

Air Transport 1982

The
Annual
Report
of the U.S.
Scheduled
Airline
Industry

AIR TRANSPORT 1982 The Annual Report of the U.S. Scheduled Airline Industry



Air Transport Association of America / 1709 New York Avenue, N.W. / Washington, DC 20006

Leslie Taylor, Editor
Nedji Ellsworth, Statistician

JUNE 1982

1981 AT A GLANCE

TRAFFIC	1980	1981*
Passengers Enplaned (000)	296,903	285,720
Revenue Passenger Miles (000)	255,192,114	248,756,780
Available Seat Miles (000)	432,535,103	424,661,311
Passenger Load Factor (%)	59.0	58.6
Freight Ton Miles (000)	5,685,622	5,616,750
U.S. Mail Ton Miles (000)	1,318,496	1,347,498
Cargo Ton Miles (000)	7,083,674	7,058,064
Total Revenue Ton Miles (000)	34,655,516	33,875,093

FINANCIAL	1980	1981*
Passenger Revenues (\$000)	28,048,689	30,571,105
Freight Revenues (\$000)	2,370,468	2,395,461
Total Operating Revenues (\$000)	33,727,806	36,493,176
Total Operating Expenses (\$000)	33,949,421	36,913,917
Operating Profit (\$000)	(221,615)	(420,741)
Net Income (\$000)	17,414	(236,842)
Rate of Return on Investment (%)	5.8	5.3
Operating Profit Margin (%)	(0.7)	(1.2)

*Includes 18 newly certificated carriers not included in 1980 data.
See page 18 for further information.

The U.S. airlines in 1981 achieved contrasting records in terms of safety and earnings.

Carrying 286 million passengers and 7 billion ton miles of cargo on more than 5 million flights, the scheduled airlines in domestic and international operations completed a second consecutive year of jet service without a single passenger fatality, a record which began in October, 1979 and ended in January, 1982.

The financial story as reflected in this annual Air Transport Association report, is sharply different. Airline industry revenues in 1981 reached an all-time high of \$36 billion, but operating losses were \$421 million. The previous record loss was \$222 million in 1980.

The financial losses in 1981 were caused by the U.S. recession, inflation, high interest rates, and the impact of illegal actions by air traffic controllers. Airline analysts also recognized that price wars in the airline industry, as in other industries hard hit by the recession, contributed significantly to unsatisfactory earnings.


As a consequence of the economic situation, many airlines found it necessary in 1981 to reduce employment. On a positive note, airline management and employee groups were able to initiate actions leading to essential gains in productivity.

As 1982 began, airline passenger traffic was up 5 per cent in the first four months, compared with 1981, but record financial losses persisted.

Faced with a need to buy fuel-efficient and quieter aircraft to improve productivity and to assure fleet modernization, the airlines and other capital intensive industries with currently depressed earnings are hopeful that Congress will act to maintain investment incentives of the Economic Recovery Act of 1981, notably safe harbor leasing. This will help assure continuation of billions of dollars in aircraft procurement not otherwise possible and will provide scores of thousands of manufacturing jobs throughout the nation.

The airlines also are urging that Congress enact legislation that will strengthen safety and lead to improvements in airports and airways. Expanded capacity and technological gains are needed to meet airline passenger and cargo growth in the next 10 years. This will be achieved essentially with the same-sized fleet of about 3,000 airline aircraft. General aviation is expected to expand from 200,000 to more than 300,000 aircraft.

Growth and reliability have been the hallmark of U.S. air transportation since its start in 1926. By 1991, according to the Federal Aviation Administration, the airlines will be carrying more than 450 million passengers a year and transporting 12 billion ton miles of cargo. The nation in the years ahead will continue to rely heavily on the national air transportation system and its people.

