

AVIATION OPERATIONAL MEASURES FOR
FUEL AND EMISSIONS REDUCTION
WORKSHOP

**State of the U.S. Airline
Industry**

David Swierenga
Chief Economist
Air Transport Association

Airline Planning Panel
Ottawa, 5-6 November 2002

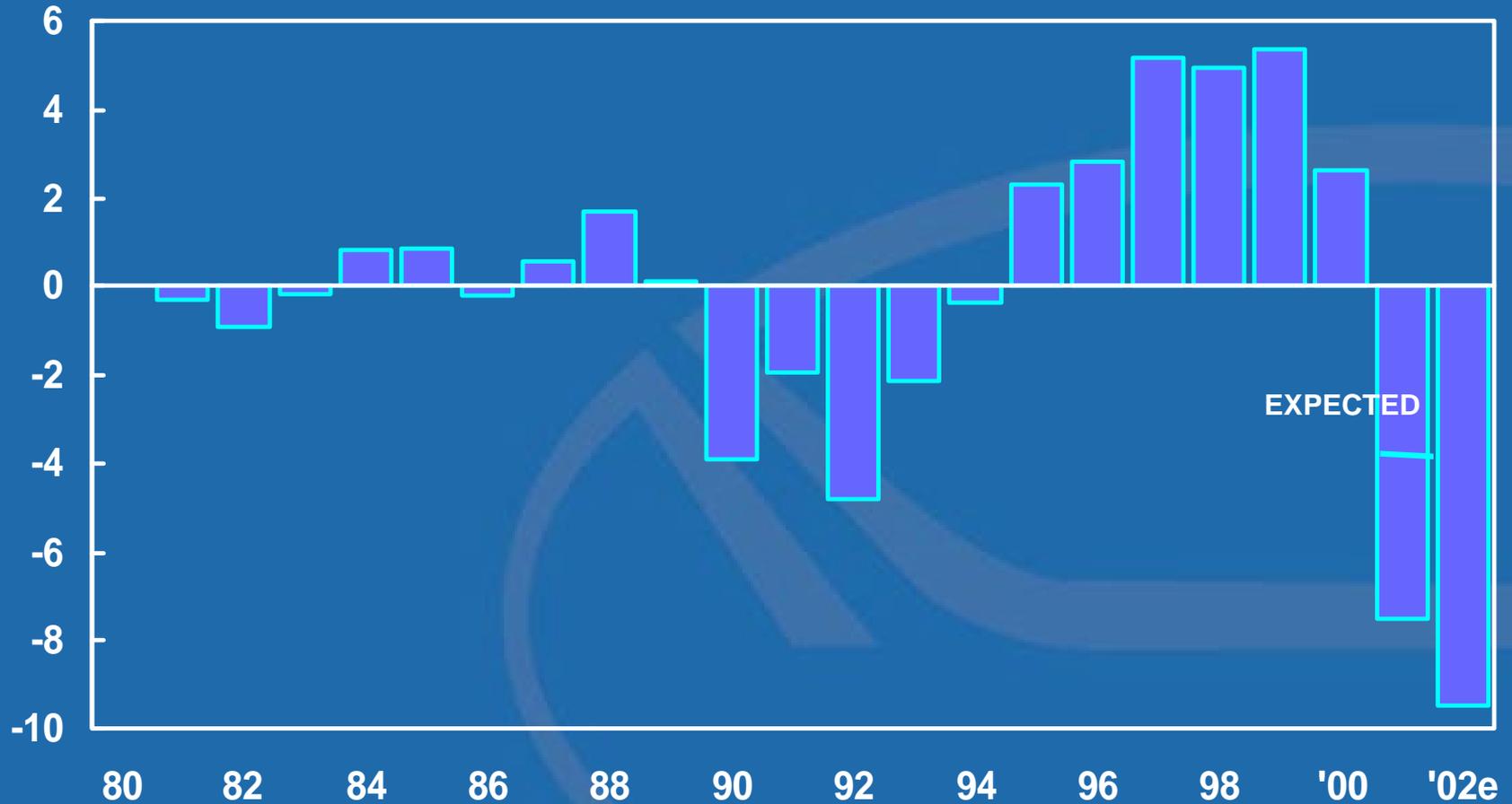


NET INCOME



AIR TRANSPORT ASSOCIATION

\$ Billions





AIR TRANSPORT ASSOCIATION

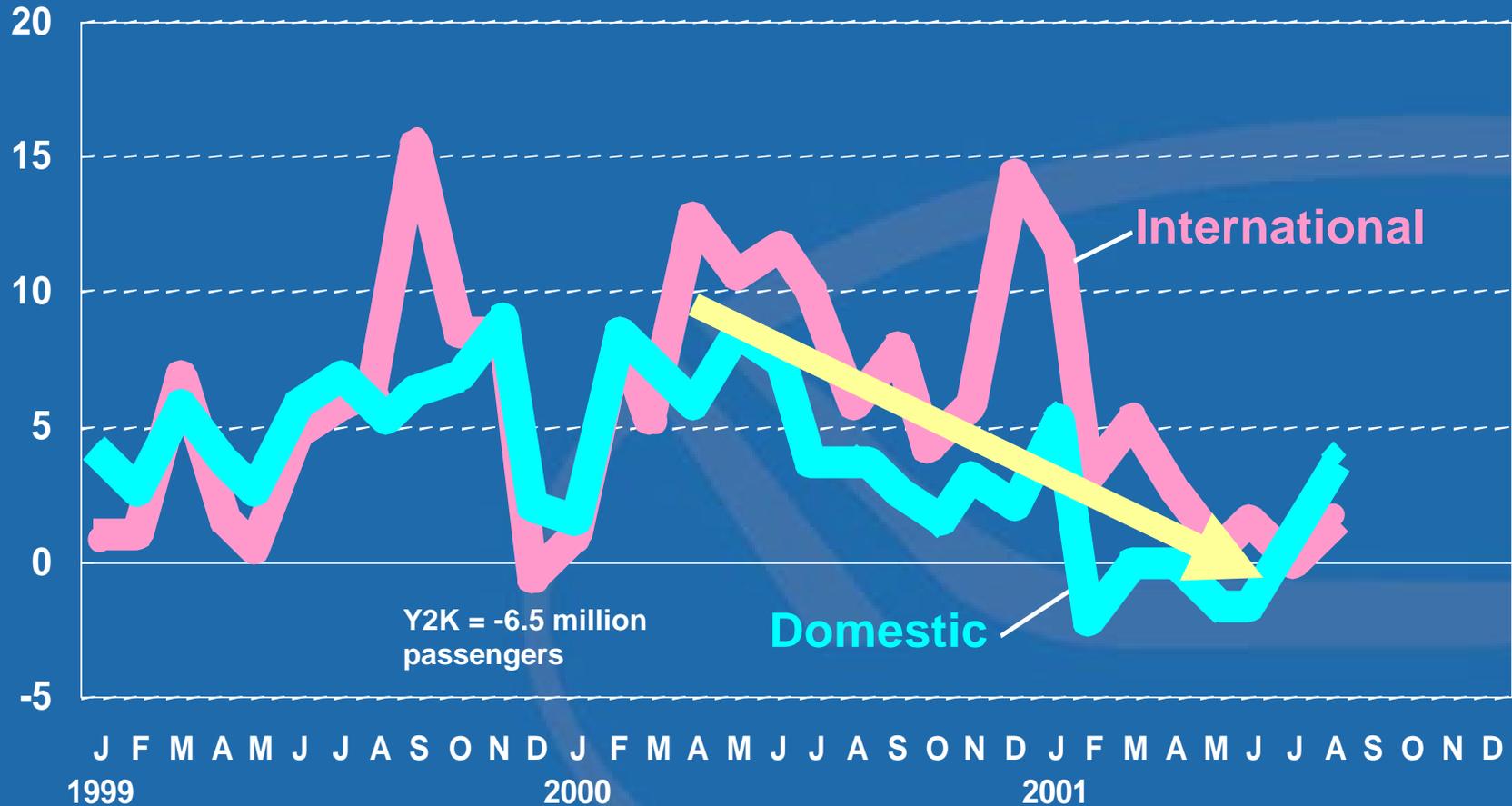
TRAFFIC

TRAFFIC GROWTH

Percent Change in Revenue Passenger Miles



AIR TRANSPORT ASSOCIATION

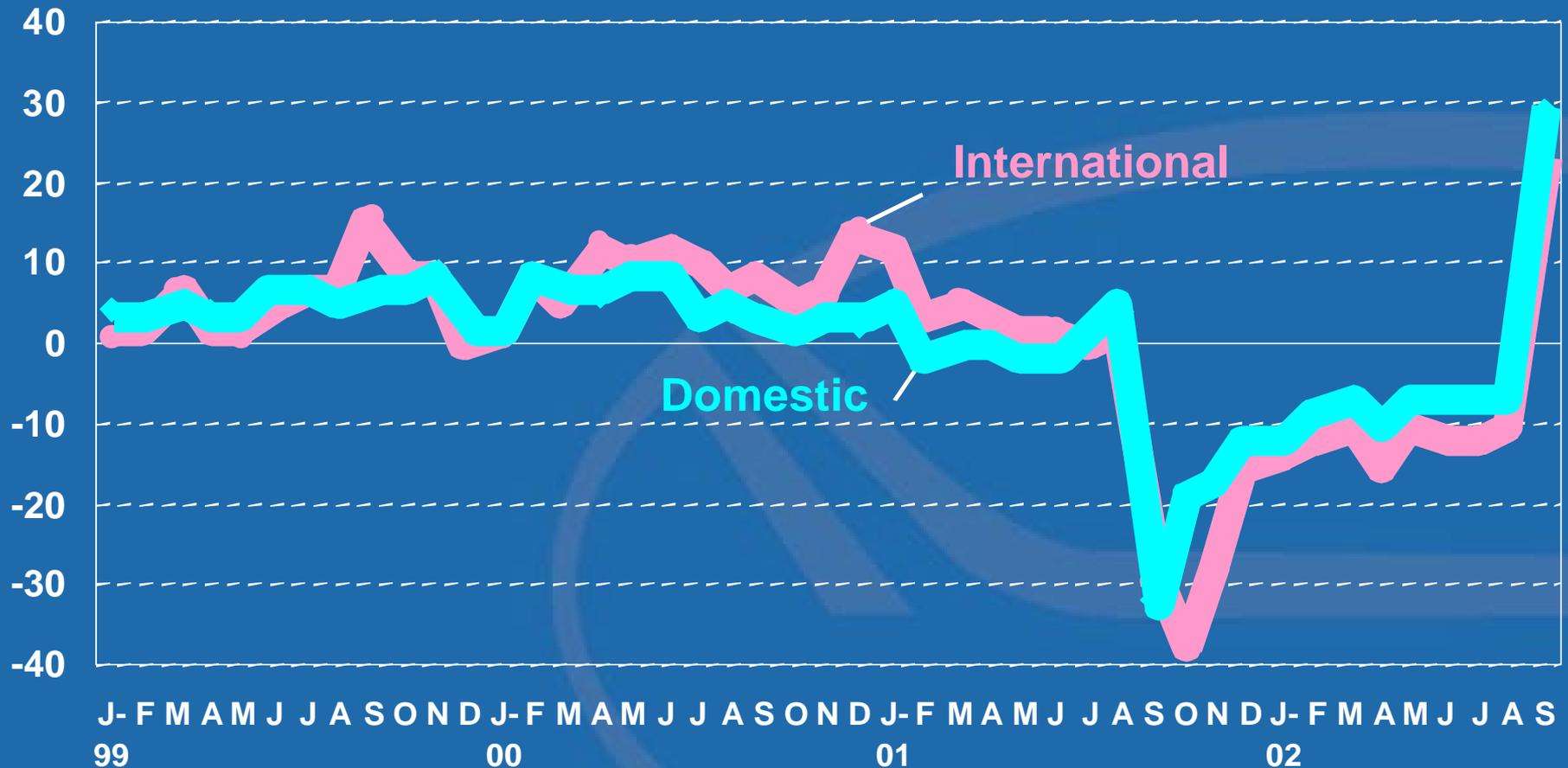


TRAFFIC GROWTH

