	<b>103%</b>
<b>United</b>	<b>72%</b>	<b>106%</b>

**Figure 28: Revenues Versus Expenses  
Airline Operating Revenues Versus Operating Expenses (DOT Data)**

<b>Quarter</b>	<b>Operating Revenues In Billions</b>	<b>Operating Expenses In Billions</b>
<b>First Quarter 2000</b>	<b>\$22.6</b>	<b>\$21.8</b>
<b>Second Quarter 2000</b>	<b>\$25.4</b>	<b>\$22.6</b>
<b>Third Quarter 2000</b>	<b>\$25.9</b>	<b>\$24.0</b>
<b>Fourth Quarter 2000</b>	<b>\$24.2</b>	<b>\$24.1</b>
<b>First Quarter 2001</b>	<b>\$23.3</b>	<b>\$24.1</b>
<b>Second Quarter 2001</b>	<b>\$24.3</b>	<b>\$25.0</b>
<b>Third Quarter 2001</b>	<b>\$21.2</b>	<b>\$24.4</b>
<b>Fourth Quarter 2001</b>	<b>\$16.6</b>	<b>\$20.9</b>
<b>First Quarter 2002</b>	<b>\$18.2</b>	<b>\$20.9</b>
<b>Second Quarter 2002</b>	<b>\$20.4</b>	<b>\$21.9</b>
<b>Third Quarter 2002</b>	<b>\$20.2</b>	<b>\$22.6</b>
<b>Fourth Quarter 2002</b>	<b>\$18.9</b>	<b>\$21.8</b>

**Note: Fourth Quarter 2002 Operating Expenses Were \$21.8 Billion  
Note: Fourth Quarter 2002 Operating Revenues Were \$18.9 Billion**

**Figure 29: Cost Per Gallon for Jet Fuel (ATA Data)**

<b>Month</b>	<b>2000 Average Cost</b>	<b>2001 Average Cost</b>	<b>2002 Average Cost</b>	<b>2003 Average Cost</b>
<b>January</b>	<b>\$0.70</b>	<b>\$0.86</b>	<b>\$0.60</b>	<b>\$0.84</b>
<b>February</b>	<b>\$0.73</b>	<b>\$0.85</b>	<b>\$0.62</b>	<b>\$0.88</b>
<b>March</b>	<b>\$0.75</b>	<b>\$0.80</b>	<b>\$0.62</b>	<b>\$1.05</b>
<b>April</b>	<b>\$0.74</b>	<b>\$0.77</b>	<b>\$0.69</b>	<b>\$0.83</b>
<b>May</b>	<b>\$0.72</b>	<b>\$0.78</b>	<b>\$0.70</b>	<b>Not Given</b>
<b>June</b>	<b>\$0.70</b>	<b>\$0.81</b>	<b>\$0.67</b>	<b>Not Given</b>
<b>July</b>	<b>\$0.77</b>	<b>\$0.77</b>	<b>\$0.71</b>	<b>Not Given</b>
<b>August</b>	<b>\$0.78</b>	<b>\$0.77</b>	<b>\$0.72</b>	<b>Not Given</b>
<b>September</b>	<b>\$0.86</b>	<b>\$0.79</b>	<b>\$0.77</b>	<b>Not Given</b>
<b>October</b>	<b>\$0.89</b>	<b>\$0.71</b>	<b>\$0.81</b>	<b>Not Given</b>
<b>November</b>	<b>\$0.89</b>	<b>\$0.66</b>	<b>\$0.77</b>	<b>Not Given</b>
<b>December</b>	<b>\$0.91</b>	<b>\$0.57</b>	<b>\$0.76</b>	<b>Not Given</b>

**Note: April 2003 Jet Fuel Cost Was 20 Percent Higher Than April 2002**

**Figure 30: Debt to Investment Ratio**  
**Airline Debt to Investment Ratio for All Major Airlines (DOT Data)**

<b>Quarter</b>	<b>Ratio (Percentage)</b>
<b>First Quarter 2000</b>	<b>50%</b>
<b>Second Quarter 2000</b>	<b>48%</b>
<b>Third Quarter 2000</b>	<b>48%</b>
<b>Fourth Quarter 2000</b>	<b>53%</b>
<b>First Quarter 2001</b>	<b>54%</b>
<b>Second Quarter 2001</b>	<b>54%</b>
<b>Third Quarter 2001</b>	<b>60%</b>
<b>Fourth Quarter 2001</b>	<b>66%</b>
<b>First Quarter 2002</b>	<b>68%</b>
<b>Second Quarter 2002</b>	<b>70%</b>
<b>Third Quarter 2002</b>	<b>73%</b>
<b>Fourth Quarter 2002</b>	<b>87%</b>

