



A New Century:
A New Vision



AIR TRANSPORT ASSOCIATION



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Our Mission

The Air Transport Association serves its member airlines and their customers by:

- Assisting the airline industry in continuing to provide the world's safest system of transportation
- Transmitting technical expertise and operational knowledge among member airlines to improve safety, service and efficiency
- Advocating fair airline taxation and regulation worldwide, ensuring a profitable and competitive industry

On the cover: Glenn Curtiss

Glenn Hammond Curtiss (1878-1930), U.S. inventor and aviator, pioneered many improvements in aircraft design and engines, including inventing the aileron. He built a plane that could take off and land on water, and on January 1, 1914, autoparts maker Thomas Benoist had Curtiss' flying boat built for service across Tampa Bay. The single-plane service accommodated one passenger at a time and charged a one-way fare of \$5 for the 18-mile trip.

A New Century—A New Vision

The year 2000. Those zeros somehow invite us to both reflect on the past and project on the bright future. This natural tendency seems to tug even stronger in the aviation community. Born on the cusp of the twentieth century and soon to embark on its own second hundred years, the progress the airline industry has made can only be described as breathtaking. Indeed, had anyone speculated at the turn of the last century about the aviation advances we now take for granted, it is reasonable to surmise that *visionary* would have been the kindest characterization he or she could have expected.

Who would have thought that by 2000, the U.S. airline industry would:

- Enplane more than 1.7 million passengers everyday, over 85 percent of whom have a choice of two or more airlines
- Operate in excess of 23,000 domestic and international flights per day, directly employing over 646,000 people in strong, well-paying jobs, and pumping nearly \$300 billion into our national economy each year
- Carry more than 20 billion ton miles of cargo (freight, express and mail) every year
- Operate aircraft that cost an average of \$51 million
- Provide the most energy-efficient mode of mass transportation for trips exceeding 500 miles

Given what we know of the first century of aviation, the only safe speculation about the next hundred years is, "you ain't seen nothing yet!"

What will the future bring? This is a question best left to each of our own imaginings. What we can describe, however, is a vision that will bring aviation and the airline industry through the challenges and changes of the next amazing century. Perhaps not surprisingly, it is precisely the ever-evolving foresight—the constantly improving vision—that took us through the last century. It is the day-to-day hard work of providing the world's safest and most

efficient system of transportation, by constantly answering challenges such as:

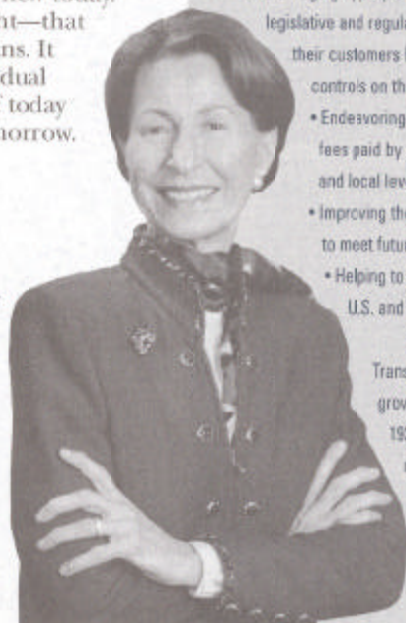
- How do we work with the government to design and manage an air traffic control system that truly meets the needs of the public
- How do we continuously improve upon the safety performance of what is already the safest mode of transportation
- How do we provide a better, more efficient and pleasant flight experience at the lowest possible cost
- How do we move packages and cargo even more efficiently from door to door, around the world
- How do we best balance our interests in the environment with society's need for safe and efficient air transportation

It is the daily answering of these and millions of other routine questions, by the men and women of the airline industry, that brought us so successfully through the last century. And, it is these answers that will continue to chart our successful course for the next one hundred years.

So, it is with renewed confidence that we face the next century, by embracing the vision that was new one hundred years ago and remains new today. The same vision that brought us flight—that crossed continents and bridged oceans. It is the collective efforts of each individual within the industry doing the jobs of today that, step-by-step, will bring us to tomorrow.

Carol Hallett

Carol Hallett
President and Chief Executive Officer
Air Transport Association



Our Goals

The Air Transport Association (ATA) is the nation's oldest and largest airline trade association. Its membership of 23 U.S. and five associate (non-U.S.) airlines carries over 600 million passengers and more than 25 billion ton miles of cargo each year. U.S. members account for more than 95 percent of the passenger and cargo traffic carried by scheduled U.S. airlines.

In an extraordinarily dynamic industry, ATA enables air carriers to pool their unparalleled experience, technical expertise and operational knowledge, so that the industry as a whole can better serve the public and improve airline safety, service and efficiency.

ATA also represents its members on major aviation issues in the technical, legal and political arenas. Its activities are designed to advocate and support measures which enhance aviation safety, ensure efficiency, foster growth and protect the ability of the airline industry to invest in the future, in order to meet the emerging demands of customers.

While the ATA agenda of issues continuously changes, its major priorities remain constant. They include:

- Assisting the airline industry in providing the world's safest system of transportation
- Advocating the modernization of the Federal Aviation Administration (FAA) air traffic control system, to improve service for airline customers and to benefit the environment
- Improving and refining the protection and security of airline passengers and cargo against threats directed at the United States
- Encouraging appropriate government action, while seeking to prevent legislative and regulatory intervention that would penalize airlines and their customers by imposing rate, route, service and schedule controls on the industry
- Endeavoring to reduce the disproportionate share of taxes and fees paid by airlines and their customers at the federal, state and local levels
- Improving the industry's ability to attract the capital necessary to meet future demand
- Helping to shape international aviation policy, to ensure that U.S. and foreign carriers can compete on equal terms

During its more than 60-year history, the Air Transport Association has seen the airline industry grow from the small, pioneering companies of the 1930s into key players in the global transportation market. ATA and its members continue to play a vital role in shaping the future of air transportation.

Airmail

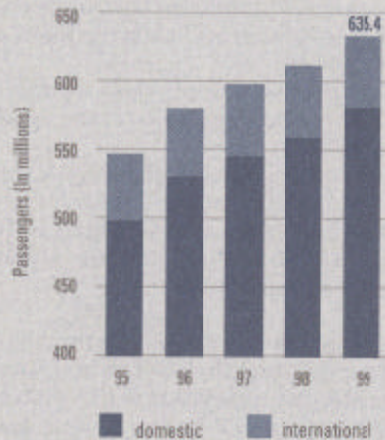
In 1917, the U.S. government appropriated funds for an experimental airmail service to be conducted jointly by the Army and the Post Office between Washington, D.C. and New York, with a stop in Philadelphia. The first flight departed on May 14, 1918. Nearly one year later, on March 3, 1919, William Boeing (right) and pilot Eddie Hubbard flew the first U.S. international airmail flight from Vancouver, British Columbia, Canada to Seattle.