Percent Change in Revenue Passenger Miles



AIR TRANSPORT ASSOCIATION



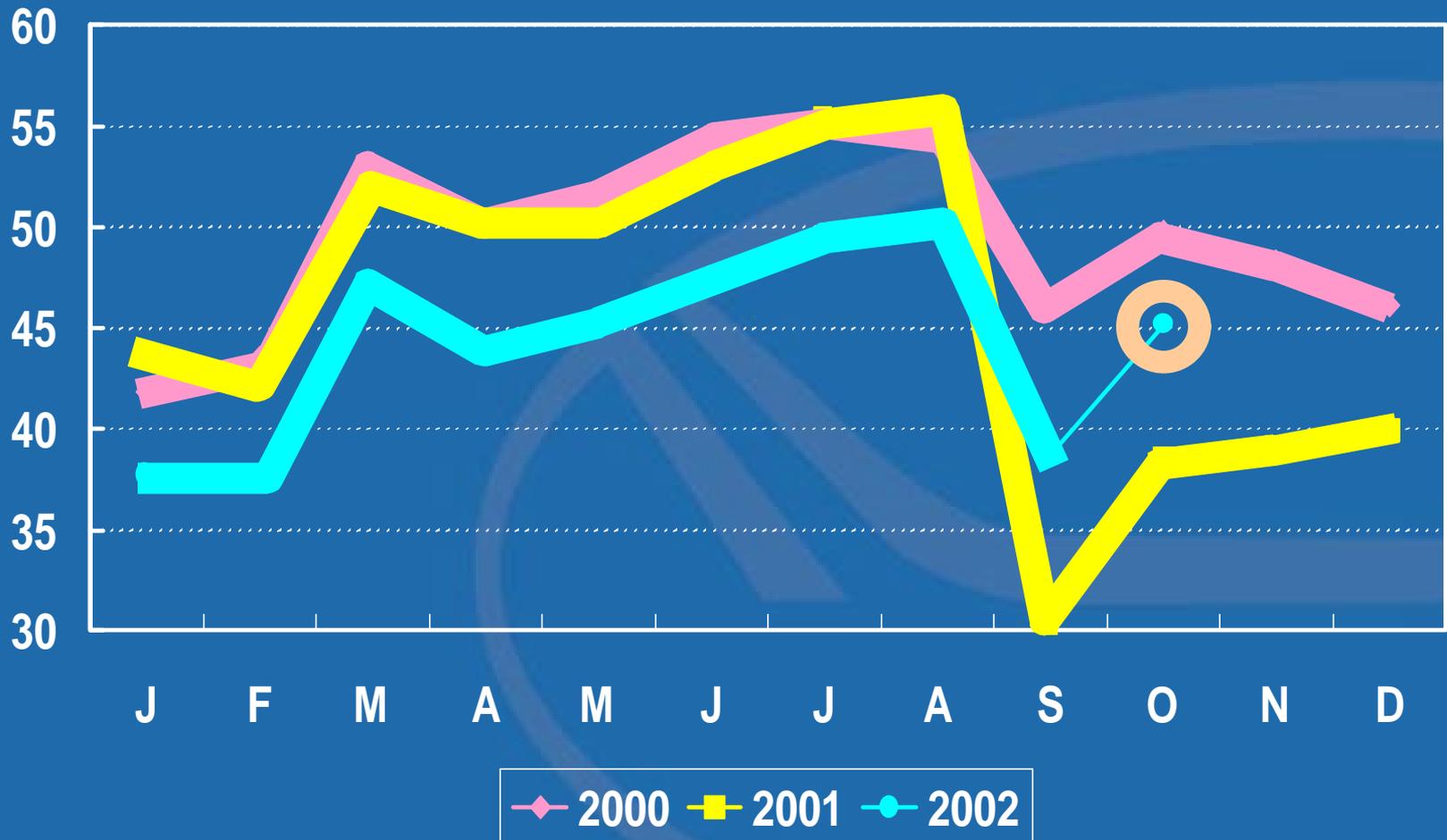
PASSENGERS ENPLANED

Still well below 2000 levels



AIR TRANSPORT ASSOCIATION

Millions





AIR TRANSPORT ASSOCIATION

**Travel Industry Association
and
Bureau of Transportation Statistics**

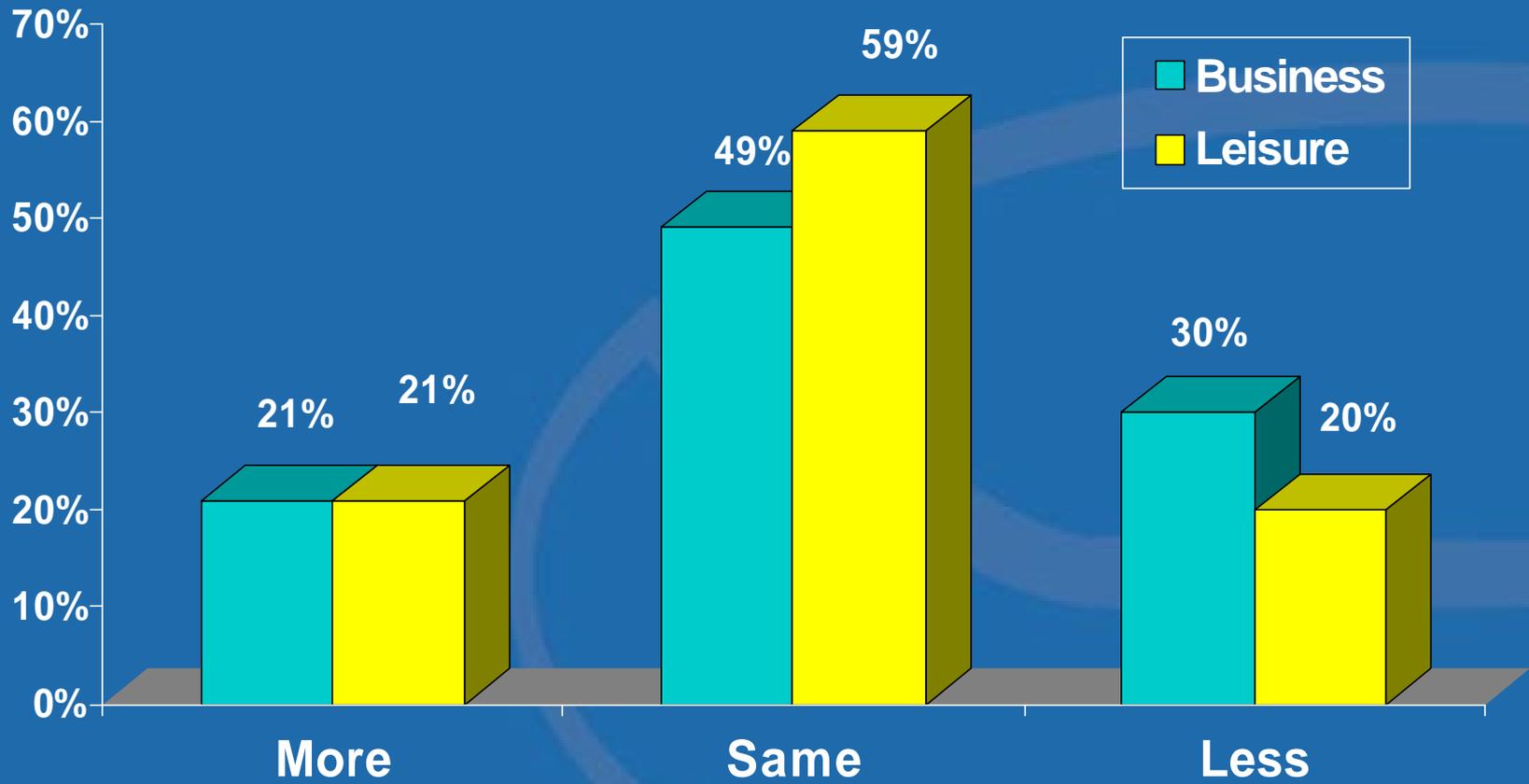
AIR TRAVEL SURVEY

September 2002

AIR TRAVEL FOR BUSINESS AND LEISURE TRAVEL, LAST 12 MONTHS



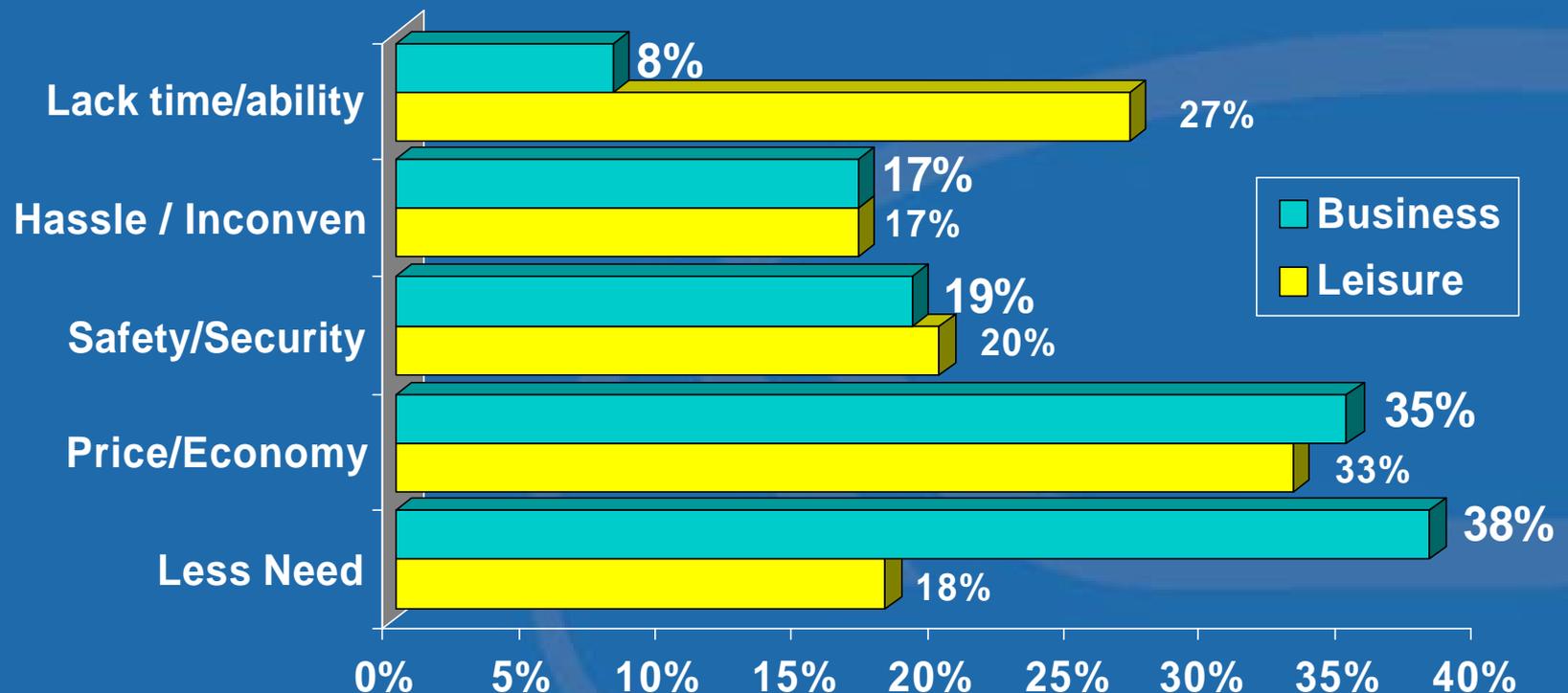
AIR TRANSPORT ASSOCIATION



REASONS FOR TRAVELING LESS BY AIR, PAST 12 MONTHS



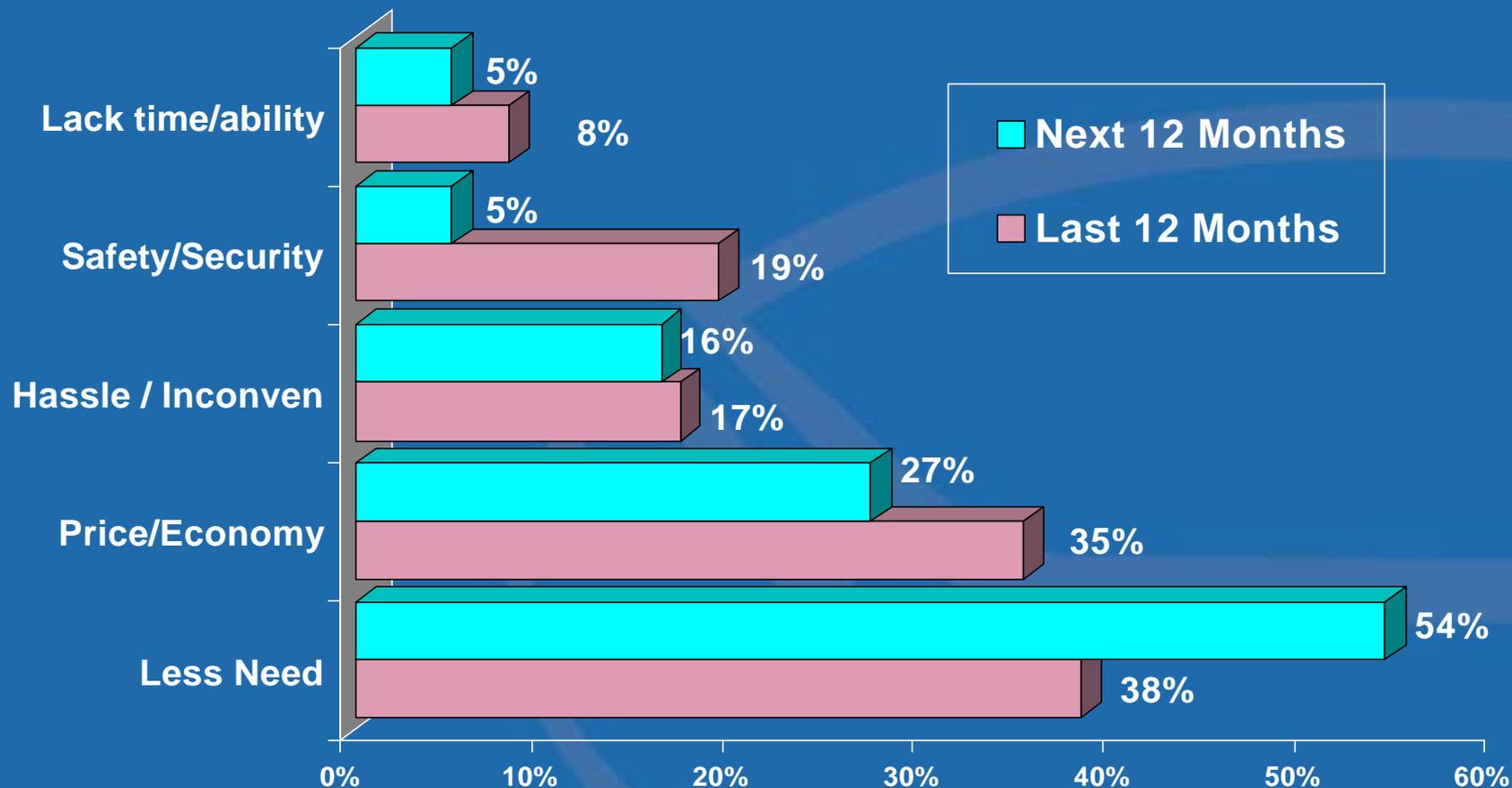