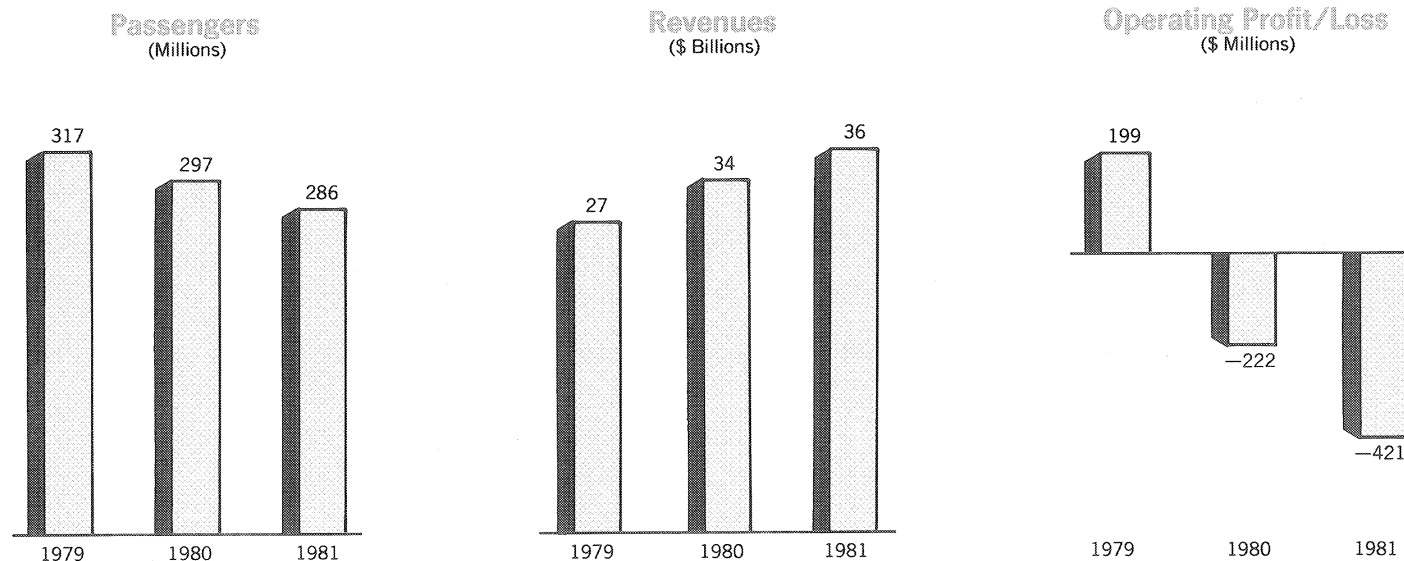

Paul R. Ignatius
President and Chief Executive Officer
Air Transport Association

1971-1981 HIGHLIGHTS U.S. Scheduled Airlines

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
Traffic—Scheduled Service											
Revenue passengers enplaned (000) . . .	173,669	191,349	202,208	207,458	205,062	223,318	240,326	274,719	316,863	296,903	285,720
Revenue passenger miles (000)	135,657,702	152,406,276	161,957,307	162,918,594	162,810,057	178,988,026	193,218,819	226,781,368	262,023,375	255,192,114	248,756,780
Available seat miles (000)	279,823,351	287,411,214	310,597,107	297,006,062	303,006,243	322,821,649	345,565,901	368,750,530	416,126,429	432,535,103	424,661,311
Revenue passenger load factor (%) . . .	48.5	53.0	52.1	54.9	53.7	55.4	55.9	61.5	63.0	59.0	58.6
Average passenger trip length (miles) . .	781	797	801	785	794	802	804	826	827	860	871
Freight ton miles (000)	3,712,288	4,217,452	4,736,729	4,890,026	4,766,118	5,074,193	5,385,129	5,763,249	5,907,731	5,685,622	5,616,750
Aircraft departures	4,998,934	5,046,438	5,134,577	4,726,101	4,704,052	4,832,664	4,936,519	5,013,169	5,399,652	5,352,927	5,197,971
Passenger revenue (\$000)	8,220,323	9,271,353	10,274,310	11,879,177	12,353,501	14,265,947	16,273,355	18,806,247	22,791,390	28,048,689	30,571,105
Freight revenue (\$000)	795,272	906,494	1,038,459	1,216,332	1,295,100	1,482,502	1,687,302	1,939,062	2,155,228	2,370,468	2,395,461
Charter revenue (\$000)	467,258	448,537	421,007	444,815	489,856	572,580	644,381	578,285	520,916	1,160,524	1,167,293
Total operating revenue (\$000)	10,045,577	11,163,271	12,418,777	14,699,125	15,355,921	17,501,215	19,924,800	22,883,955	27,226,665	33,727,806	36,493,176
Total operating expense (\$000)	9,717,102	10,578,800	11,833,511	13,973,385	15,228,042	16,779,282	19,016,760	21,519,092	27,027,610	33,949,421	36,913,917
Operating Profit (\$000)	328,475	584,471	585,266	725,740	127,879	721,933	908,040	1,364,863	199,055	(221,615)	(420,741)
Net Income (\$000)	28,006	214,850	226,693	321,641	(84,204)	563,354	752,536	1,196,537	346,845	17,414*	(236,842)**
Revenue per passenger mile (¢)	6.1	6.1	6.3	7.3	7.6	8.0	8.4	8.3	8.7	11.0	12.3
Rate of return on investment (%)	3.5	4.9	5.1	6.4	2.5	8.0	10.9	13.0	7.0	5.8	5.3
Operating profit margin (%)	3.3	5.2	4.7	4.8	0.8	4.1	4.6	6.0	0.7	(0.7)	(1.2)
Aircraft in service	2,389	2,361	2,361	2,244	2,267	2,264	2,229	2,266	2,542	2,712	2,808
Employees	292,185	301,127	311,499	307,318	289,926	303,006	308,068	329,303	340,696	371,068	349,864

*Includes \$294 million before tax gain on the sale of the Pan Am building.
**Includes \$222 million after tax gain on the sale of Pan Am's hotel subsidiary.