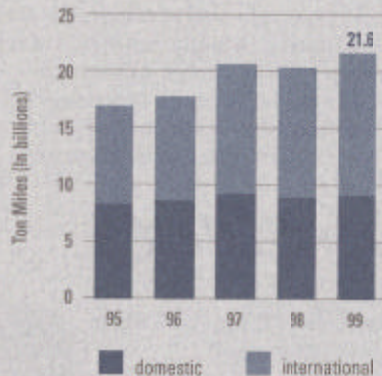
International Airmail

Highlights

Revenue Passengers Enplaned



Cargo Revenue Ton Miles



Traffic

(In millions, except when noted)

	1998	1999	Percent Change
Revenue Passengers Enplaned	612.9	635.4	3.7
Domestic Service	559.7	582.3	4.0
International Service	53.2	53.1	(0.2)
Revenue Passenger Miles	618,086	651,597	5.4
Available Seat Miles	874,090	917,849	5.0
Passenger Load Factor (%)	70.7	71.0	
Aircraft Departures (in thousands)	8,292	8,617	3.9
Cargo Revenue Ton Miles	20,496	21,641	5.6
Freight & Express Revenue Ton Miles	18,131	18,346	6.7
Mail Revenue Ton Miles	2,365	2,295	(3.0)
Total Revenue Ton Miles	82,305	86,801	5.5

Financial

(In millions, except when noted)

	1998	1999	Percent Change
Passenger Revenues	\$80,986	\$81,167	3.9
Domestic Service	63,991	66,933	4.6
International Service	16,995	17,234	1.4
Freight & Express Revenues	10,597	11,239	5.1
Mail Revenues	1,708	1,734	1.5
Total Operating Revenues	113,465	114,245	4.2
Total Operating Expenses	104,138	110,342	6.0
Operating Profit	9,327	7,903	
Net Profit	\$4,903	\$5,576	
Rate of Return on Investment (%)	12.0	11.5	
Operating Profit Margin (%)	8.2	6.7	
Net Profit Margin (%)	4.3	4.7	

1989-1999 Summary

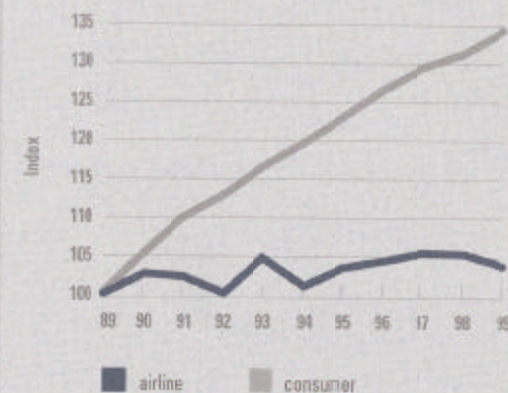
U.S. Scheduled Airlines

(In millions, except when noted)

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Traffic—Scheduled Service											
Revenue Passengers Enplaned	453.7	465.6	452.3	475.1	488.5	528.8	547.8	581.2	599.1	612.9	635.4
Revenue Passenger Miles	432,714	457,926	447,955	478,554	489,684	519,382	540,656	578,863	605,574	618,086	651,597
Available Seat Miles	684,376	733,375	715,199	752,772	771,641	784,331	807,078	835,071	860,803	874,090	917,849
Passenger Load Factor (%)	63.2	62.4	62.6	63.8	63.5	66.2	67.0	69.3	70.3	70.7	71.0
Average Passenger Trip Length (in miles)	954	984	990	1,007	1,002	982	987	996	1,011	1,008	1,025
Freight & Express Revenue Ton Miles	10,275	10,546	10,225	11,130	11,944	13,792	14,578	15,301	17,959	18,131	19,346
Aircraft Departures (in thousands)	6,622	6,924	6,783	7,051	7,245	7,531	8,062	8,230	8,192	8,292	8,617
Financial											
Passenger Revenues	\$53,802	\$58,453	\$57,092	\$59,828	\$63,945	\$65,422	\$69,594	\$75,286	\$79,471	\$80,986	\$84,167
Freight & Express Revenues	6,893	5,432	5,509	5,916	6,662	7,284	8,616	9,679	10,477	10,697	11,239
Mail Revenues	955	970	957	1,184	1,212	1,183	1,266	1,279	1,362	1,708	1,734
Charter Revenues	2,052	2,877	3,717	2,801	3,082	3,548	3,485	3,447	3,575	3,821	3,706
Total Operating Revenues	69,316	76,142	75,158	78,140	84,559	88,313	94,578	101,938	109,568	113,465	118,245
Total Operating Expenses	67,505	78,054	76,343	80,585	83,121	85,600	88,718	95,729	100,982	104,138	110,342
Operating Profit (Loss)	1,811	(1,912)	(1,785)	(2,444)	1,438	2,713	5,860	6,209	8,586	9,327	7,903
Interest Expense	1,944	1,978	1,777	1,743	2,027	2,347	2,424	1,981	1,733	1,742	1,825
Net Profit (Loss)*	\$128	(\$3,921)	(\$1,940)	(\$4,791)	(\$2,136)	(\$344)	\$2,314	\$2,804	\$5,170	\$4,903	\$5,576
Revenue per Passenger Mile (in cents)	12.4	12.8	12.7	12.5	13.1	12.6	12.9	13.0	13.1	13.1	12.9
Rate of Return on Investment (%)	6.3	(6.0)	(0.5)	(9.3)	(0.4)	5.2	11.9	11.5	14.7	12.0	11.5
Operating Profit Margin (%)	2.6	(2.5)	(2.4)	(3.1)	1.7	3.1	6.2	6.1	7.8	8.2	6.7
Net Profit Margin (%)	0.2	(5.1)	(2.6)	(6.1)	(2.5)	(0.4)	2.4	2.8	4.7	4.3	4.7
Employees (Average full-time equivalent)	506,728	545,809	533,565	540,413	537,111	539,759	546,987	564,425	586,509	611,058	646,410

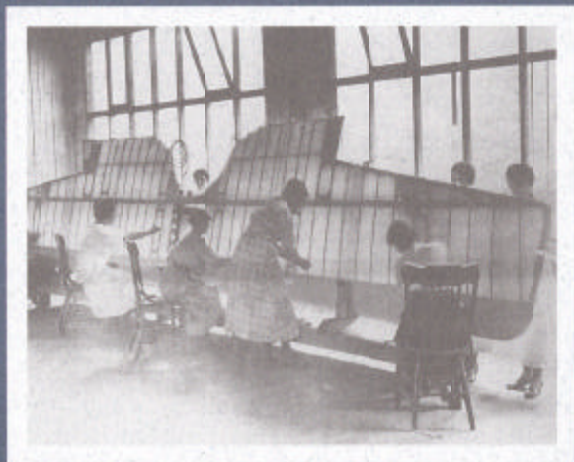
* Excludes fresh-start accounting extraordinary gains of Continental and Trans World in 1993.

Airline Ticket Prices vs. Consumer Prices
(1989=100)



Wind Beneath Their Wings

During the 1920s, Boeing was involved in the manufacture of several fighter planes, including the Thomas-Morse MB-3A. Boeing female employees are pictured stitching fabric onto the wing of an MB-3A Army pursuit plane.



MB-3A wing/circa 1922

1999 Airline Industry Review

In 1999, the average price of air travel continued to decline, in spite of a dramatic increase in the cost of jet fuel. U.S. airlines enplaned a record 635 million passengers. Jet fuel (kerosene) prices increased by 45 percent, from a low in March of 45 cents per gallon to 65 cents in December. Jet fuel prices continued to rise in the first quarter of 2000. 1999 was also plagued with an exceptionally dramatic increase in air traffic control delays. With lower prices, operating profits fell, although the airlines were able to increase their net profits by selling some airline-related assets.

Traffic

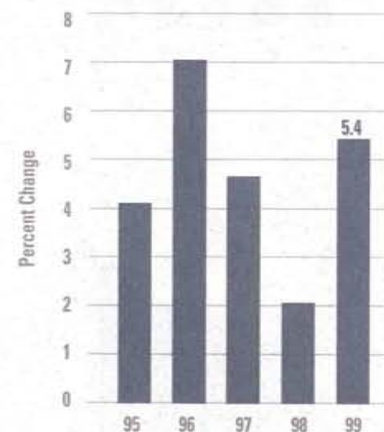
Passenger traffic in 1999 grew by 5.4 percent to 651.6 billion revenue passenger miles. Real growth for the U.S. economy was 5.7 percent for 1999. That strong economic growth was an important driver of demand for air travel. Domestic traffic increased by 5.6 percent. The number of passengers enplaned in domestic service increased by a strong 22.6 million to 582 million. As the airline industry in the United States matures, the long-term growth rate, calculated on an increasingly larger base, is expected to diminish. However, the number of new passenger enplanements added each year is expected to remain at or above 20 million per year.