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REASONS FOR TRAVELING LESS BY AIR FOR BUSINESS



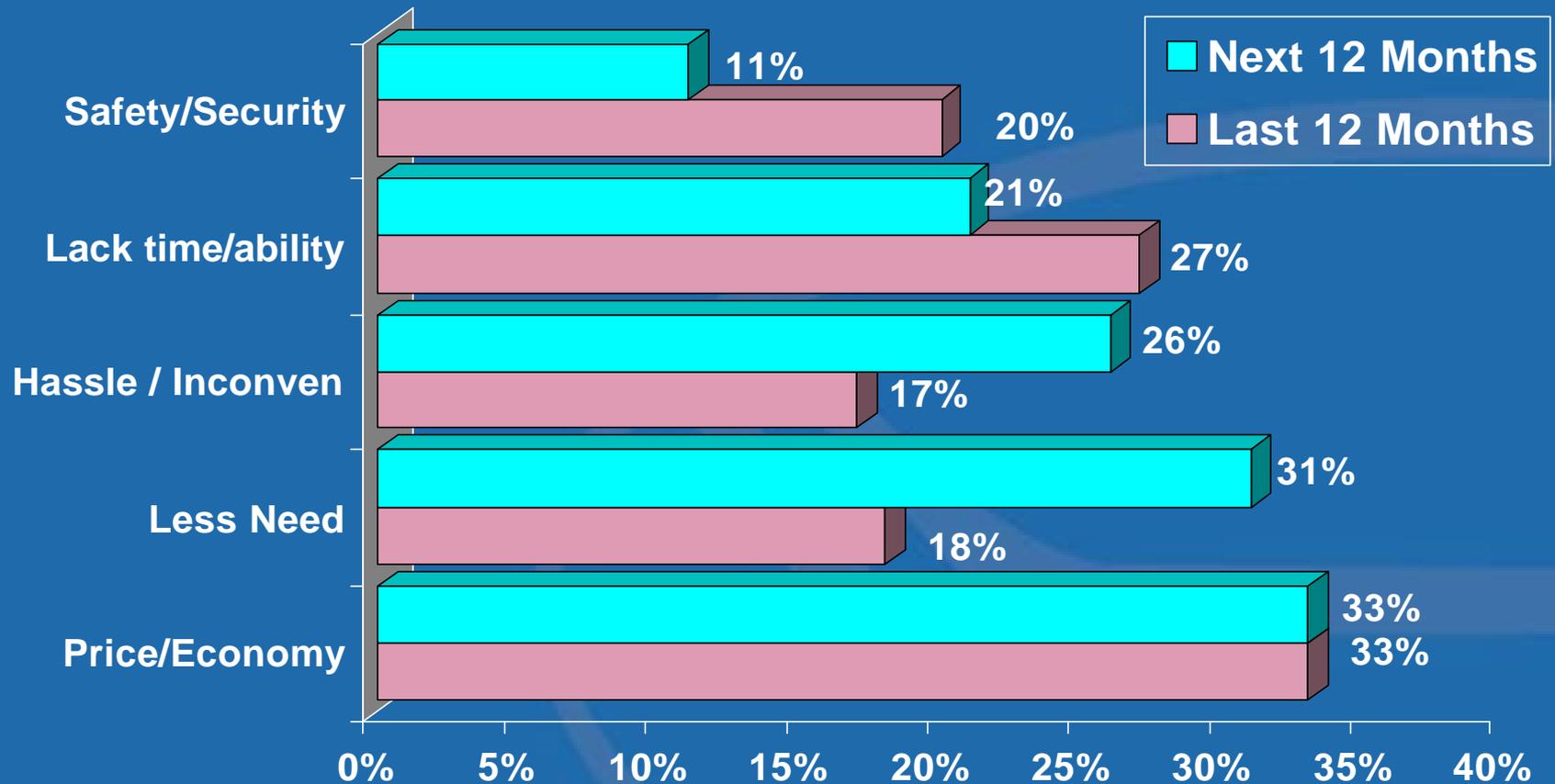
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REASONS FOR TRAVELING LESS BY AIR FOR LEISURE



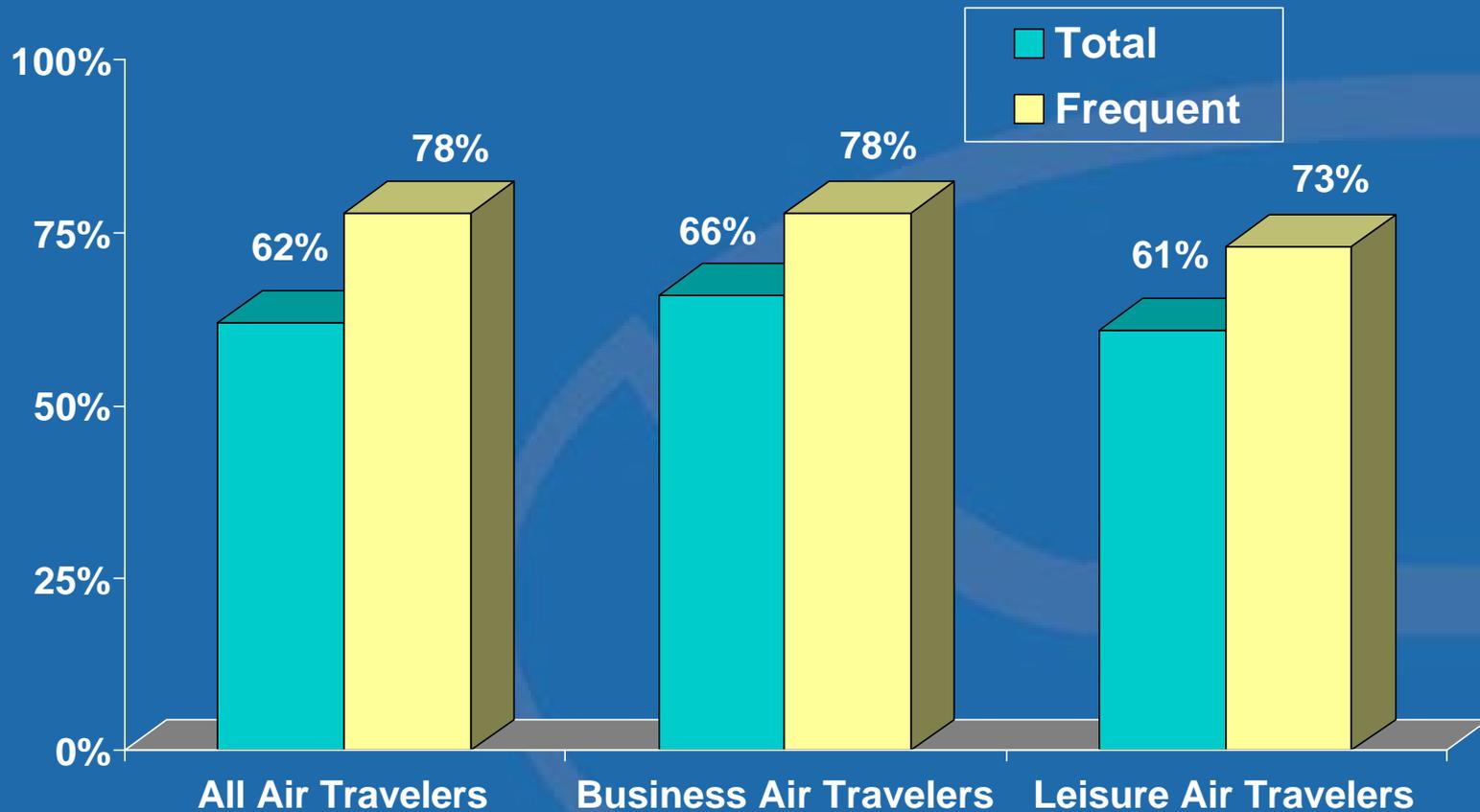
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INTEREST IN TRUSTED TRAVELER PROGRAM AMONG AIR TRAVELERS



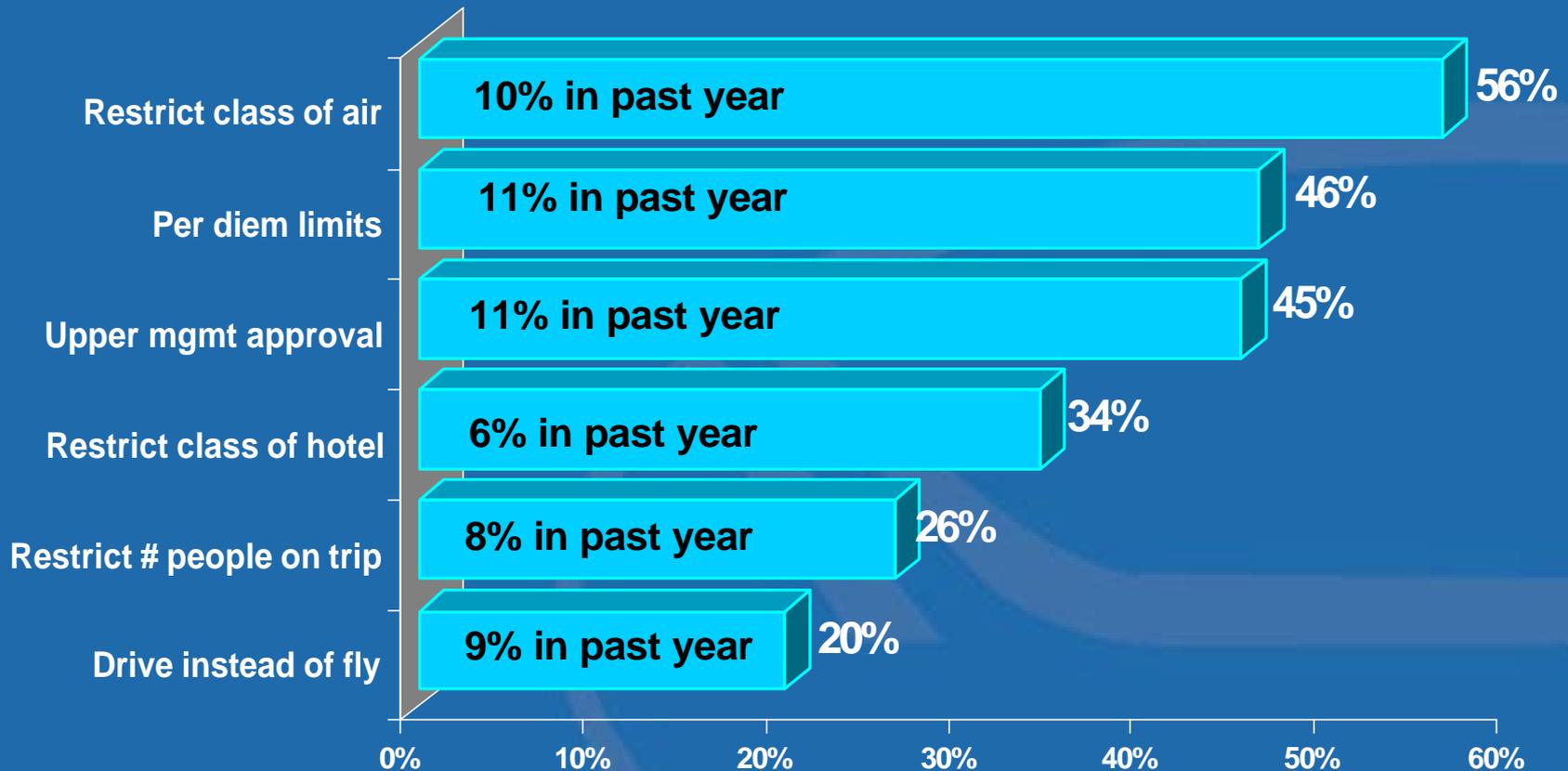
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CURRENT TRAVEL POLICIES AMONG AIR BUSINESS TRAVELERS