2



ATA Airline Statistics — 1981

	Employees	Passengers	Departures	Revenue Passenger Miles (000)	Freight Ton Miles (000)	Total Operating Revenues (000)	Operating Profit (Loss)	Net Profit (Loss)
AirCal	2,216	3,490,000	57,171	1,329,021	1,148	211,615	348,830	4,365,049
Air Florida	2,296	2,734,000	62,646	2,416,623	3,175	302,963	(12,069,745)	(4,122,334)
Alaska	1,718	1,310,000	28,085	1,062,253	15,492	183,023	11,300,439	7,674,235
Aloha	1,053	2,614,000	36,010	345,089	719	88,350	1,805,741	2,585,321
American	36,469	24,764,000	303,435	27,798,062	545,516	3,911,109	43,356,000	47,440,000
Braniff	10,656	10,452,000	162,967	8,837,876	87,259	1,184,540	(107,450,000)	(153,880,000)
Capitol	1,546	977,000	4,696	2,238,991	10,105	185,035	4,508,853	2,047,220
Continental	11,087	8,406,000	122,063	7,915,677	170,631	1,075,114	(59,718,824)	(60,355,801)
Delta	36,564	34,777,000	517,477	24,245,068	218,420	3,644,209	86,505,000	91,640,000
Eastern	40,242	35,666,000	523,343	26,069,890	255,722	3,727,093	(49,948,592)	(65,877,186)
Evergreen	190	6,000	30	6,304	—	49,307	(2,660,585)	(803,663)
Flying Tiger	6,412	377,000*	21,071	1,845,747*	1,603,218	845,614	(34,010,000)	(10,586,000)
Frontier	5,896	6,286,000	175,637	3,475,349	10,895	577,693	53,399,392	33,302,089
Hawaiian	1,073	2,917,000	37,398	372,998	1,274	97,133	(7,360,488)	5,293,736

4

Midway	722	748,000	14,726	377,711	—	73,922	8,822,505	7,557,771
Muse	213	176,000	3,171	42,424	3	6,296	(5,536,989)	(3,967,520)
Northwest	13,068	11,144,000	164,325	14,251,932	611,557	1,844,988	2,061,000	10,460,000
Ozark	3,889	4,159,000	112,611	1,865,090	5,246	384,297	34,222,706	17,126,730
Pan Am	32,422	13,540,000	142,947	28,909,490	978,562	3,585,584	(377,431,000)	(18,875,000)
Piedmont	5,460	7,266,000	180,419	3,234,292	8,246	562,305	55,336,167	32,584,986
Pacific Southwest	3,478	6,077,000	76,089	2,139,783	2,943	335,227	(16,007,800)	22,683,800
Republic	14,732	16,769,000	478,542	7,554,865	29,173	1,448,416	16,482,000	(46,269,000)
Texas International	3,266	3,762,000	83,683	2,154,057	4,645	310,964	(8,938,983)	(34,942,773)
Trans World	31,828	17,989,000	213,295	25,727,012	310,253	3,395,419	3,788,712	(6,973,428)
United	46,833	28,690,000	377,492	34,340,808	541,542	4,470,312	(146,729,069)	(104,892,937)
USAir	10,623	13,405,000	271,550	5,423,605	11,925	1,110,491	58,469,000	51,084,000
Western	10,458	9,200,000	126,680	8,532,779	116,609	1,059,841	(65,954,027)	(73,400,143)
Wien Air Alaska	1,476	946,000	89,497	571,649	18,380	180,705	8,691,843	4,781,102

Associate Members

Air Canada	23,500	12,500,000	187,051	13,974,000	319,000	2,258,200	73,600,000	40,100,000
CP Air	8,860	3,624,000	47,473	5,992,297	129,422	814,332	(2,807,000)	(22,781,000)

*Includes non-scheduled service.

Safety

U.S. Air Carriers* Scheduled Service, 1972-1981

	Departures (millions)	Fatal Accidents	Fatalities	Fatal Accidents Per 100,000 Departures
1972	5.0	7	186	0.141
1973	5.1	8	221	0.156
1974	4.7	7	460	0.127
1975	4.7	2	122	0.043
1976	4.8	2	38	0.041
1977	4.9	3	78	0.061
1978	5.0	5	160	0.100
1979	5.4	4	351	0.074
1980	5.5	0	0	0.000
1981P	5.2	4	4	0.076

*ATA member airlines had 0 fatalities in 1980 and 1981
P—Preliminary
Source: NTSB

Passengers at Top 30 U.S. Airports — 1981

PASSENGERS (Arriving & Departing)	
Chicago O'Hare	37,992,151
Atlanta	37,594,073
Los Angeles	32,722,534
New York (JFK)	25,752,719
Dallas/Ft. Worth	25,533,929
Denver	22,601,877
Miami	19,848,593
San Francisco	19,848,491
New York (LGA)	18,146,191
Boston	14,827,684
Honolulu	14,344,225
Washington, D.C. (DCA)	13,870,905
Houston	11,601,315
St. Louis	10,632,429
Newark	10,181,865
Pittsburgh	10,112,266
Seattle	9,194,957
Las Vegas	9,138,268
Detroit	9,106,614
Philadelphia	9,008,529
Minneapolis/St. Paul	7,824,031
Tampa	7,083,621
Phoenix	6,642,350
New Orleans	6,132,292
Orlando	6,072,143
Ft. Lauderdale	5,742,070
Cleveland	5,550,252
San Diego	5,022,152
Memphis	4,823,391
Kansas City	4,637,008