International passenger traffic showed mixed results. The number of international passengers decreased slightly to 53.1 million, although international revenue passenger miles increased by 5.0 percent to 172 billion. A decrease in Pacific passenger enplanements accounted for the decline in international enplanements, with those markets continuing to show the effects of the slumping Asian economies. Atlantic and Latin America/Caribbean markets showed growth in both passenger enplanements and revenue passenger miles, with Atlantic RPMs growing by 8.3 percent and Latin America/Caribbean RPMs growing by 4.1 percent.

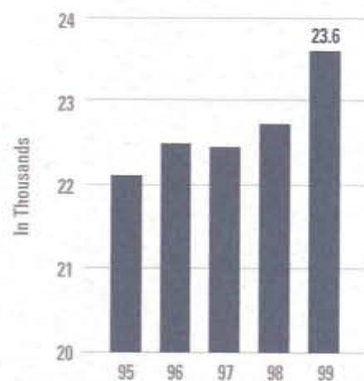
Cargo traffic grew strongly in 1999. Total cargo revenue ton miles increased by 5.6 percent over 1998. Freight and express revenue ton miles accounted for all of the growth—increasing 6.7 percent for the year. Mail revenue ton miles were down 3.0 percent, having shown some declines in the early months of 1999, but then growing in the second half of the year. This has occurred because of a decision by the U.S. Postal Service to carry mail in high-traffic markets using contract carriers and trucks, rather than the scheduled airlines. The strongest area of growth was in international freight and express, which grew by 8.1 percent. This growth can be attributed to innovative new products and developing new markets.

There was absolutely no interruption of airline operations due to the Y2K millennium changeover. The airlines and air traffic control system functioned smoothly through the transition. There was, however, a noticeable reduction in the growth rate of passenger traffic in December and January, which is probably attributable to Y2K coverage by the media.

Traffic Growth Rates
Revenue Passenger Miles

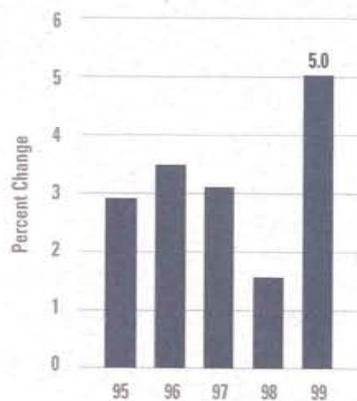


Daily Departures



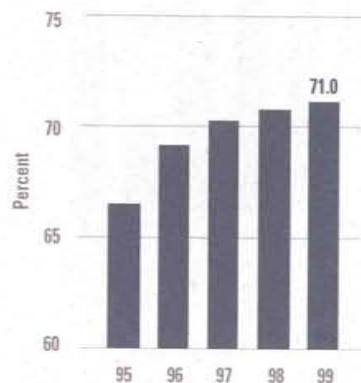
Capacity Growth Rates

Available Seat Miles



Load Factor

Percent of Seats Filled



Capacity

Capacity in 1999 grew at 5.0 percent to a record 917.8 billion available seat miles. This growth rate increased from the levels of the past several years, but still grew at a pace that was slightly below the growth in passenger traffic. Had there been less capacity buildup, prices likely would have risen higher, to offset rising costs (especially rising fuel costs). Adding more capacity put downward pressure on prices, as airlines attempted to fill otherwise empty seats.

One of the fastest growing segments of capacity has been the increase being provided from new small regional jets. The FAA forecasts that the number of regional jets will grow from 7.4 percent of the passenger jet fleet in 1999 to over 19 percent by 2011. This increase in regional-jet capacity will benefit, among others, small- and medium-size communities, providing more frequent and direct service.

International capacity grew at a much slower pace than domestic capacity. International available seat miles increased only 2.8 percent, while domestic capacity increased by 5.8 percent. Capacity declined by 1.9 percent on Latin America/Caribbean routes, after a sharp increase in the preceding year. Pacific capacity was flat, while the Atlantic continued to show strong gains—growing by 8.6 percent.

The number of flights increased to 8.6 million, or a record 23,600 per day. The average flight distance increased slightly from last year, from 704 to 715 miles. The average speed remained unchanged at 419 miles per hour.

Load factors reached another post-World War II record. With capacity increasing less rapidly than the increase in traffic, load factors moved up from 70.7 percent in 1998 to 71.0 percent in 1999. This efficiency improvement was an important factor in the airlines' ability to lower overall prices in 1999. Load factor, a measure of the percentage of seats filled with passengers, is one of the most important indicators of asset utilization in the industry. Domestic load factors declined slightly to 69.8 percent, while international load factors increased from 72.8 percent in 1998 to 74.4 percent in 1999.

Fleet

In 1999, U.S. airlines that are ATA members saw their fleets increase to a total of 4,968 aircraft. The most commonly used aircraft remained the Boeing B-737, which comprised 23 percent of the fleet. ATA members added a net 146 aircraft to their fleets as they have continued on a fast-paced modernization effort. U.S. airlines successfully converted their entire fleet from noisier Stage 2 jets to quieter Stage 3 technology by the end of 1999—two years in advance of the rest of the world. The European Union is attempting to limit the use of certain kinds of quieter Stage 3 airplanes in violation of international agreements established within the United Nation's International Civil Aviation Organization. However, efforts have been undertaken to counter this threat.

ATA U.S. member airlines, at the end of 1999, had placed firm orders for 1,057 aircraft and had options for an additional 1,554. These orders and options represent a \$131 billion commitment on the part of U.S. airlines to continue the process of modernization into the future.

Revenue

Total revenue for the U.S. scheduled airlines grew by 4.2 percent with increasing passenger and cargo traffic. Revenues reached \$118.2 billion in 1999, compared to \$113.5 billion in 1998. The average price of air travel, adjusted for inflation, declined in 1999 for the sixth consecutive year. Passenger yield, the amount collected by airlines to fly one passenger one mile and the industry standard measure of prices,

Passenger Yield

Revenue per Passenger Mile (In cents)

	1989	1998	1999
Domestic	13.1	14.1	14.0
International	10.4	10.4	10.0
Total	12.4	13.1	12.9

Freight & Express Yield

Revenue per Freight & Express Ton Mile (In cents)

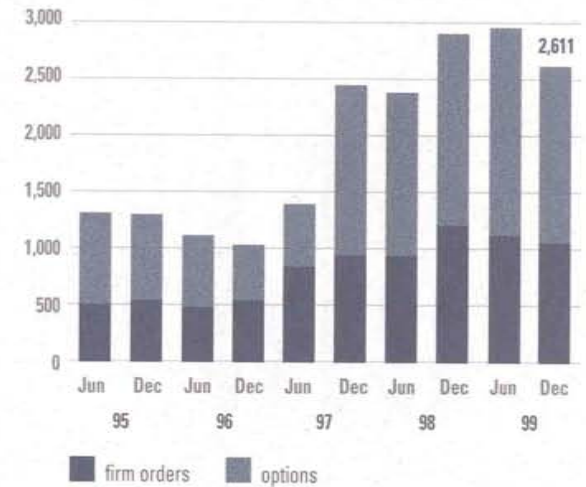
	1989	1998	1999
Domestic	95.0	82.7	79.7
International	41.1	44.1	45.0
Total	67.2	59.0	58.1

decreased by nearly 1.5 percent, from 13.1 cents per mile in 1998 to 12.9 cents per mile in 1999. Airline prices have fallen in five of the past 10 years, without any adjustment for inflation and in nine of the last 10 years, adjusted for inflation. In real terms, airline prices have fallen 21 percent since 1990. Consumers continue to benefit from intense competition and improved airline efficiency—one of the great successes of airline deregulation. Total passenger revenues increased by \$3.2 billion, from \$81 billion to \$84.2 billion in 1999. Domestic passenger revenue increased \$2.9 billion, while international revenue, reflecting the softness in Pacific markets, increased only slightly by \$239 million.