**Figure 31: Debt to Investment Ratio by Airline**  
**Airline Debt to Investment Ratio for Quarter Ending December 2002**  
**(DOT Data)**

<b>Airlines</b>	<b>Ratio (Percentage)</b>
<b>Southwest</b>	<b>28%</b>
<b>Alaska</b>	<b>61%</b>
<b>America West</b>	<b>71%</b>
<b>Northwest</b>	<b>72%</b>
<b>American</b>	<b>86%</b>
<b>Continental</b>	<b>88%</b>
<b>Delta</b>	<b>89%</b>
<b>United</b>	<b>108%</b>
<b>US Airways</b>	<b>314%</b>

**Figure 32: Airport and Airway Trust Fund  
Estimated Revenues February 2003 Versus Pre-September 11, 2001 (FAA Data)**

<b>Fiscal Year</b>	<b>February 2003 (In Billions)</b>	<b>Pre-September 11 (In Billions)</b>
<b>2003</b>	<b>\$9.4</b>	<b>\$11.9</b>
<b>2004</b>	<b>\$10.2</b>	<b>\$12.6</b>
<b>2005</b>	<b>\$10.9</b>	<b>\$13.3</b>
<b>2006</b>	<b>\$11.5</b>	<b>\$14.1</b>
<b>2007</b>	<b>\$12.2</b>	<b>\$14.9</b>
<b>2008</b>	<b>\$12.8</b>	<b>\$15.8</b>

**Figure 33: Non-Hub Versus Larger Airports  
Percent Change in Available Seats from 1998 (FAA Data)**

<b>Month</b>	<b>Non-Hub Airports</b>	<b>Larger Airports</b>
<b>January 1999</b>	<b>-2%</b>	<b>5%</b>
<b>February 1999</b>	<b>0%</b>	<b>6%</b>
<b>March 1999</b>	<b>0%</b>	<b>7%</b>
<b>April 1999</b>	<b>0%</b>	<b>7%</b>
<b>May 1999</b>	<b>0%</b>	<b>9%</b>
<b>June 1999</b>	<b>-1%</b>	<b>8%</b>
<b>July 1999</b>	<b>-2%</b>	<b>7%</b>
<b>August 1999</b>	<b>0%</b>	<b>8%</b>
<b>September 1999</b>	<b>0%</b>	<b>7%</b>
<b>October 1999</b>	<b>0%</b>	<b>8%</b>
<b>November 1999</b>	<b>3%</b>	<b>8%</b>
<b>December 1999</b>	<b>2%</b>	<b>7%</b>
<b>January 2000</b>	<b>-2%</b>	<b>10%</b>
<b>February 2000</b>	<b>3%</b>	<b>15%</b>
<b>March 2000</b>	<b>0%</b>	<b>12%</b>
<b>April 2000</b>	<b>-2%</b>	<b>12%</b>
<b>May 2000</b>	<b>1%</b>	<b>13%</b>
<b>June 2000</b>	<b>-2%</b>	<b>11%</b>
<b>July 2000</b>	<b>-3%</b>	<b>9%</b>
<b>August 2000</b>	<b>-3%</b>	<b>11%</b>
<b>September 2000</b>	<b>-3%</b>	<b>9%</b>
<b>October 2000</b>	<b>-1%</b>	<b>11%</b>
<b>November 2000</b>	<b>0%</b>	<b>11%</b>
<b>December 2000</b>	<b>-4%</b>	<b>10%</b>
<b>January 2001</b>	<b>-4%</b>	<b>14%</b>
<b>February 2001</b>	<b>-5%</b>	<b>13%</b>
<b>March 2001</b>	<b>-6%</b>	<b>13%</b>
<b>April 2001</b>	<b>-7%</b>	<b>13%</b>
<b>May 2001</b>	<b>-5%</b>	<b>15%</b>
<b>June 2001</b>	<b>-8%</b>	<b>12%</b>
<b>July 2001</b>	<b>-8%</b>	<b>12%</b>
<b>August 2001</b>	<b>-8%</b>	<b>13%</b>
<b>September 2001</b>	<b>-10%</b>	<b>10%</b>
<b>October 2001</b>	<b>-10%</b>	<b>8%</b>