Source: AOCI

6

Intercity Passenger Travel in the United States

(Passenger Miles in Millions)

	1971	1980	1981
Common Carriers			
Airlines	110,700	204,400	201,300
Railroads*	5,000	6,400	6,600
Motor Buses	25,500	27,700	27,200
Total	141,200	238,500	235,100
Air Share			
(%)	78.4	85.7	85.6
Private			
Automobiles	1,071,000	1,300,400	1,344,000
Total Common Carrier and Auto	1,212,200	1,538,900	1,579,100
Common Carrier Share (%)	11.6	15.5	14.9
Air Share (%)	9.1	13.3	12.7

*Excludes commutation.

Employment

	1971	1980	1981
Pilots and Copilots	26,242	31,565	30,503
Other Flight Personnel	6,658	7,477	6,739
Flight Attendants	35,682	56,928	54,914
Communications Personnel	2,275	1,902	1,156
Mechanics	45,759	45,010	45,774
Aircraft and Traffic Servicing Personnel	84,931	122,407	95,228
Office Employees	58,114	68,829	69,691
All Others	32,524	36,950	45,859
Total Employment	292,185	371,068	349,864

Passenger Yield

(Cents per Passenger Mile)

	1971	1980	1981
Domestic			
First Class	8.58	14.29	15.04
Coach	5.81	10.82	12.20
Total	6.32	11.49	12.83
International			
First Class	8.26	15.90	18.04
Coach	4.79	8.39	9.32
Total	5.10	9.14	10.15
Total	6.05	10.99	12.29

Freight Yield

(Cents per Freight Ton Mile)

	1971	1980	1981
Domestic	22.58	46.31	46.80
International	19.73	35.65	36.81
Total	21.42	41.69	42.65

7

Aircraft in Service U.S. Scheduled Airlines

Manufacturer	Model	1971	1980	1981
Airbus Industries	A300	0	19	24
Beech	BE-90/99	0	19	34
Boeing	B-707	359	144	129
	B-720	106	3	0
	B-727	638	1,071	1,042
	B-737	133	215	249
	B-747	104	144	148
British Aircraft Corp.	BAC-1-11	58	27	27
Convair	580/600/640	137	54	57
	880	41	0	0
de Havilland	DHC-6/7	0	24	29
Fairchild	F-27/227	82	6	1
Lockheed	L-188/382B/100	28	35	61
	L-1011	0	102	104
McDonnell-Douglas	DC-8	236	134	139
	DC-9	334	395	444
	DC-10	13	150	155
Nihon	YS-11	21	9	9
Swearingen	Metro	0	39	47
Other		99	122	109
Total		2,389	2,712	2,808

Source: FAA

Airline and General Aviation Fleets

	1971	1980	1981
Scheduled Airlines			
Total Aircraft	2,389	2,712	2,808
Turbine	2,315	2,684	2,749
Piston	60	28	59
Rotorcraft	14	0	0
% of Total Aircraft	1.8	1.3	1.3
General Aviation*			
Total Aircraft	131,148	210,300	214,300
Turbine	2,483	6,200	7,500
Piston	124,628	193,500	195,600
Rotorcraft	2,352	5,800	6,100
Other	1,685	4,800	5,100
% of Total Aircraft	98.2	98.7	98.7
Overall Total	133,537	213,012	217,108

*Source: GAMA — 1981 data estimated.

8

Aircraft on Order

ATA Member Airlines

Manufacturer	Model	Total on Order
Airbus Industrie:	A300	9
Boeing:	B-727	13
	B-737	68
	B-747	3
	B-757	90
	B-767	121
Lockheed:	L-1011	10
McDonnell Douglas:	DC-9	42
	DC-10	3
De Havilland:	DHC-7	1
Total Aircraft on Order as of April 1, 1982.		360

Fleet Composition ATA Member Airlines (as of December 31, 1981)