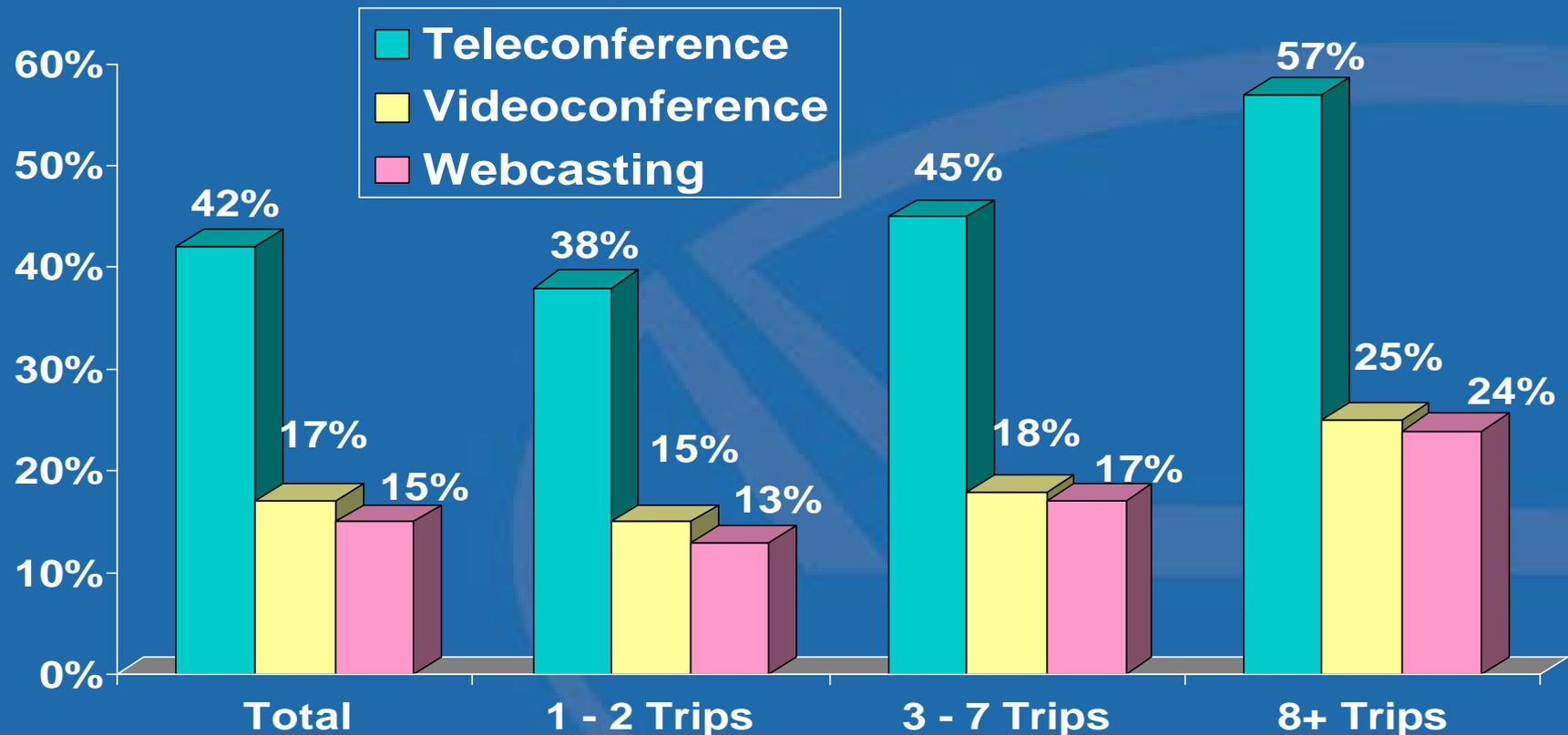
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USE OF ALTERNATIVE TECHNOLOGIES AMONG BUSINESS AIR TRAVELERS IN PAST YEAR



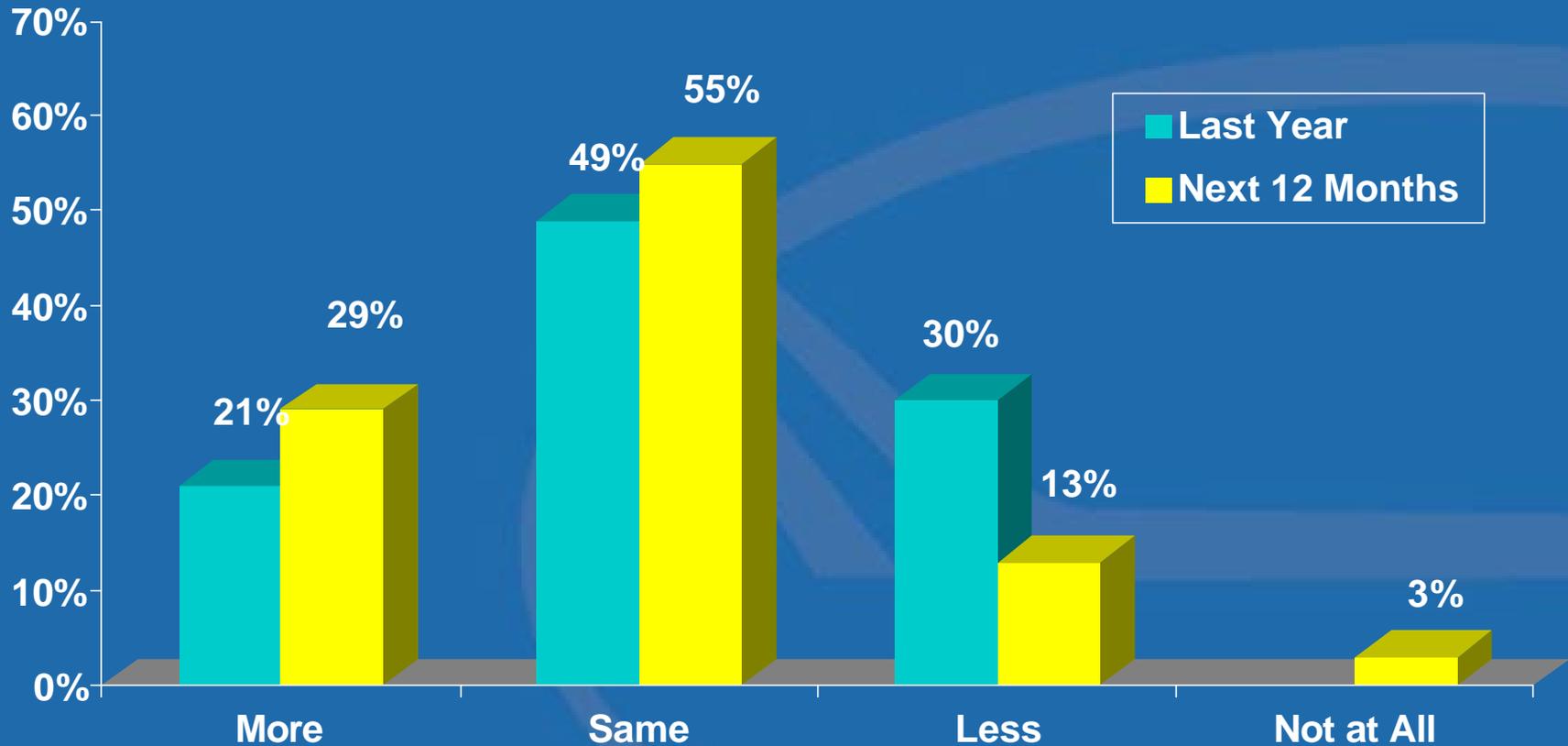
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AIR TRAVEL FOR BUSINESS, LAST YEAR AND NEXT 12 MONTHS



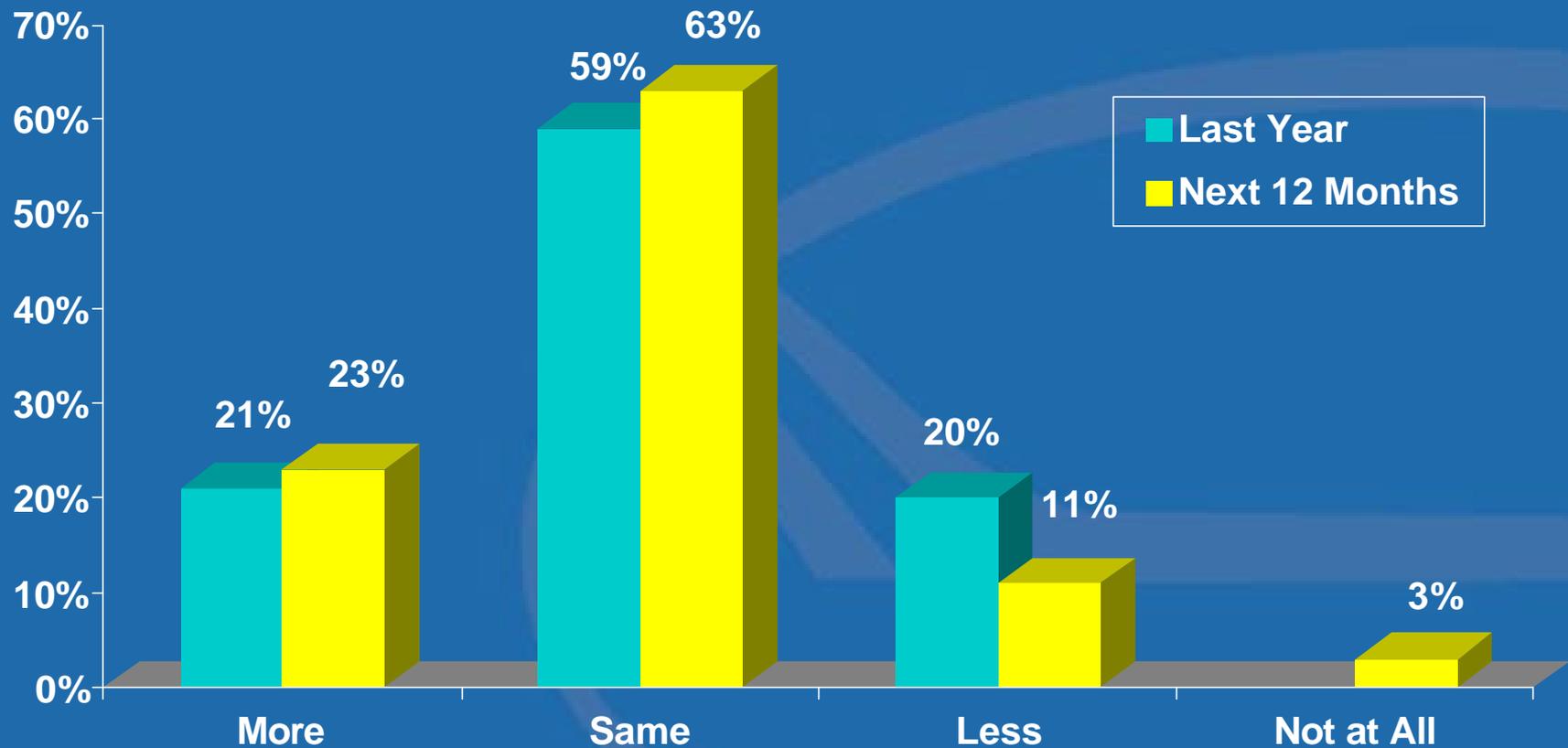
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AIR TRAVEL FOR LEISURE, LAST YEAR AND NEXT 12 MONTHS