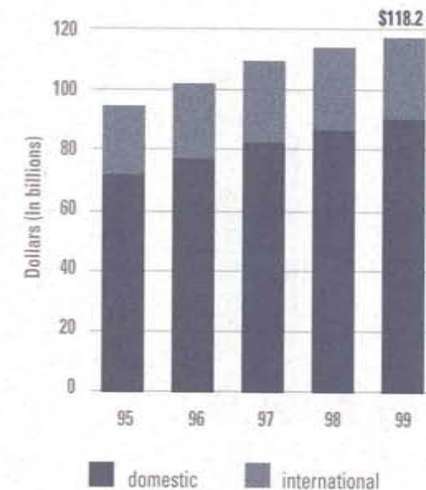
Cargo revenues have always been more heavily influenced by conditions in international markets. Forty-four percent of cargo revenues are generated in international service. In spite

Aircraft Orders & Options

ATA U.S. Members

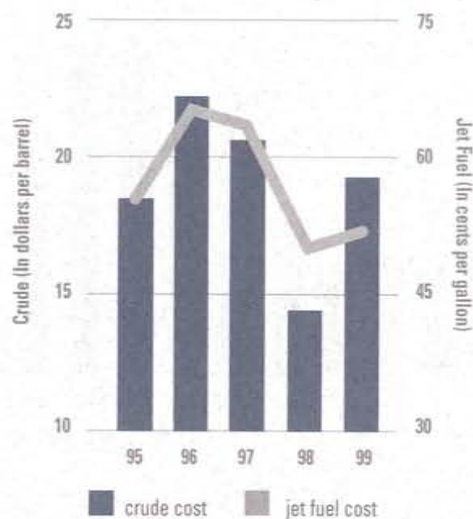


Revenues

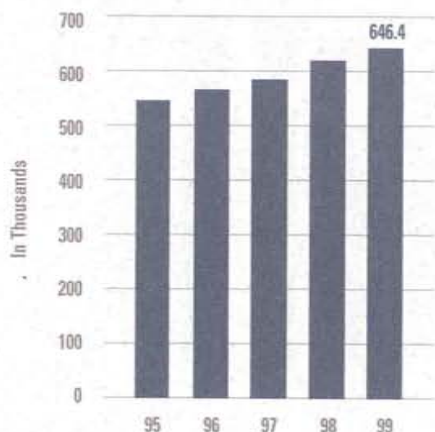


Fuel Cost

Jet Fuel Compared to Crude Oil



Airline Employees



Expenses

Airline prices are closely related to trends in airline costs. Profit margins in the industry have always been extremely thin. The largest single item of expense for the airlines is wages and benefits for employees. This cost comprises 35 percent of total operating costs. In 1999, airlines added 25,300 employees to handle increasing traffic and aircraft operations. Total full-time equivalent employment grew to over 646,400. Airlines require, on average, five cockpit crews per aircraft. The number of pilots, copilots, and other cockpit personnel increased to 82,500. Average salaries and benefits for airline employees increased to \$65,300.

Jet fuel (kerosene) costs are the airlines' second largest expense item. Fuel prices declined steadily throughout 1998 and then increased just as steadily and dramatically in 1999. The average price per gallon in March 1999 was 44.6 cents. By December, the price had increased to 65 cents per gallon and continued to increase in the first quarter of 2000. This twenty-cent increase in the average price of fuel resulted in a \$750 million increase in total fuel costs. Fuel costs are expected to remain near or above 65 cents per gallon throughout 2000, resulting in a further \$4.5 billion increase in fuel costs. This huge increase in the cost of fuel has resulted in some modest price increases in early 2000.

1999 saw continued increases in air traffic control delays. Delays have increased by more than 52 percent in the last two years, giving up nearly all of the gains that had been achieved in the '90s. In addition to an increase in the number of delays, the average duration of delays also increased, so that the amount of time lost was compounded. Delays, in 1999, cost the airlines \$3.1 billion, which ultimately is passed on to the passenger or shipper in the form of higher prices. In addition, the value of the passengers' lost time amounted to \$2.3 billion. In all, the cost to society for air traffic control delays amounted to \$5.4 billion in 1999.

Employment

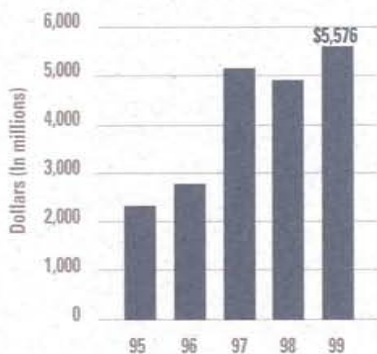
U.S. Scheduled Airlines

	1989	1998	1999
Pilots & Copilots	43,671	64,099	68,209
Other Flight Personnel	8,070	11,060	14,300
Flight Attendants	77,771	97,574	105,366
Mechanics	57,282	69,927	73,675
Aircraft & Traffic			
Service Personnel	225,166	290,109	294,549
Office Employees	42,717	40,944	41,033
All Other	52,051	47,345	49,278
Total Employment	506,728	621,058	646,410
Average Compensation per Employee			
Salaries & Wages	\$36,694	\$50,523	\$52,124
Benefits & Pensions	6,299	9,821	9,629
Payroll Taxes	2,729	3,557	3,568
Total Compensation	\$45,722	\$63,901	\$65,341

Balance Sheet

The airline industry is an asset-intensive industry requiring major investments in aircraft, facilities and equipment. The total value of these investments, net of depreciation, reached \$75 billion out of total assets amounting to \$133 billion. The return on investment (ROI) slipped a bit in 1999 to 11.5 percent. Because earnings in the industry are cyclical and profit margins are thin, it can be difficult to attract equity investments in the airline industry and this is one of the factors that lead airlines to the debt markets instead. This, of course, results in above-average debt-to-equity ratios in the airline industry, which increases exposure during a market downturn.

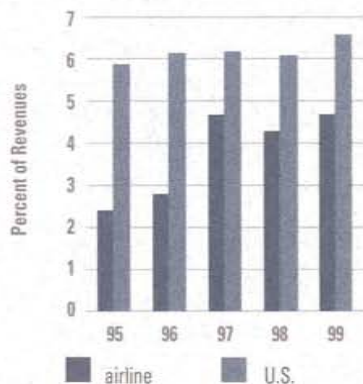
Net Profit



Over the past several years, which in relative terms has been a period of strong performance for the industry, airlines have used some of their profits to pay down debt and restructure their balance sheets, in order to reduce the level of risk associated with high levels of debt. When the industry was losing money in the early part of this decade, airlines borrowed heavily in order to continue in business. Debt as a percentage of total capital reached an astronomically high 68 percent in 1992. Normal levels of debt for U.S. industry are about 35 percent of total capital. In 1999, debt levels in the airline industry had fallen from 1992 levels to 51 percent. Interest costs also fell to more manageable levels.

Net Profit Margin

Airline vs. U.S. Industry



Operating earnings declined in 1999 to \$7.9 billion from \$9.3 billion in 1998 and the outlook for 2000 will be challenging. Fuel expenses in 2000 are expected to increase by \$4.5 billion over the 1999 level. The economy, which grew strongly in 1999, is expected to continue to grow in 2000, although at a slower pace. The FAA projects that the number of passengers will reach 982 million annually by 2011 and that cargo demand will grow even faster. The number of passenger and cargo jet aircraft will rise to over 9,500. Significant and sustained earnings will be required to fund the airplane, airway and airport infrastructure that will be needed to accommodate this growth.

Lucky Lindy

Shown here in a commemorative print from his childhood home of Little Falls, Minnesota, American aviator Charles Augustus Lindbergh (1902-1974) completed the first nonstop solo trans-Atlantic flight on May 21, 1927. Piloting the *Spirit of St. Louis*, a modified Ryan M-2 monoplane, Lindbergh flew from Roosevelt Field, Long Island, New York to Le Bourget Field, near Paris, in 33 1/2 hours.