<b>Month</b>	<b>Non-Hub Airports</b>	<b>Larger Airports</b>
<b>November 2001</b>	<b>-18%</b>	<b>-5%</b>
<b>December 2001</b>	<b>-19%</b>	<b>-6%</b>
<b>January 2002</b>	<b>-17%</b>	<b>0%</b>
<b>February 2002</b>	<b>-17%</b>	<b>0%</b>
<b>March 2002</b>	<b>-17%</b>	<b>1%</b>
<b>April 2002</b>	<b>-15%</b>	<b>3%</b>
<b>May 2002</b>	<b>-14%</b>	<b>4%</b>
<b>June 2002</b>	<b>-16%</b>	<b>3%</b>
<b>July 2002</b>	<b>-15%</b>	<b>4%</b>
<b>August 2002</b>	<b>-13%</b>	<b>3%</b>
<b>September 2002</b>	<b>-18%</b>	<b>-1%</b>
<b>October 2002</b>	<b>-18%</b>	<b>0%</b>
<b>November 2002</b>	<b>-18%</b>	<b>-2%</b>
<b>December 2002</b>	<b>-19%</b>	<b>-4%</b>
<b>January 2003</b>	<b>-21%</b>	<b>-1%</b>
<b>February 2003</b>	<b>-19%</b>	<b>-2%</b>
<b>March 2003</b>	<b>-19%</b>	<b>-1%</b>
<b>April 2003</b>	<b>-20%</b>	<b>-1%</b>
<b>May 2003</b>	<b>-20%</b>	<b>-4%</b>
<b>June 2003</b>	<b>-19%</b>	<b>-3%</b>
<b>July 2003</b>	<b>-17%</b>	<b>-3%</b>
<b>August</b>	<b>-17%</b>	<b>-3%</b>
<b>September</b>	<b>-18%</b>	<b>-4%</b>

**Note: September 2003 Larger Airports Down 4 Percent**

**Note: September 2003 Non-Hub Airports Down 18 Percent**

**Figure 34: Regional Differences at Non-Hubs**  
**Percent Change in Available Seats at Non-Hub Airports**  
**June 2003 Versus June 2000 (FAA Data)**

<b>Region</b>	<b>Percent Change in Available Seats</b>
<b>Northeast (includes Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont)</b>	<b>-36%</b>
<b>Midwest (includes Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin)</b>	<b>-26%</b>
<b>South (includes Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia)</b>	<b>-18%</b>
<b>West (includes Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming)</b>	<b>-8%</b>
<b>National Average</b>	<b>-18%</b>

**Figure 35: Access to Large Airports**  
**Percent Change in Number of Scheduled Flights June 2003 Versus June 2000**  
**(FAA Data)**

<b>Hub Access</b>	<b>Percent Change In Flights</b>
<b>Large Hub to Large Hub</b>	<b>-13%</b>
<b>Medium Hub to Large Hub</b>	<b>-6%</b>
<b>Small Hub to Large Hub</b>	<b>-5%</b>
<b>Non-Hub to Large Hub</b>	<b>-23%</b>

**Figure 36: Type of Aircraft at Non-Hub Airports**  
**Percent Change in Scheduled Flights by Type of Aircraft**  
**June 2003 Versus June 2000 (FAA Data)**

<b>Aircraft Type</b>	<b>Percent Change</b>
<b>Turboprop</b>	<b>-35%</b>
<b>Large Jets</b>	<b>-29%</b>
<b>Piston</b>	<b>0%</b>
<b>Regional Jets</b>	<b>155%</b>

**Figure 37: Airline Market Share at Non-Hubs**  
**Airline Market Share by Available Seats at Non-Hub Airports**  
**(FAA Data)**

<b>Airline Market</b>	<b>June 2000</b>	<b>June 2001</b>	<b>June 2002</b>	<b>June 2003</b>
<b>Network</b>	<b>21%</b>	<b>21%</b>	<b>20%</b>	<b>19%</b>
<b>Low Fare</b>	<b>2%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>
<b>All Others</b>	<b>77%</b>	<b>77%</b>	<b>77%</b>	<b>78%</b>

**Note: All Percentages are rounded.**

**Figure 38: Essential Air Service**  
**Congressional Funding and Subsidized Communities (DOT Data)**

<b>Fiscal Year</b>	<b>Appropriations In Millions</b>	<b>Number of Communities Subsidized</b>
<b>1999</b>	<b>\$50</b>	<b>100</b>
<b>2000</b>	<b>\$50</b>	<b>106</b>
<b>2001</b>	<b>\$50</b>	<b>115</b>
<b>2002</b>	<b>\$113</b>	<b>123</b>
<b>2003</b>	<b>\$113</b>	<b>125</b>
<b>President's Proposed Budget 2004</b>	<b>\$50</b>	<b>Undetermined</b>