AIR TRANSPORT ASSOCIATION





AIR TRANSPORT ASSOCIATION

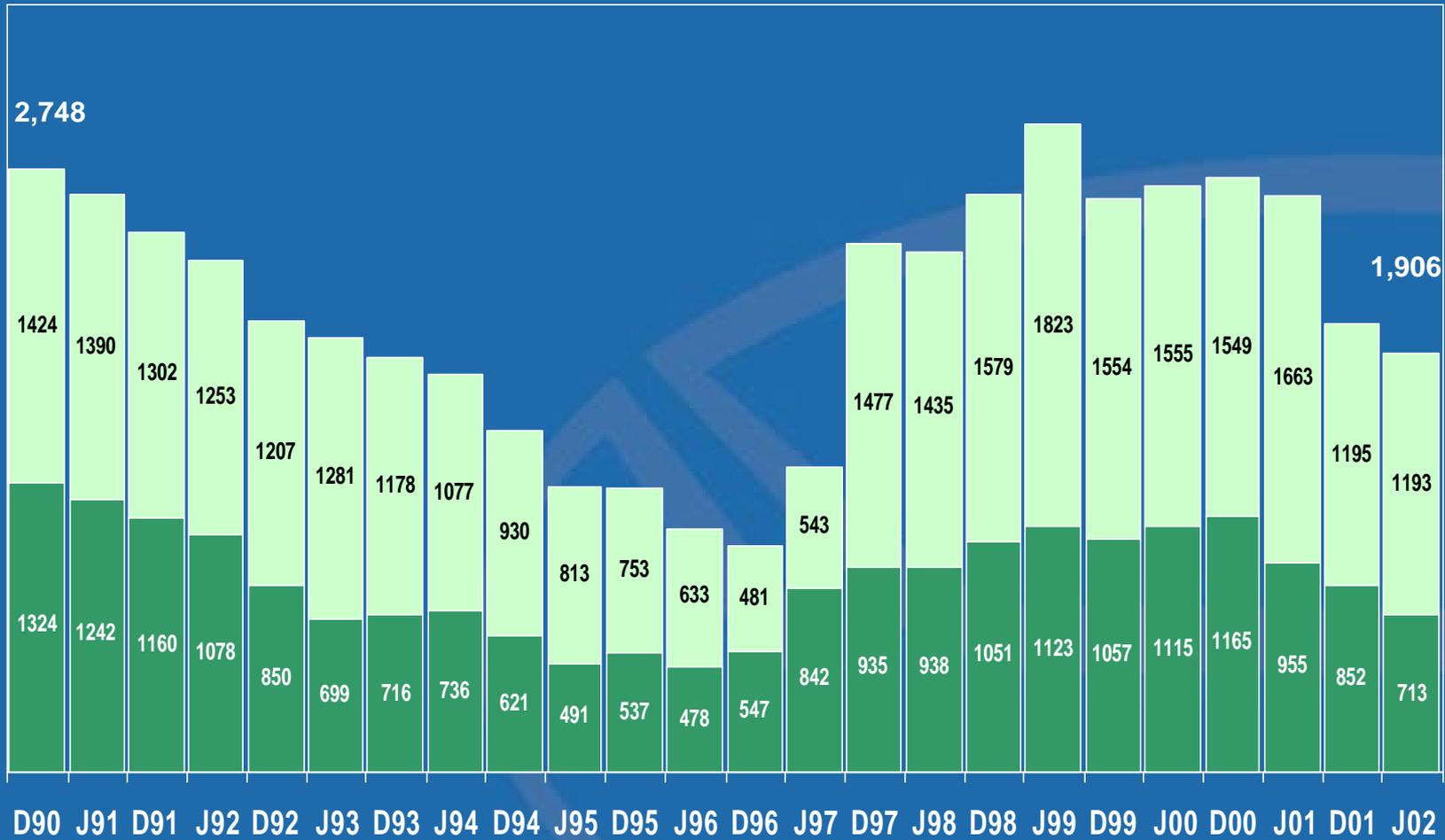
CAPACITY

AIRCRAFT ORDERS AND OPTIONS

ATA U.S. Members



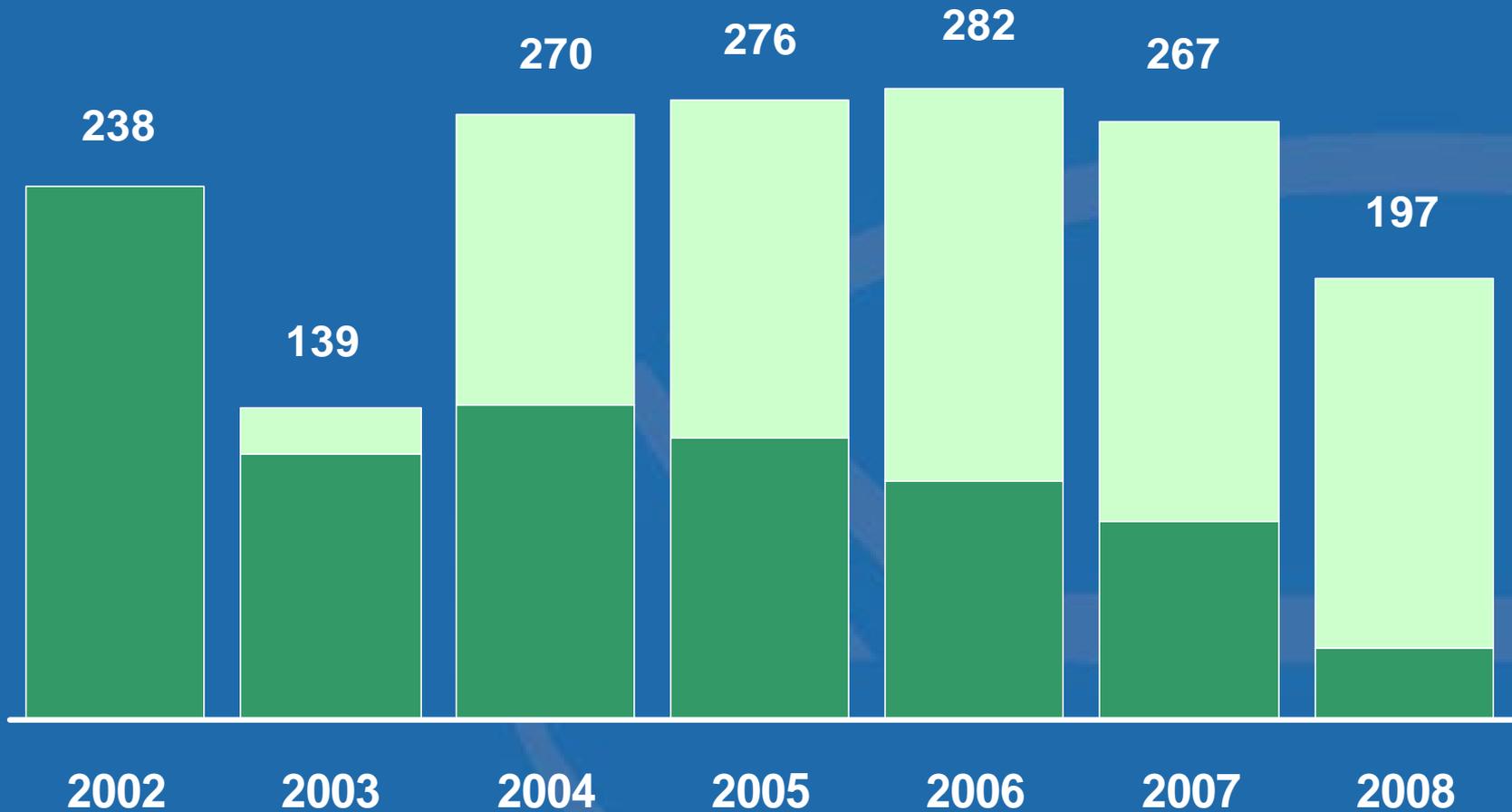
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EXPECTED DELIVERY DATES ATA U.S. Members



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LOAD FACTOR Percent of Seats Filled