Charles A. Lindbergh/
circa 1927



Amelia Earhart/circa 1936

Women in Aviation

On June 17, 1928, Amelia Earhart (1897-1937) became the first woman to fly across the Atlantic, as a passenger. In 1932, flying a Lockheed Vega, Earhart became the first woman to cross the Atlantic alone. Five years later, in 1937, Earhart, accompanied by navigator Frederick J. Noonan, attempted to fly around the world. Her Lockheed Electra plane, shown in the photo, disappeared and neither Earhart nor Noonan were ever found.

Air Traffic Control: The Challenge—The Solution

In the 1930s, while still in its infancy, the airline industry recognized that the ultimate success of commercial air travel necessitated the development of a single air traffic control (ATC) system that was both safe and efficient. Even in those early days of aviation, rapid growth made it obvious to all that a system for central control of air traffic was essential. Indeed, a number of mishaps had occurred during inclement weather, because no one was "in charge." In 1936, control over all air traffic was centralized within the federal government, which established one unified air traffic control system under a predecessor organization to today's Federal Aviation Administration (FAA).

Moving forward over six decades, there are now over 22,000 domestic commercial airline flights operating daily between cities in the United States. FAA's ability to oversee the movement of so many flights safely is a tribute to the agency and to the professional air traffic controllers who staff FAA facilities. At the same time, however, the failure to fulfill the need for greater efficiency in the government's air traffic control system is a serious problem for all air travelers, resulting in lengthy and aggravating delays. In fact, in 1999, air traffic control-induced flight delays became so numerous and prevalent that airlines and their passengers routinely suffered serious disruptions in their travel schedules. According to FAA, the summer of 1999 was the most delay-plagued season in history.

The trouble experienced by passengers made it clear that, to increase the reliability of the flight schedules, there needed to be significant changes in FAA's management of the air traffic control system. Working with the government, airlines are offering their expertise in the development and utilization of advanced management methods and new technologies, in a cooperative effort to bring much-needed improvements to the air traffic control system.

The problems, of course, are complex and require a systemic approach. In the near term, the Air Transport Association (ATA) is seeking improvements in weather products with which to make valid routing decisions, and in the operation of the FAA System Command Center that oversees the

hour-to-hour operation of the U.S. ATC system. ATA and FAA are also developing a collaborative strategic-planning process, involving airline operations and FAA command-center personnel, to agree on plans developed at two-hour intervals on how to accommodate flights impacted by weather.

Ongoing improvements to the ATC system with longer-term benefits include an array of capacity-increasing controller tools, under the FAA umbrella program known as Free Flight. These tools include data-link communications between pilot and controller that afford error-free clearances and much shortened air time, resulting in an increase in the number of aircraft handled. Conflict-detection software allows controllers to clear aircraft with confidence on fuel- and time-efficient direct routes. FAA's planned use of new procedures and equipment will allow controllers to more efficiently sequence and space aircraft at congested airports. Finally, FAA is working on a number of collaborative decision-making processes to facilitate the exchange of data between airlines and FAA, resulting in reduced ground delays and rapid delivery of joint decisions. All of these efforts are being implemented with the participation and support of FAA, by ATA airlines and Congress.

On the management side, under the recently enacted Wendell H. Ford Aviation Investment and Reform Act for the 21st Century, FAA will soon have the benefit of an aviation Management Advisory Council, comprised of experts from a variety of relevant disciplines. In addition, the legislation authorizes the appointment of a chief operating officer to manage the air traffic control system and calls for the rapid completion of an effective cost-accounting system.

Taken in combination, these modern management tools and technological innovations should improve productivity and decrease delays throughout the system. Airlines are eager to work cooperatively with the FAA and other airspace users to make air travel a more pleasant and rewarding experience for all consumers of air transport services.

Facts & Figures

Traffic & Operations

U.S. Scheduled Airlines

(In millions, except when noted)

	1998			1999		
	Domestic	International	Total	Domestic	International	Total
Passenger Traffic—Scheduled Service						
Revenue Passengers Enplaned	559.7	53.2	612.9	582.3	53.1	635.4
Revenue Passenger Miles	454,430	163,656	618,086	479,889	171,908	651,597
Available Seat Miles	649,362	224,728	874,090	686,940	230,909	917,849
Passenger Load Factor (%)	70.0	72.8	70.7	69.8	74.4	71.0
Average Passenger Trip Length (in miles)	812	3,076	1,008	824	3,237	1,025
Cargo Traffic (Revenue Ton Miles)—Scheduled Service						
Total	8,858	11,638	20,496	9,110	12,531	21,641
Freight & Express	7,002	11,129	18,131	7,313	12,033	19,346
Mail	1,856	509	2,365	1,797	498	2,295
Overall Traffic & Operations						
Total Revenue Ton Miles—Charter Service	5,869	3,478	9,347	5,654	3,059	8,723
Total Revenue Ton Miles—All Services	60,170	31,482	91,652	62,743	32,781	95,524
Total Available Ton Miles—All Services	105,367	53,867	159,234	109,655	55,605	165,260
Weight Load Factor—All Services (%)	57.1	58.4	57.6	57.2	59.0	57.8
Revenue Aircraft Departures—Scheduled Service (in thousands)	7,803	189	8,292	8,116	501	8,617
Revenue Aircraft Miles—Scheduled Service	4,766	1,772	5,838	5,051	1,110	6,161
Revenue Aircraft Hours—Scheduled Service (in thousands)	11,794	2,150	13,944	12,459	2,228	14,687

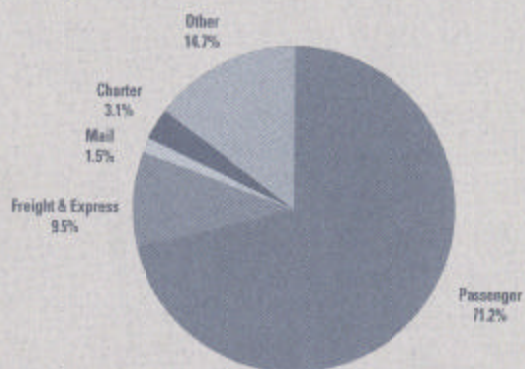
Welcome Aboard

In 1930, Boeing Air Transport introduced aviation's first flight attendants or stewardesses. The stewardesses—one per aircraft—were also required to be registered nurses.

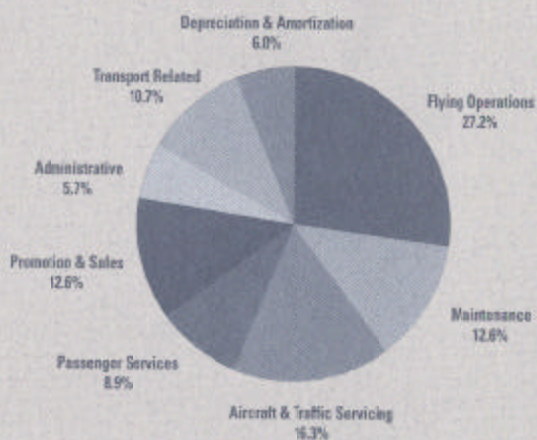


Boeing Stewardesses / 1930

Operating Revenues—1999



Operating Expenses—1999



Income Statement

U.S. Scheduled Airlines

(In millions, except when noted)