AirCal -B-737 (16), DC-9 (5)	Evergreen -DC-8 (4), DC-9 (3), L-188 (6)	Republic -B-727 (15), CV-580 (14), DC-9 (129)
Air Florida -B-727 (5), B-737 (25), DC-10 (4), DC-9 (3)	Flying Tiger -B-747 (16), DC-8 (22)	Texas International -DC-9 (37)
Alaska -B-727 (11), B-737 (3)	Frontier -B-737 (45), CV-580 (15)	Trans World -B-707 (75), B-727 (92), B-747 (17), L-1011 (28)
Aloha -B-737 (8)	Hawaiian -DC-9 (8), DHC-7 (2)	United -B-727 (135), B-737 (49), B-747 (18), DC-10 (46), DC-8 (44)
American -B-707 (38), B-727 (180), B-747 (14), DC-10 (34)	Midway -DC-9 (13)	USAir -BAC-1-11 (27), B-727 (16), DC-9 (63)
Braniff -B-727 (71), B-747 (4), DC-8 (8)	Muse -DC-9 (2)	Western -B-727 (47), B-737 (12), DC-10 (11)
Capitol -DC-10 (2), DC-8 (11)	Northwest -B-727 (59), B-747 (29), DC-10 (22)	Wien Air Alaska -B-727 (5), B-737 (9), DC-8 (1)
Continental -B-727 (60), DC-10 (13)	Ozark -DC-9 (42)	Air Canada -B-727 (36), B-747 (7), DC-8 (25), DC-9 (41), L-1011 (15)
Delta -B-727 (129), DC-8 (17), DC-9 (36), L-1011 (37)	Pacific Southwest -B-727 (17), DC-9 (13)	CP Air -B-727 (2), B-737 (12), B-747 (4), DC-8 (8), DC-10 (4)
Eastern -A-300 (24), B-727 (134), DC-9 (77), L-1011 (29)	Pan American -B-727 (54), B-747 (44), DC-10 (14), L-1011 (10)	
	Piedmont -B-727 (9), B-737 (42), YS-11 (6)	

Source: FAA

9

Principal Elements of Airline Operating Expenses

(Total operating expense plus interest on debt less depreciation and amortization. The following carriers are included: American, Braniff, Continental, Delta, Eastern, Northwest, Pan American, Republic, Trans World, United, USAir, Western, Alaska, Aloha, Flying Tiger, Frontier, Hawaiian, Ozark, Piedmont, and Texas International.)

Labor	1971	1980	1981	Fuel	1971	1980	1981	Traffic Commissions	1971	1980	1981
Total Cost (\$millions)	4,165	11,210	11,892	Total Cost (\$millions)	1,138	9,526	10,165	Total Cost (\$millions)	275	1,661	1,948
Average Number of Employees	292,531	336,124	318,497	Gallons Used (millions)	10,058	10,643	9,752	RPM's (billions)	148	250	236
Average Compensation (\$)	14,238	33,350	37,338	Avg. Cost Per Gal. (¢)	11.3	89.5	104.2	Cost Per RPM (¢)	0.186	0.665	0.825
Percent of Total Operating Expenses	46.1	35.9	35.5	Percent of Total Operating Expenses	12.6	30.5	30.4	Percent of Total Operating Expenses	3.0	5.3	5.8

10

Passenger Meals	1971	1980	1981	Aircraft Maintenance Materials	1971	1980	1981	Advertising & Promotion	1971	1980	1981
Total Cost (\$millions)	333	921	947	Total Cost (\$millions)	261	652	650	Total Cost (\$millions)	229	487	585
RPM's (billions)	148	250	236	ATM's (millions)	46,775	61,942	58,860	RTM's (millions)	20,612	32,281	30,891
Cost Per RPM (¢)	0.225	0.369	0.401	Cost Per ATM (¢)	0.558	1.053	1.104	Cost Per RTM (¢)	1.112	1.508	1.892
Percent of Total Operating Expenses	3.7	2.9	2.8	Percent of Total Operating Expenses	2.9	2.1	1.9	Percent of Total Operating Expenses	2.5	1.6	1.7
Interest	1971	1980	1981	Landing Fees	1971	1980	1981	Other	1971	1980	1981
Interest on Debt (\$millions)	370	938	1,157	Total Cost (\$millions)	233	536	547	Total Other Cost (\$millions)	2,027	5,332	5,587
Average Debt Outstanding (\$millions)	6,269	10,072	11,210	Aircraft Capacity Tons Landed (millions)	92	104	97	Percent of Total Operating Expenses	22.4	17.1	16.7
Average Book Interest Rate (%)	5.9	9.3	10.3	Cost Per Ton Landed (\$)	2.52	5.14	5.62	Total Operating Expenses (\$millions)	9,031	31,263	33,478
Percent of Total Operating Expenses	4.1	3.0	3.5	Percent of Total Operating Expenses	2.6	1.7	1.6				