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AIR TRANSPORT ASSOCIATION

COSTS

LABOR COSTS PER EMPLOYEE

Wages and Benefits



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\$ Thousands

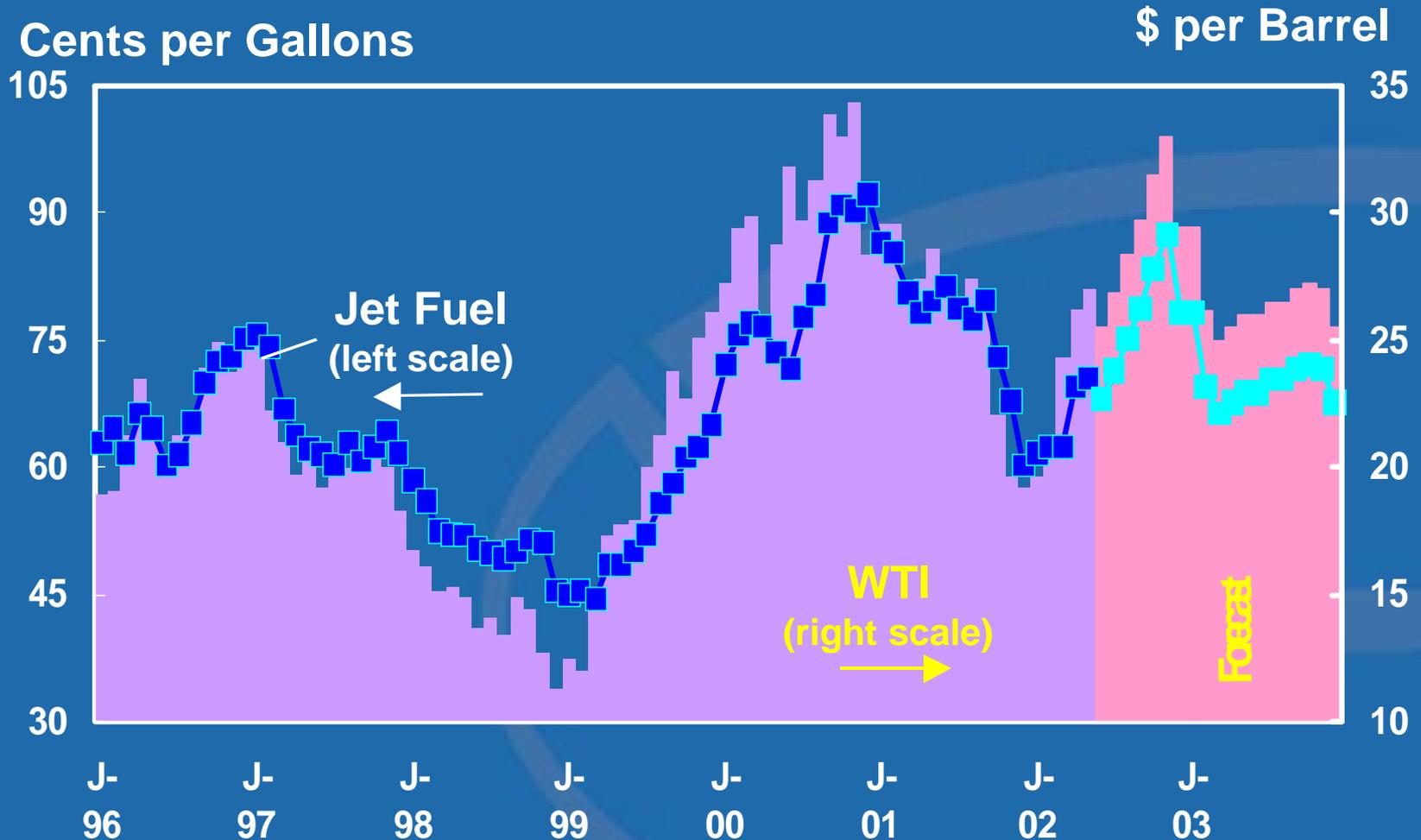


JET FUEL PRICE TRENDS

Excludes Taxes



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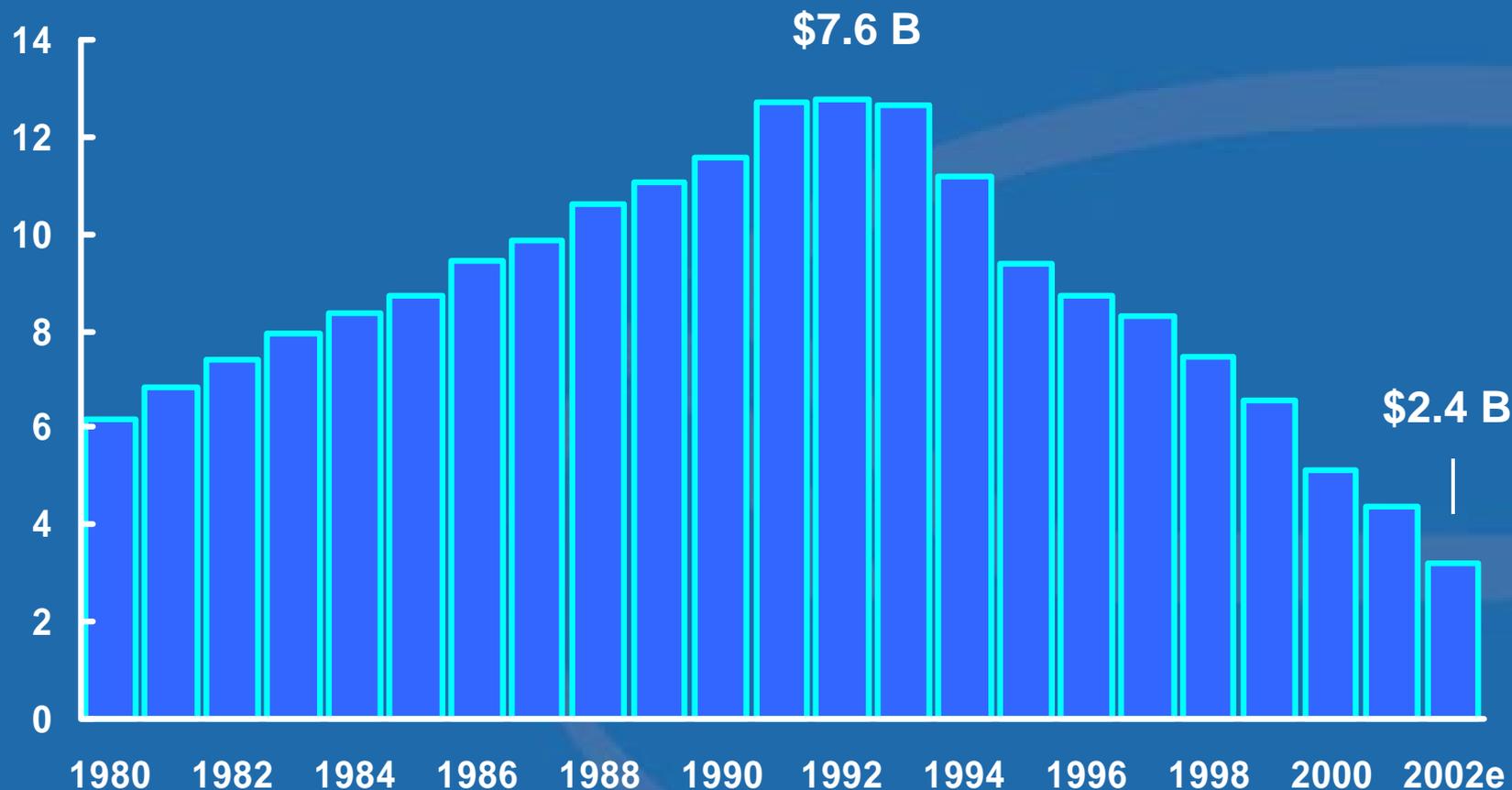
PASSENGER COMMISSION COSTS

Percent of Passenger Revenue



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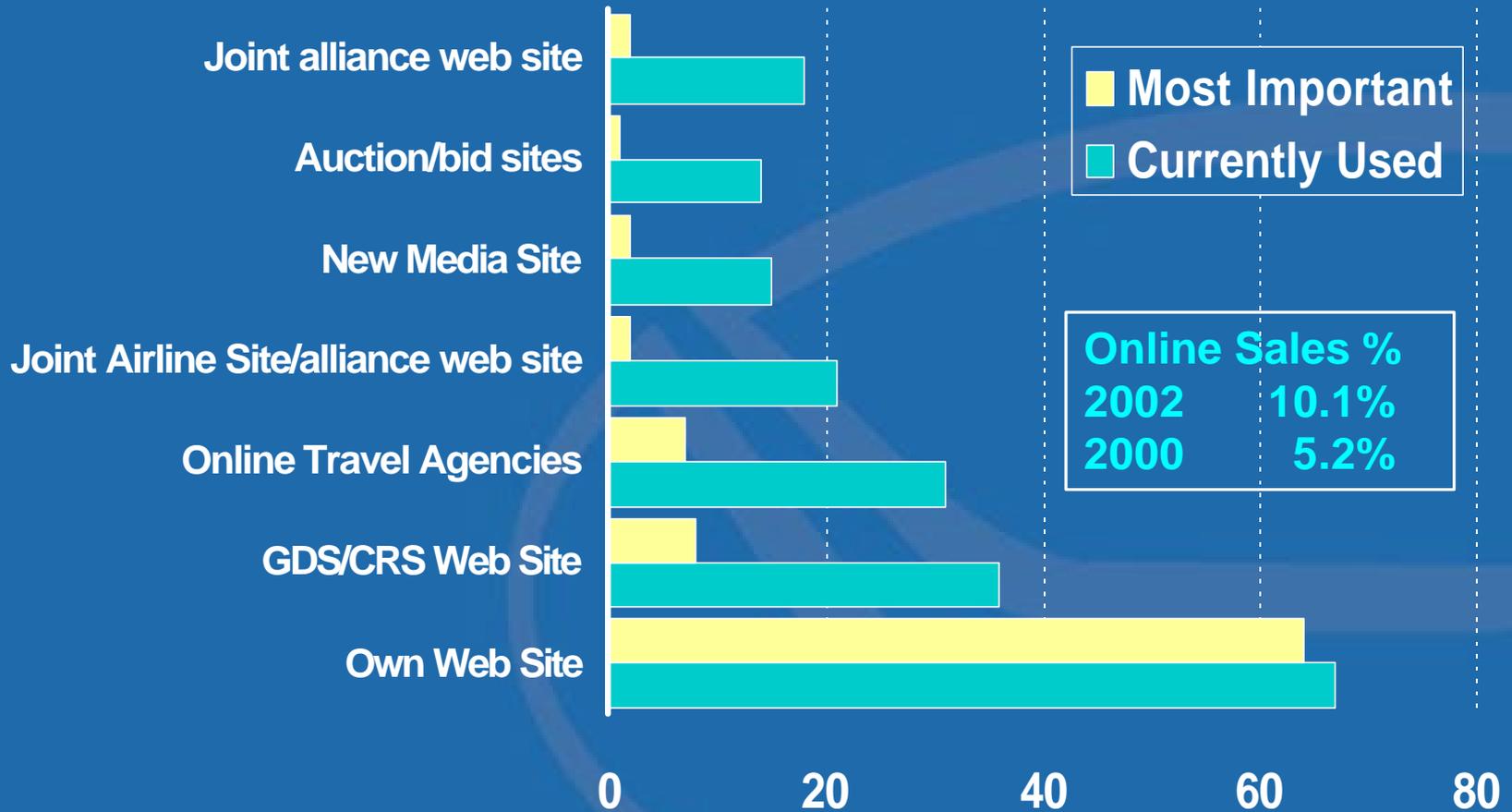
Percent



HOW PASSENGER TICKETS ARE SOLD ONLINE



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INSURANCE COSTS Majors and Nationals



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(\$ Millions)