	1998			1999		
	Domestic	International	Total	Domestic	International	Total
Operating Revenues						
Passenger	\$63,991	\$16,995	\$80,986	\$66,933	\$17,234	\$84,167
Freight & Express	5,791	4,906	10,697	5,828	5,411	11,239
Mail	1,423	295	1,708	1,471	263	1,734
Charter	2,777	1,044	3,821	2,643	1,063	3,706
Public Service	2	0	2	4	48	52
Other	12,510	3,741	16,251	13,721	3,626	17,347
Total Operating Revenues	86,494	26,971	113,465	90,600	27,645	118,245
Operating Expenses						
Flying Operations	21,044	7,158	28,202	22,582	7,402	29,984
Maintenance	10,311	2,955	13,266	11,074	2,879	13,953
Aircraft & Traffic Servicing	12,699	3,978	16,677	13,768	4,203	17,971
Passenger Services	6,252	2,920	9,172	6,752	3,059	9,811
Promotion & Sales	10,743	3,374	14,117	10,741	3,188	13,929
Administrative	4,524	1,521	6,045	4,909	1,376	6,285
Transport Related	8,671	2,406	11,077	9,463	2,293	11,756
Depreciation & Amortization	4,144	1,438	5,582	5,023	1,630	6,653
Total Operating Expenses	78,368	25,750	104,138	84,312	26,030	110,342
Operating Profit (Loss)	8,106	1,221	9,327	6,288	1,615	7,903
Other Income (Expense)						
Interest Expense	(1,197)	(545)	(1,742)	(1,278)	(547)	(1,825)
Income Taxes	(3,082)	(224)	(3,306)	(2,733)	(764)	(3,497)
Other	543	81	624	2,515	480	2,995
Net Profit (Loss)	\$4,370	\$533	\$4,903	\$4,792	\$784	\$5,576
Operating Profit Margin (%)	9.4	4.5	8.2	6.9	5.8	6.7
Net Profit Margin (%)	5.1	2.0	4.3	5.3	2.8	4.7

Top-30 Domestic Airline Markets*

Passengers—Outbound plus Inbound

(Twelve months ended December 1999, in thousands)

1	New York	Los Angeles	3,728	16	Honolulu	Lihue, Kauai	1,749
2	New York	Chicago	2,982	17	Chicago	Detroit	1,509
3	New York	Boston	2,821	18	Chicago	Atlanta	1,498
4	New York	Miami	2,800	19	Los Angeles	Oakland	1,493
5	New York	Orlando	2,777	20	New York	Dallas/Ft. Worth	1,475
6	New York	San Francisco	2,743	21	New York	West Palm Beach	1,468
7	Honolulu	Kahului, Maui	2,691	22	Honolulu	Kona, Hawaii	1,459
8	New York	Washington	2,551	23	Boston	Washington	1,425
9	New York	Atlanta	2,546	24	Atlanta	Washington	1,424
10	New York	Ft. Lauderdale	2,386	25	Chicago	Dallas/Ft. Worth	1,415
11	Los Angeles	Las Vegas	2,304	26	Los Angeles	Honolulu	1,389
12	Dallas/Ft. Worth	Houston	2,219	27	Los Angeles	Phoenix	1,383
13	Los Angeles	San Francisco	2,006	28	New York	Houston	1,345
14	New York	San Juan	1,988	29	New York	Las Vegas	1,320
15	Chicago	Los Angeles	1,772	30	New York	Detroit	1,315

* Includes all commercial airports in a metropolitan area. Does not include connecting passengers.

Source: DOT Passenger Origin-Destination Survey.

Balance Sheet

U.S. Scheduled Airlines

(In millions)

Assets	1998	1999
Current Assets	\$24,809	\$26,649
Investments & Special Funds	12,088	16,095
Flight Equipment Owned	75,385	85,630
Ground Equipment & Property	19,980	21,770
Reserve for Depreciation (Owned)	(35,992)	(38,841)
Leased Equipment & Property Capitalized	9,547	9,657
Reserve for Depreciation (Leased)	(3,349)	(3,504)
Other Property	11,289	11,268
Deferred Charges	4,551	4,204
Total Assets	\$118,308	\$132,928
Liabilities		
Current Liabilities	\$32,487	\$33,726
Long-Term Debt	18,721	23,849
Other Non-Current Liabilities	21,761	23,176
Deferred Credit	12,946	14,363
Stockholders' Equity—Net of Treasury Stock	32,393	37,814
Preferred Stock	0	1
Common Stock	668	824
Other Paid-in Capital	16,540	17,798
Retained Earnings	17,001	22,035
Less: Treasury Stock	1,815	2,844
Total Liabilities & Stockholders' Equity	\$118,308	\$132,928

The Plane that Changed the World

Debuted in 1936 with American Airlines, the DC-3 was the first aircraft that enabled airlines to make money by carrying passengers. With 21 seats, powerful 1,000-horsepower engines and built of a new aluminum alloy, the DC-3 could travel coast to coast in only 15 hours. Pictured below, passengers board a DC-3 for a United transcontinental flight from New York to San Francisco.



DC-3

The 1930s

There were so many improvements to aircraft in the 1930s that many believe it to be the most innovative period in aviation history. Commercial air travel became popular in the mid-1930s. When passengers wanted to fly across the ocean, Boeing was asked for longer-range aircraft. Boeing's Model 314, nicknamed the *Clipper*, had a 3,500-mile range and made the first scheduled trans-Atlantic flight on June 28, 1939. The dining salon, pictured below, was one of many luxury amenities provided Clipper passengers.



Clipper Dining Salon

ATA-Airline Statistics—1999

	Number of Aircraft	Employees (full-time equivalent)	Aircraft Departures	Passengers (in thousands)	Revenue Passenger Miles (in millions)	Passenger Revenues (in millions)	Cargo Revenues (in millions)	Total Operating Revenues (in millions)	Operating Profit (Loss) (in millions)	Net Profit (Loss) (in millions)
Members										
Airborne Express	114	5,774	76,921	—	—	—	1,101	1,104	117	123
Alaska	89	8,962	169,913	13,604	11,765	1,480	80	1,696	177	119
Aloha	21	1,995	76,508	5,077	702	193	29	230	(4)	(2)
America West	123	11,162	209,728	18,685	17,694	2,024	42	2,164	198	117
American	697	87,600	854,873	84,637	111,878	14,694	634	16,333	1,004	626
American Trans Air	53	5,881	48,578	5,022	6,657	675	—	1,001	86	43
Atlas Air*	31	1,133	834	—	—	—	—	637	188	53
Continental	363	38,730	462,933	43,880	51,963	6,975	265	8,077	480	498
Delta	581	70,640	956,376	105,434	104,699	13,203	557	14,901	1,261	1,286
DHL Airways	27	9,316	77,511	—	—	—	911	1,337	76	122
Emery Worldwide*	39	4,369	68,324	—	—	—	799	968	13	(11)
Evergreen Int'l*	18	550	13,052	—	—	—	286	370	56	12
FedEx	624	118,947	334,833	—	—	—	5,924	14,508	910	432
Hawaiian	27	2,766	60,815	5,410	4,021	400	21	489	(40)	(29)
Midwest Express	32	2,261	45,146	2,192	1,957	362	11	406	59	37
Northwest	410	49,999	584,060	54,692	74,144	8,587	724	9,868	769	288
Polar Air Cargo	14	460	4,610	—	—	—	194	316	7	(8)
Reeve Aleutian	5	310	2,749	50	32	13	2	29	(2)	(2)
Southwest	312	26,938	846,820	65,288	36,484	4,499	103	4,736	782	474
Trans World	184	20,259	285,332	25,790	26,009	2,962	99	3,309	(343)	(353)
United	593	92,216	819,147	86,472	126,372	15,441	906	17,967	1,358	1,204
United Parcel Service*	231	4,858	132,586	—	—	—	595	2,153	117	66
US Airways	383	39,852	709,665	55,812	41,467	6,848	145	8,430	202	273
Associate Members										
Aeromexico	63	6,846	112,806	8,672	7,576	1,151	20	123	64	57
Air Canada	154	22,991	NA	15,200	24,242	5,520	387	6,509	503	213
Canadian	83	13,352	NA	11,200	15,595	2,821	242	3,253	(142)	(222)
KLM Royal Dutch**	119	27,302	NA	NA	36,602	4,385	909	6,051	91	324
Mexicana	58	6,399	98,148	7,363	5,880	1,000	18	1,124	75	60

* Includes non-scheduled service.