11

Individual Airline Service in 1981

Passengers (000)	Revenue Passenger Miles (000)	Freight Ton Miles (000)	Total Operating Revenues (000)				
1. Eastern	35,666	1. United	34,340,808	1. Flying Tiger	1,603,218	1. United	4,470,312
2. Delta	34,777	2. Pan American ..	28,909,490	2. Pan American ...	978,562	2. American	3,911,109
3. United	28,690	3. American	27,798,062	3. Northwest	611,557	3. Eastern	3,727,093
4. American	24,764	4. Eastern	26,069,890	4. American	545,516	4. Delta	3,644,209
5. Trans World	17,989	5. Trans World	25,727,012	5. United	541,542	5. Pan American ...	3,585,584
6. Republic	16,769	6. Delta	24,245,068	6. Trans World	310,253	6. Trans World	3,395,419
7. Pan American ...	13,540	7. Northwest	14,251,932	7. Eastern	255,722	7. Northwest	1,844,988
8. USAir	13,405	8. Braniff	8,837,876	8. Delta	218,420	8. Republic	1,448,416
9. Northwest	11,144	9. Western	8,532,779	9. Continental	170,631	9. Braniff	1,184,540
10. Braniff	10,452	10. Continental	7,915,677	10. Western	116,609	10. USAir	1,110,491
11. Western	9,200	11. Republic	7,554,865	11. Braniff	87,259	11. Continental	1,075,114
12. Continental	8,406	12. USAir	5,423,605	12. Republic	29,173	12. Western	1,059,841
13. Southwest	7,684	13. Frontier	3,475,349	13. World	20,531	13. Flying Tiger	845,614
14. Piedmont	7,266	14. Piedmont	3,234,292	14. Wien Air Alaska ..	18,380	14. Frontier	577,693
15. Frontier	6,286	15. World	3,077,439	15. Airlift	15,615	15. Piedmont	562,305
16. PSA	6,077	16. Air Florida	2,416,623	16. Alaska	15,492	16. Ozark	384,297
17. Ozark	4,159	17. Southwest	2,310,183	17. Alaska Int'l	13,089	17. World	342,878
18. Texas Int'l	3,762	18. Capitol	2,238,991	18. USAir	11,925	18. PSA	335,227
19. AirCal	3,490	19. Texas Int'l	2,154,057	19. Frontier	10,895	19. Transamerica ...	319,064
20. Hawaiian	2,917	20. PSA	2,139,783	20. Capitol	10,105	20. Texas Int'l	310,964
21. Air Florida	2,734	21. Ozark	1,865,090	21. Piedmont	8,246	21. Air Florida	302,963
22. Aloha	2,614	22. AirCal	1,329,021	22. Ozark	5,246	22. Southwest	270,353
23. New York Air	1,562	23. Alaska	1,062,253	23. Texas Int'l	4,645	23. AirCal	211,615
24. World	1,462	24. Wien Air Alaska .	571,649	24. Air Florida	3,175	24. Capitol	185,035
25. Alaska	1,310	25. New York Air ...	460,832	25. PSA	2,943	25. Alaska	183,023
26. Capitol	977	26. People Express ..	403,993	26. Reeve	1,306	26. Wien Air Alaska ..	180,705
27. People Express ..	952	27. Midway	377,711	27. Hawaiian	1,274	27. Zantop	108,823
28. Wien Air Alaska ..	946	28. Hawaiian	372,998	28. AirCal	1,148	28. Hawaiian	97,133
29. Midway	748	29. Aloha	345,089	29. Transamerica ...	1,021	29. Aloha	88,350
30. Air Wisconsin ...	704	30. Transamerica ..	270,806	30. Southwest	897	30. Midway	73,922

12

Traffic and Service

	Total U.S. Scheduled Airlines		Majors		Nationals (Passenger)		Nationals* (All Cargo)	
	1980	1981	1980	1981	1980	1981	1980	1981
Passenger Traffic								
Revenue passengers enplaned (000)	296,903	285,720	245,431	224,802	46,780	51,757	—	—
Revenue passenger miles (000)	255,192,114	248,756,780	233,685,817	219,607,064	20,697,750	26,863,623	—	—
Available seat miles (000)	432,535,103	424,661,311	395,677,632	377,092,683	35,196,180	43,219,023	—	—
Revenue passenger load factor (%)	59.0	58.6	59.1	58.2	58.8	62.2	—	—
Average length of haul (miles)	860	871	952	977	442	519	—	—
Cargo Traffic (Ton Miles)								
Total (000)	7,083,674	7,058,064	5,030,212	5,156,022	131,881	172,991	1,912,421	1,705,564
Freight (000)	5,685,622	5,616,750	3,774,368	3,877,169	81,671	104,717	1,824,467	1,618,833
Express (000)	55,945	67,974	50,003	55,927	747	1,183	5,187	10,827
U.S. Mail (000)	1,318,496	1,347,498	1,182,257	1,197,098	49,436	67,077	82,767	75,904
Foreign Mail (000)	23,611	25,842	23,584	25,828	27	14	—	—
Overall Traffic & Service								
Nonscheduled traffic—total ton miles (000)	2,052,522	1,941,292	406,239	207,512	962,333	970,321	521,308	525,082
Total revenue ton miles — all services (000)	34,655,516	33,875,093	28,805,267	27,324,304	3,163,861	3,829,670	2,433,730	2,230,643
Total available ton miles — all services (000)	66,162,893	64,149,949	56,244,786	53,020,723	5,912,115	7,001,406	3,515,873	3,198,583
Ton mile load factor (%)	52.4	52.8	51.2	51.5	53.5	54.7	69.2	69.7
Scheduled revenue aircraft departures	5,352,927	5,197,971	3,789,805	3,404,116	1,002,556	1,062,346	27,568	21,542
Scheduled revenue aircraft miles (000)	2,816,303	2,699,954	2,420,388	2,222,052	291,496	343,723	37,901	30,874
Scheduled revenue aircraft hours	6,797,578	6,561,090	5,559,520	5,089,091	815,045	910,292	78,614	63,165

*Includes Airlift and Flying Tiger all-cargo carriers.