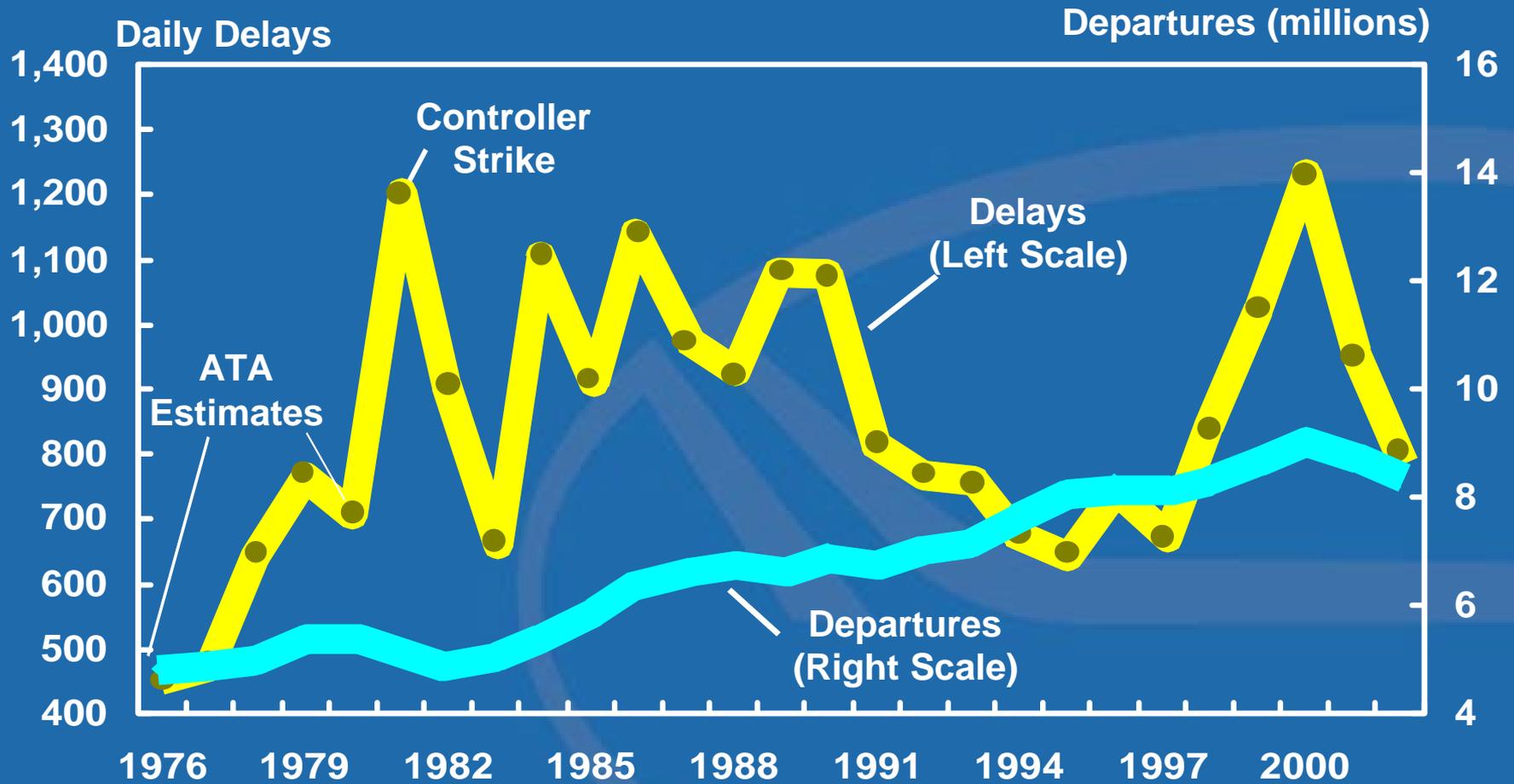


AIRCRAFT DELAYS AND DEPARTURES

Air Traffic Control System Delays



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REVENUE

PRICE TRENDS

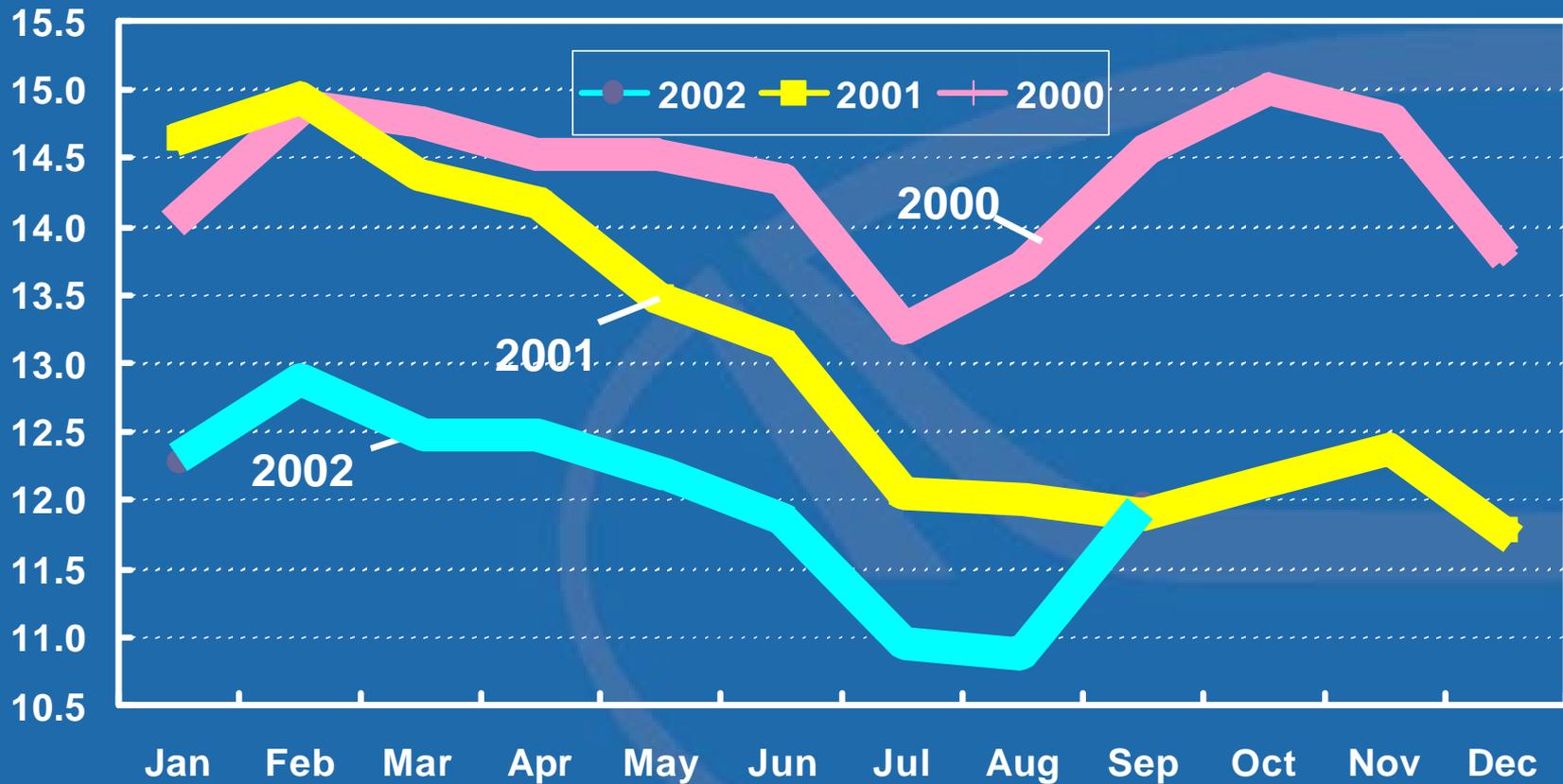
DOMESTIC

Revenue per Passenger Mile



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Cents



CORPORATE PROFITS

Were Beginning to Slide in 4Q2000



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Percent Change from Year Ago Period

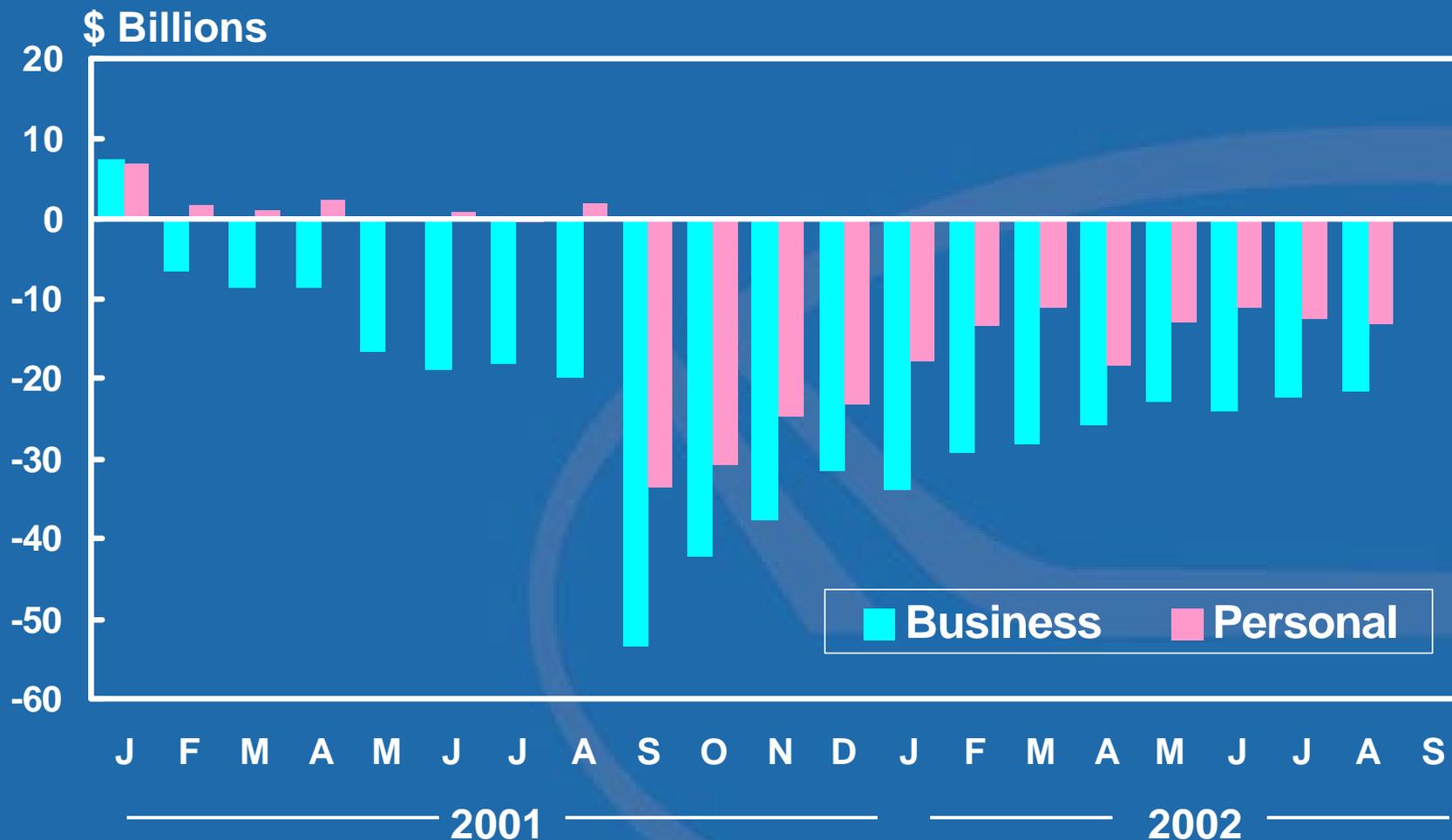


REVENUE TRENDS

Business vs. Personal/Pleasure Preliminary Data



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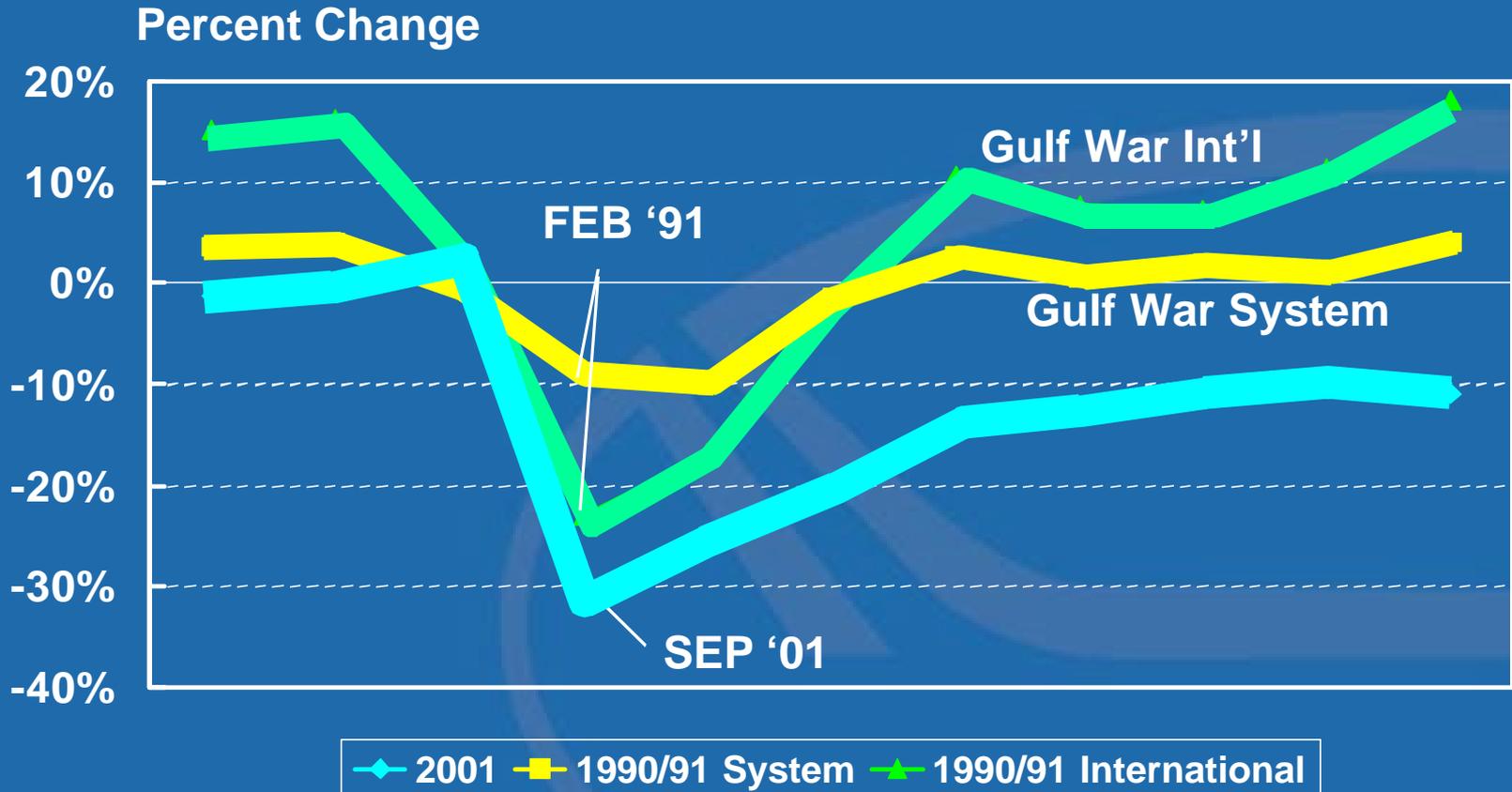
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OUTLOOK

CURRENT TRAFFIC TRENDS COMPARED TO GULF WAR



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TRAFFIC GROWTH COMPARED TO GDP