** KLM data is for the 12 months ended March 31, 2000, at a rate of 43.6 cents per guilder. NA Not available.

Top-25 Airlines—1999*

Scheduled Service

		Passengers (in thousands)	Revenue Passenger Miles (in millions)		Freight Ton Miles (in millions)		Total Operating Revenues (in millions)				
1	Delta	105,434	1	United	125,372	1	FedEx	6,898.1	1	United	\$17,967
2	United	86,472	2	American	111,877	2	United Parcel Service**	4,122.9	2	American	16,333
3	American	84,637	3	Delta	104,699	3	United	2,452.6	3	Delta	14,901
4	Southwest	65,288	4	Northwest	74,141	4	Northwest	2,065.7	4	FedEx	14,508
5	US Airways	55,812	5	Continental	57,963	5	American	1,721.2	5	Northwest	9,868
6	Northwest	54,692	6	US Airways	41,467	6	Delta	1,359.6	6	US Airways	8,460
7	Continental	43,880	7	Southwest	36,484	7	Emery Worldwide**	1,079.6	7	Continental	8,027
8	Trans World	25,790	8	Trans World	26,009	8	Polar Air Cargo	813.6	8	Southwest	4,736
9	America West	18,686	9	America West	17,694	9	Evergreen Int)**	793.6	9	Trans World	3,309
10	Alaska	13,804	10	Alaska	11,765	10	Continental	763.7	10	America West	2,164
11	American Eagle	11,449	11	American Trans Air	6,657	11	Airborne Express	616.0	11	United Parcel Service	2,153
12	Continental Express	6,664	12	Hawaiian	4,021	12	DHL Airways	410.2	12	Alaska	1,696
13	AirTran	6,458	13	Tower	4,018	13	US Airways	214.7	13	DHL Airways	1,337
14	Mesa	5,453	14	AirTran	3,472	14	Gemini	213.4	14	American Eagle	1,037
15	Hawaiian	5,410	15	Continental Micronesia	3,295	15	Challenge	209.8	15	Airborne Express	1,101
16	Aloha	5,077	16	American Eagle	2,704	16	Trans World	142.3	16	American Trans Air	1,001
17	American Trans Air	5,022	17	Spirit Air	2,203	17	Arrow	93.5	17	Emery Worldwide	958
18	Horizon Air	4,984	18	Continental Express	2,130	18	Continental Micronesia	85.7	18	Continental Express	699
19	Atlantic Southeast	4,584	19	Frontier	1,993	19	Amerijet	79.7	19	Atlas Air	637
20	Air Wisconsin	3,373	20	Midwest Express	1,957	20	Southwest	68.9	20	AirTran	523
21	Spirit Air	2,417	21	Mesa	1,453	21	Hawaiian	65.4	21	Continental Micronesia	510
22	Trans States	2,384	22	Atlantic Southeast	1,391	22	Atlas Air**	63.7	22	Hawaiian	489
23	Midwest Express	2,192	23	Horizon Air	1,380	23	Alaska	63.1	23	Atlantic Southeast	486
24	Frontier	2,176	24	Sun Country	1,242	24	America West	40.7	24	Horizon Air	416
25	Midway	2,003	25	Air Wisconsin	1,142	25	Northern Air	8.5	25	Midwest Express	406

* Carriers certificated under Section 401, Federal Aviation Act.

** Includes non-scheduled service.

■ ATA Member.

Operating Fleet—ATA Airlines

(As of December 31, 1999)

	Airborne Express	Alaska	Aloha	America West	American	American Trans Air	Atlas Air	Continental	Delta	DHL Airways	Emery Worldwide	Evergreen Int'l	FedEx	Hawaiian	Midwest Express	Northwest	Polar Air Cargo	Reeve Aleutian	Southwest	Trans World	United	United Parcel Service	US Airways	Aeromexico	Air Canada	Canadian	KLM Royal Dutch	Mexicana	Total
B-747							31					10				43	14				50	16				4	33		201
A340																									12				12
L-1011						18			25																				43
B-777					11			14	7												40								72
A330																									2				2
DC-10					8			28			2		54	12		41					10					8			163
MD-11					11				15				28														10		64
A300					35								36																71
B-767	1				79				90											16	51	30	12	5	29	14	11		345
B-757				13	102	11		38	107							48				26	98	75	34	7				8	567
MD-90					5				16																				21
B-727					68	24		5	104	19			163			28		2		10	75	61						22	579
A320				39												78					56		6		34	13		16	234
A319				10												18					28		28		35				111
B-737		54	21	61	24			209	97											312	182		198			44	40		1,242
MD-80		35			279			69	120						8					103			31	34					679
DC-9	74											8		15	24	172				29			34	17	17				390
A310													39																39
DC-8	32									8	37											49							126
F-100					75																		40					12	127
L-184																													3
F-50																												13	13
CRJ																									25				25
F-70																											12		12
F-27													32																32
SD 360													11																11
Cessna 208													261																261
Total	114	89	21	123	697	53	31	363	581	27	39	18	624	27	32	416	14	5	312	184	590	231	383	63	154	83	119	58	5,445

Aircraft Operating Statistics—1999

(Figures are averages for most commonly used models)

	Number of Seats	Average Cargo Payload (in tons)	Airborne Speed	Flight Length	Fuel (gallons per hour)	Aircraft Operating Cost (per hour)
B747-100	462	4.34*	512	2,297	3,517	\$7,224
B747-400	375	9.07*	537	4,065	3,351	6,455
B747-200/300	369	7.84*	524	3,213	3,592	7,207
B747-F	0	70.96	498	2,186	3,866	7,045
L-1011-100/200	320	9.68	496	1,403	2,557	4,891
DC-10-10	297	9.15	496	1,402	2,311	5,703
DC-10-40	285	5.02	504	1,902	2,688	4,547
B-777	274	9.68	524	3,355	2,132	3,804
MD-11	259	8.86*	527	3,073	2,464	6,539
DC-10-30	250	9.04*	521	2,756	2,693	5,972
L-1011-500	244	3.89	480	1,104	2,163	3,855
A300-600	228	4.08*	475	1,372	1,505	4,783
B767-300ER	211	9.20	497	2,181	1,573	3,383
B757-200	186	1.98	467	1,207	1,063	2,623
B767-200ER	180	4.39	495	2,216	1,419	3,168
MD-90	150	0.41	432	707	859	3,976
B727-200	150	0.54*	441	698	1,320	2,567
B727-F	0	10.74	460	704	1,305	4,804
B737-800	149	0.59	454	1,251	601	1,665
A320-100/200	148	0.62	461	1,192	518	2,227
B737-400	142	0.36	414	682	605	2,095
MD-81	139	0.35	432	795	344	2,139
B737-300	133	0.37	417	625	333	1,878
DC-9-50	125	0.31	367	311	310	2,137
A319	124	0.48	460	1,174	346	2,254
B717-200	119	—	329	472	385	2,571
B737-100/200	113	0.34	392	487	685	2,121
DC-9-40	111	0.25	394	530	660	1,598
B737-500	110	0.30	412	600	754	1,881
DC-9-30	101	0.46	358	500	797	1,897
F-100	97	0.12	380	473	631	2,081
DC-9-10	69	0.40	392	486	744	1,870
CRJ 100	50	—	435	686	310	1,910
CRJ 145	50	—	369	383	571	1,022
ERJ-145	50	—	329	426	316	980
ERJ-135	37	—	328	364	288	650

* Passenger aircraft models only.

World War II

Aviation played a vital role during World War II. When Hitler marched into Poland there were fewer than 300 air transports in the U.S. By the end of the war, U.S. manufacturers were producing 50,000 planes a year. Airlines provided the airlift to keep people and supplies moving to the front and through the production chain back home. United's Cheyenne modification center, pictured here, retrofitted 5,736 Boeing B-17 bombers between January 1942 and July 1945.



Bomber Modification



DC-8

The Jet Age

The DC-8 was the first Douglas jet-powered transport, entering service with both United and Delta on September 18, 1959. Powered by four jet-turbine engines and capable of speeds of more than 600 miles per hour, the DC-8 was the first commercial transport to break the sound barrier.