14

Operating Revenues and Expenses (In Thousands of Dollars)

	Total U.S. Scheduled Airlines		Majors		Nationals (Passenger)		Nationals (All Cargo)	
	1980	1981	1980	1981	1980	1981	1980	1981
Operating Revenues — Total								
Passenger	33,727,806	36,493,176	28,988,294	30,457,115	3,420,529	4,353,214	890,104	858,386
Freight	28,048,689	30,571,105	25,214,301	26,687,200	2,582,543	3,434,757	—	—
U.S. Mail	2,370,468	2,395,461	1,643,153	1,690,594	88,715	100,669	625,323	587,254
Express	610,996	660,138	525,409	549,035	45,649	63,509	31,533	30,719
Charter	61,458	84,054	52,915	62,736	5,071	10,828	3,305	9,948
Public Service Revenue	1,160,524	1,167,293	270,620	159,399	560,530	593,043	210,457	220,134
Other*	84,144	105,602	30,754	39,467	40,174	52,353	—	—
Other*	1,391,527	1,509,523	1,251,142	1,268,684	97,847	98,055	19,486	10,331
Operating Expenses — Total								
Flying Operations	33,949,421	36,913,917	29,321,893	31,053,685	3,263,181	4,137,287	926,023	894,429
Maintenance	14,182,445	15,422,464	12,172,979	12,837,118	1,381,917	1,777,400	440,264	429,365
General Services & Administration	3,464,816	3,526,320	2,926,780	2,920,849	358,194	395,614	99,378	82,662
Passenger Service	2,997,740	3,185,661	2,765,376	2,880,699	219,076	280,990	9,666	15,923
Aircraft & Traffic Servicing	5,182,459	5,520,267	4,417,522	4,634,215	543,525	659,042	213,414	199,322
Promotion and Sales	4,069,009	4,731,060	3,681,121	4,206,649	332,655	450,148	51,281	52,304
Administrative	1,344,549	1,649,610	973,602	1,096,779	210,999	311,474	41,096	41,540
Transport Related	706,616	683,588	647,299	629,281	39,726	35,235	11,986	8,347
Total	14,300,373	15,770,186	12,484,920	13,447,623	1,345,981	1,736,889	327,443	317,436
Depreciation & Amortization	2,001,787	2,194,947	1,737,214	1,848,095	177,089	227,384	58,938	64,966
Operating Income	(221,615)	(420,741)	(333,599)	(596,570)	157,348	215,927	(35,919)	36,043)

*Includes excess baggage, foreign mail, miscellaneous operating revenues and other transport.

15

Income Statement

	Total U.S. Scheduled Airlines		Majors		Nationals (Passenger)		Nationals (All Cargo)	
	1980	1981	1980	1981	1980	1981	1980	1981
Total Operating Revenues (\$000)	33,727,806	36,493,176	28,988,294	30,457,115	3,420,529	4,353,214	890,104	858,386
Total Operating Expenses (\$000)	33,949,421	36,913,917	29,321,893	31,053,685	3,263,181	4,137,287	926,023	894,429
Operating Income (\$000)	(221,615)	(420,741)	(333,599)	(596,570)	157,348	215,927	(35,919)	(36,043)
Interest Expense (\$000)	967,719	1,209,461	736,194	888,062	194,149	326,409	54,360	61,085
Income Taxes (\$000)	(94,952)	(140,944)	(96,522)	(237,351)	18,006	96,116	(19,677)	(12,022)
Net Profit or (Loss) (\$000)†	17,414	(236,842)	(24,691)	(329,904)	89,538	143,038	(21,010)	(13,041)
Net Profit Margin (%)	0.1	(0.6)	(0.1)	(1.1)	2.6	3.3	(2.4)	(1.5)
Rate of Return on Investment (%)	5.8	5.3	5.1	4.0	11.2	12.4	4.4	5.5

†Includes in 1981, \$222 million after tax gain on the sale of Pan American's hotel subsidiary and in 1980, \$294 million before tax gain on the sale of the Pan Am building.