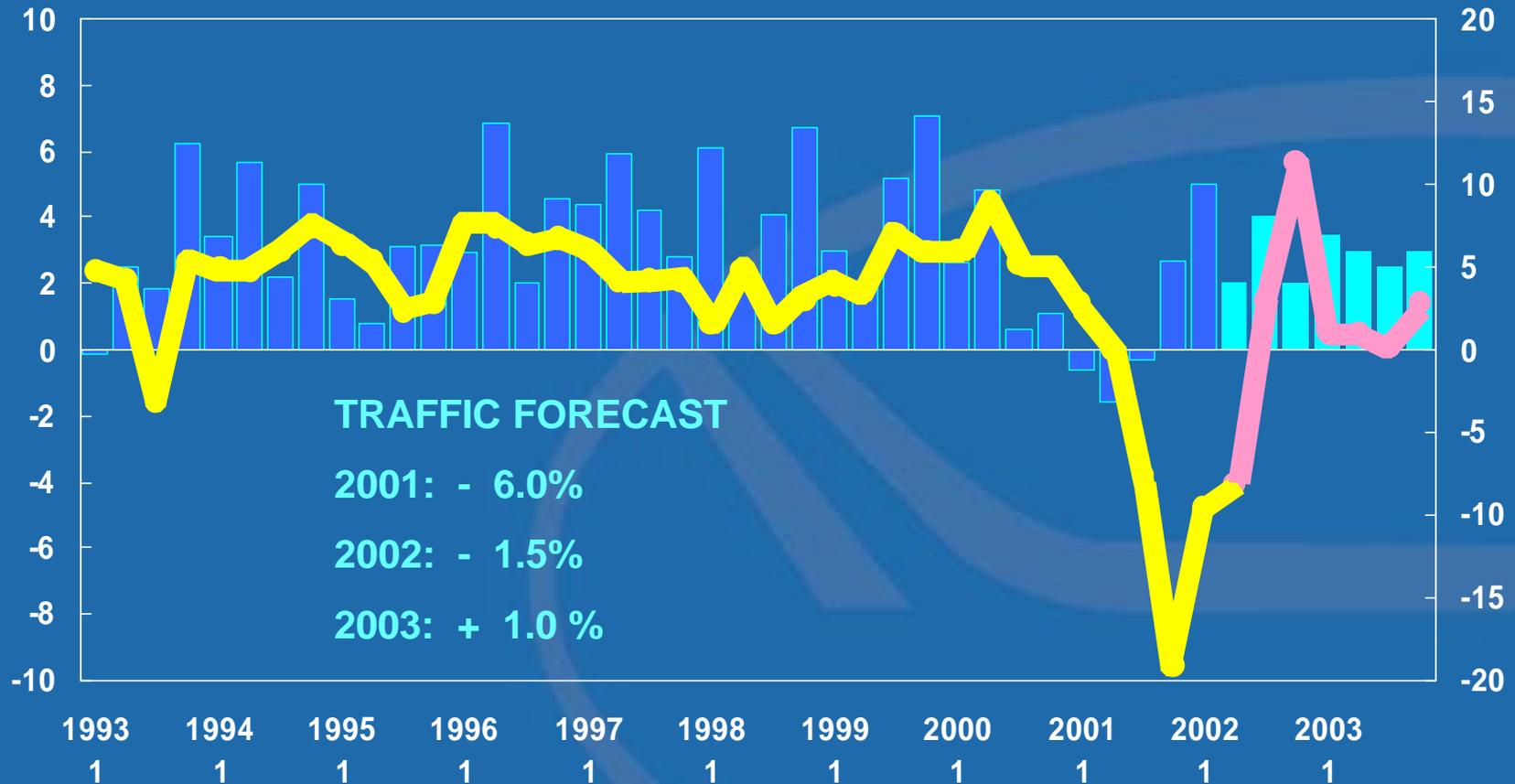
And Forecast for 2002 and 2003



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GDP Percent

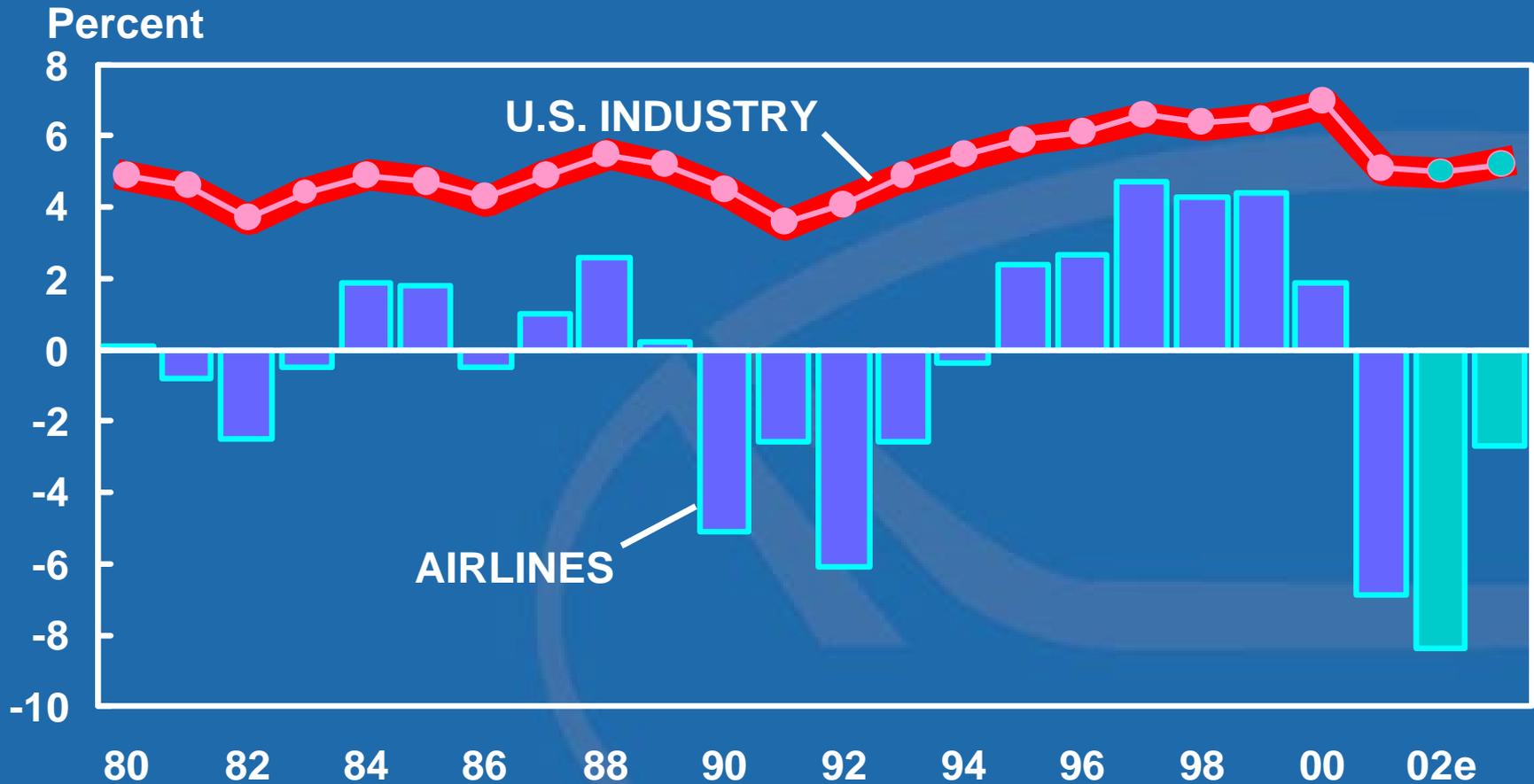
Traffic Percent



NET PROFIT MARGIN US.INDUSTRY VS. AIRLINES



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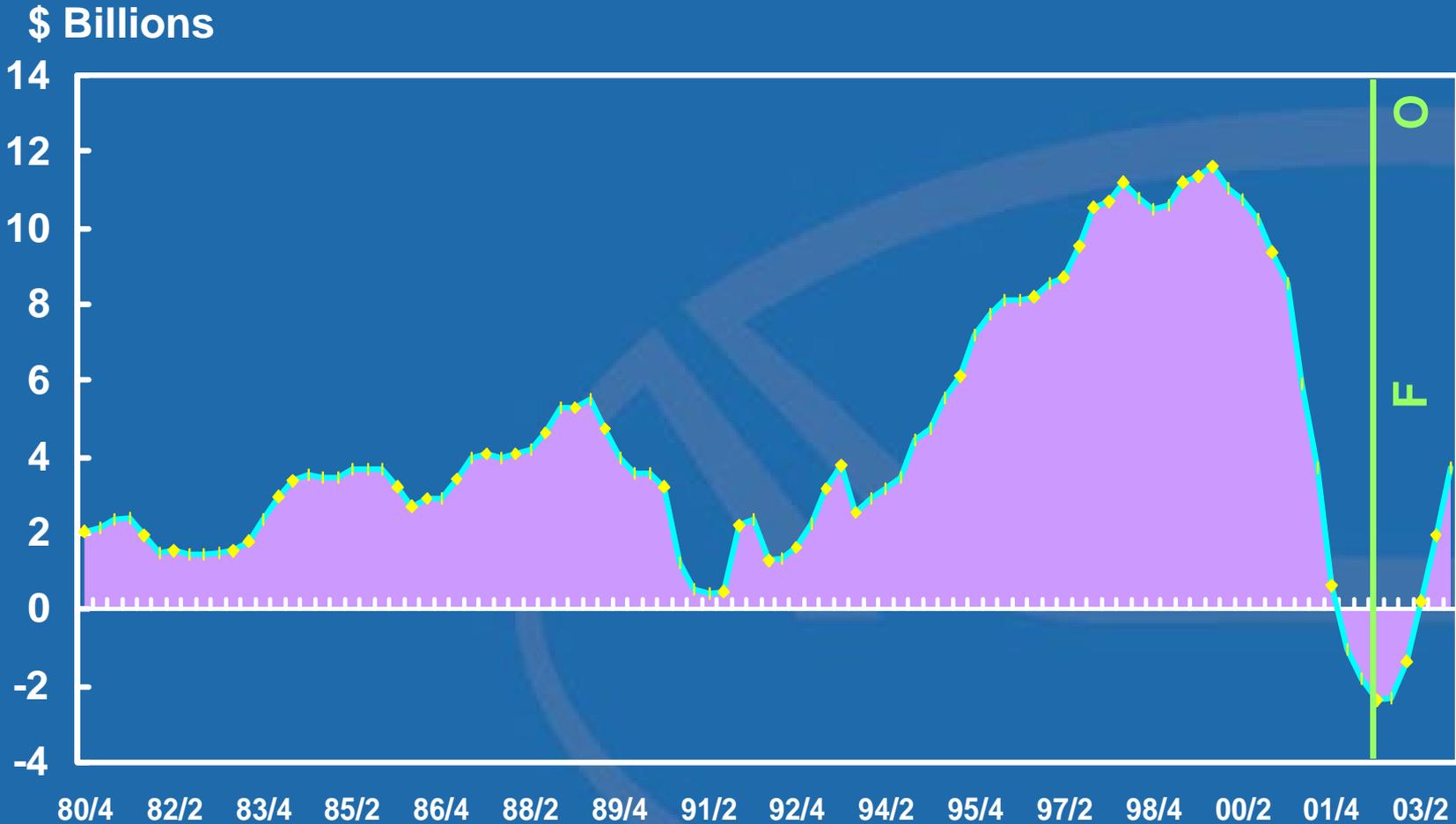


CASH FLOW

Four Quarter Moving Total Majors and Nationals



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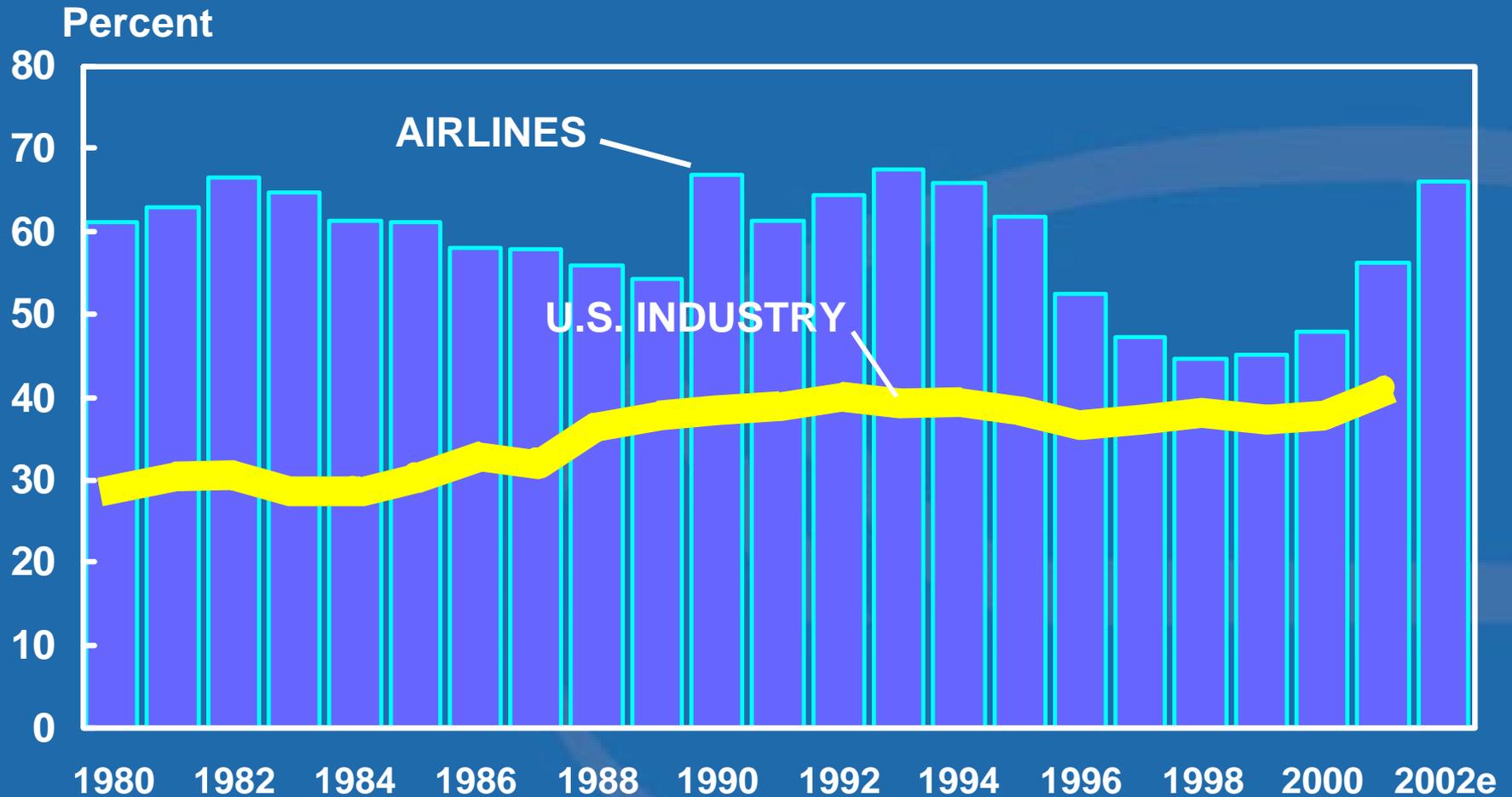


AIRLINE BALANCE SHEETS

Debt as a Percent of Total Capital



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**AVIATION OPERATIONAL
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WORKSHOP**

Thank you !

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