Safety

U.S. Air Carriers—Scheduled Service
(Aircraft with 10 seats or more)

	Departures (in millions)	Fatal Accidents	Fatalities	Fatal Accident Rates (per 100,000 departures)
1989	6.6	8	131	0.121
1990	6.9	6	39	0.087
1991	6.8	4	62	0.059
1992	7.1	4	33	0.057
1993	7.2	1	1	0.014
1994	7.5	4	239	0.053
1995	8.1	2	166	0.025
1996	8.2	3	342	0.036
1997	8.2	3	3	0.037
1998	8.3	1	1*	0.012
1999	8.6	2	12	0.023

* On-ground employee fatality.
Source: National Transportation Safety Board.

Aircraft On Order—ATA Airlines

(As of December 31, 1999)

Aircraft Type	Number		Firm Order Delivery Dates			
	Firm	Options	2000	2001	2002	2003+
Airbus						
A300	30	30	7	7	6	10
A318	65	16	13	16	13	23
A319	92	31	22	32	19	19
A320	180	299	71	44	31	34
A330	30	23	9	5		16
A340	5				5	
Ayres						
LM-200	75			1	32	42
Boeing						
B-717	50	50	13	16	13	8
B-737	330	677	103	93	62	72
B-747	9	17	7	1	1	
B-757	47	155	19	3		25
B-767	82	145	41	21	10	10
B-777	50	131	24	20	1	5
MD-11	30		3	3	7	17
Total	1,075	1,574	332	262	200	281

Note: The value of firm aircraft orders was \$54.9 billion.

FAA Aviation Forecasts

Commercial Air Carriers—FY 2000-2011

Fiscal Year	Passengers (in millions)	Passenger Miles (in billions)	Passenger Jet Aircraft	Cargo Jet Aircraft	Domestic Departures (in millions)
2010	650.4	670.7	4,824	1,046	7.4
2011	670.6	688.0	5,094	1,098	7.6
2012	691.2	726.0	5,390	1,150	7.8
2013	713.3	756.8	5,654	1,202	8.0
2014	742.0	793.7	5,926	1,251	8.2
2015	773.8	833.2	6,186	1,298	8.5
2016	806.7	874.4	6,463	1,357	8.7
2017	839.5	916.0	6,736	1,410	9.0
2018	874.0	960.2	7,024	1,467	9.2
2019	909.1	1,015.7	7,330	1,525	9.5
2010	944.7	1,052.6	7,637	1,580	9.8
2011	981.8	1,101.9	7,946	1,631	10.1

U.S. Scheduled Airlines*

Majors (13) (Annual revenues of over \$1 billion)	Nationals (35) (Annual revenues of \$100 million to \$1 billion)	Regionals (46) (Annual revenues of under \$100 million)			
Alaska	Air Transport Int'l	Frontier	Accessair	Miami Air	Tatunduk
America West	Air Wisconsin	Hawaiian	Air South	Nabors Air	Trade Winds
American	AirTran	Horizon Air	Allegiant	North American	Trans Air Link
Continental	Aloha	Kitty Hawk	Amerijet	Northern Air	Trans Continental
Delta	American Eagle**	Mesaba	Asia Pacific Int'l	Omni	Transmeridian
DHL Airways	American Trans Air**	Midway	Capital Cargo	Pace Aviation	UFS
FedEx	Arrow	Midwest Express	Casino Express	Pan American	USA Jet
Northwest	Atlantic Southeast	National	Champion Air	Panagra	Vanguard
Southwest	Atlas Air	Polar Air Cargo	Eastwind	Prestige	Winair
Trans World	Carnival	Ryan Int'l	Falcon Air	Pro Air	Zantop
United	Challenge	Southern Air	Fine	Reeve Aleutian	
United Parcel Service	Continental Express	Spirit Air	Florida West	Reliant	
US Airways	Continental Micronesia	Sun Country	Gemini	Renown	
	Emery Worldwide	Tower	Gulf and Caribbean	Sierra Pacific	
	Evergreen Int'l	Trans States	Kiwi	Skytrek	
	Executive	US Airways Shuttle	Laker	Southeast	
	Express One	World	Lorair	Sun Pacific	
	Flagship		Lynden	Sunworld	

* Data for the following 94 carriers are included herein, except when noted.

** Became a Major beginning January, 2000.

■ ATA Member.

Top-20 U.S. Airports—1999

(In thousands)

Passengers (Arriving & Departing)					
1	Atlanta	77,940	11	Newark	33,623
2	Chicago O'Hare	72,568	12	Phoenix	33,533
3	Los Angeles	63,877	13	Houston	33,089
4	Dallas/Ft. Worth	60,000	14	New York Kennedy	31,708
5	San Francisco	40,387	15	St. Louis	30,189
6	Denver	38,034	16	Orlando	29,173
7	Minneapolis/St. Paul	34,216	17	Seattle	27,700
8	Detroit	34,038	18	Boston	26,965
9	Miami	33,899	19	New York La Guardia	23,927
10	Las Vegas	33,669	20	Philadelphia	23,786
Cargo Metric Tonnes (Enplaned & Deplaned)					
1	Memphis	2,413	11	Atlanta	883
2	Los Angeles	1,952	12	San Francisco	845
3	New York Kennedy	1,905	13	Dallas/Ft. Worth	844
4	Anchorage	1,677	14	Oakland	685
5	Miami	1,651	15	Philadelphia	551
6	Chicago O'Hare	1,532	16	Toledo	490
7	Louisville	1,486	17	Honolulu	479
8	Newark	1,206	18	Denver	467
9	Indianapolis	1,108	19	Seattle	449
10	Dayton	894	20	Boston	444

Source: Airports Council International.

The Square Airplane

The Douglas DC-9 first entered service in 1965. Initial success of the DC-9 led Boeing to introduce its 737, pictured below, in 1967. The early 737, as long as it was wide, had additional seating to carry more passengers and, like the 727, could operate at small airports. Today, the 737 ranks as the best-selling jet in history. The 737 has gone through extensive modifications since its introduction. The Next-Generation 737 continues to be the industry workhorse.



Boeing 737

Widebodies

The year 1969 marked the debut of another revolutionary aircraft, the Boeing 747—the first widebody jet—with two aisles, an upper deck over the fuselage and four engines under its wings. The 747 was 80 percent bigger than the DC-8 and seated up to 450 passengers.



Boeing 747

Definitions of Terms

Air Cargo Total volume of freight, mail and express traffic transported by air. Statistics include the following:
Freight & Express Commodities of all kinds—includes small-package counter services, express services and priority reserved freight.
Mail All classes of mail transported for the U.S. Postal Service.

Available Seat Mile One seat transported one mile.

Available Ton Mile One ton of capacity (passenger and/or cargo) transported one mile.

Load Factor The percentage of seating or freight capacity that is utilized.

Net Profit Margin Net profit after interest and taxes as a percent of operating revenues.

Operating Profit Margin Operating profit (operating revenues minus operating expenses) as a percent of operating revenues.

Return on Investment Net profit plus interest expense (on long-term debt) divided by long-term debt plus stockholders' equity (net worth).

Revenue Passenger Enplanement A revenue passenger boarding an aircraft in scheduled service, including origination, stopover and any connections.

Revenue Passenger Mile One fare-paying passenger transported one mile.

Revenue Ton Mile One ton of revenue traffic (passenger and/or cargo) transported one mile.

Scheduled Service Transport service operated over the routes of a U.S. scheduled airline, based on published flight schedules including extra sections.

U.S. Scheduled Airlines Carriers certificated by the federal government under Section 401 of the Federal Aviation Act permitting the operation of large aircraft designed to have a maximum seating capacity of more than 60 seats.

Yield Average revenue per revenue passenger mile or revenue ton mile.

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Airbus A340

Continuous Innovation

Airbus Industrie entered the upper end of the widebody market with the introduction of the twin-engine A330 and four-engine A340 aircraft (the first aircraft to be created with 100 percent Computer Aided Design or CAD) for medium- to ultra-long-haul routes.

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