16

Balance Sheet (In Thousands of Dollars)

	Total U.S. Scheduled Airlines		Majors		Nationals (Passenger)		Nationals (All Cargo)	
	1980	1981	1980	1981	1980	1981	1980	1981
Assets								
Current Assets	7,535,231	7,336,242	6,531,342	6,165,503	684,848	777,715	200,372	222,677
Investments and Special Funds	1,107,463	1,180,684	805,562	707,973	218,181	373,539	60,476	85,032
Flight Equipment	20,859,408	22,501,688	17,666,598	18,489,912	2,235,189	2,856,482	556,531	607,340
Ground Property & Equipment	4,682,374	5,164,063	4,194,500	4,572,847	314,042	382,612	115,239	135,343
Reserve for Depreciation (Owned)	(10,308,519)	(11,010,231)	(9,284,069)	(9,983,752)	(701,303)	(712,065)	(204,745)	(182,534)
Leased Property Capitalized	5,688,840	6,277,646	4,744,118	5,252,018	527,629	634,909	380,520	346,178
Reserved for Depreciation (Leased)	(2,307,021)	(2,364,906)	(2,029,774)	(2,076,779)	(171,165)	(202,460)	(103,330)	(80,930)
Other Property	1,337,126	1,291,156	970,037	989,125	252,523	234,124	101,935	37,519
Deferred Charges	304,720	349,317	201,114	193,077	11,268	61,225	70,256	69,131
Total Assets	28,899,622	30,725,659	23,799,428	24,309,924	3,371,212	4,406,081	1,177,254	1,239,756
Liabilities								
Current Liabilities	8,759,658	9,301,735	7,600,818	7,937,141	804,410	949,674	213,467	259,251
Long-Term Debt	7,107,096	7,375,822	5,375,442	5,225,377	1,197,033	1,500,339	293,878	319,460
Other Non-Current Liabilities	4,084,834	4,725,940	3,226,742	3,759,419	422,060	551,950	347,236	322,974
Deferred Credit	1,348,194	1,546,559	1,184,587	1,332,804	105,968	172,343	39,345	17,464
Stockholders' Equity—Net of Treasury Stock	7,599,840	7,775,603	6,411,839	6,055,183	841,741	1,231,775	283,328	320,607
Preferred Stock	222,578	233,466	197,780	193,039	5,356	13,104	14,336	14,000
Common Stock	276,959	407,045	195,280	260,361	45,331	139,051	23,398	2
Other Paid-In Capital	3,343,432	3,783,275	2,813,217	2,889,708	322,835	524,751	129,772	185,749
Retained Earnings	3,765,224	3,359,409	3,207,266	2,713,602	469,782	556,361	115,822	120,856
Less: Treasury Stock	8,353	7,592	1,704	1,527	1,563	1,492	—	—
Total Liabilities and Equity	28,899,622	30,725,659	23,799,428	24,309,924	3,371,212	4,406,081	1,177,254	1,239,756

17

Airline Categories

Data for the following carriers, reclassified into four categories by the CAB in January 1981, are included herein:

Majors (Annual revenues of over \$1 billion)	Capitol Flying Tiger Frontier Hawaiian Ozark Pacific Southwest Piedmont Southwest Texas International Transamerica Wien Air Alaska World	Evergreen Golden Gate Golden West Midway Mississippi Valley *Muse New York Air *People Express Reeve Rocky Mountain *Rosenbalm Southern Air Swift Aire Zantop	*Arrow Big Sky *Challenge Cochise Coleman *Colgan *Elan Empire *Global Great American *Guy-America Imperial Intercontinental Kodiak Mackey Mid-South *Midstate Munz *NewAir Rich *Sea Airmotive Sky West Southeast Sun Land T-Bird *Western Yukon Wright
American Braniff Continental Delta Eastern Northwest Pan American Republic Trans World United USAir Western	Large Regionals (Annual revenues of \$10 million to \$75 million)	Medium Regionals (Annual revenues of less than \$10 million)	
Nationals (Annual revenues of \$75 million to \$1 billion)	Air Midwest Air New England Air Wisconsin Alaska International Altair Aspen *Britt Cascade	Aeromech *Aerostar *Air Nevada Air North *Air North/Nenana American Eagle *American Trans Air Apollo	
AirCal Air Florida Airlift Alaska Aloha			

*Newly certificated carriers not included in 1980 data.

Definition of Terms

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

Available Seat Mile. One seat transported one mile.

Revenue Passenger Enplanements. The total number of revenue passengers boarding aircraft in scheduled service, including originating, stopover or connecting passengers.

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

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

Available Ton Mile. One ton of capacity (passengers and cargo) transported one mile.

Air Cargo. Total volume of freight, mail and express traffic transported by air. Statistics include the following:

Freight — Commodities of all kinds — includes small package counter services.

Express — Priority reserved freight and express services.

U.S. Mail — All classes of mail transported for the U.S. Postal Service.

Net Profit Margin. Net profit after interest and after taxes as per cent of operating revenue.

Operating Profit Margin. Operating profit (operating revenues minus operating expenses), as per cent of operating revenues.

18

ATA Board of Directors

Robert W. Clifford Air California	Edward J. Crane Ozark Air Lines
Eli Timoner Air Florida	C. Edward Acker Pan American World Airways
Edward E. Swofford Aloha Airlines	T. H. Davis Piedmont Airlines
Albert V. Casey American Airlines	Bernard Sweet Republic Airlines
George A. Warde Continental Airlines	C. E. Meyer, Jr. Trans World Airlines
David C. Garrett, Jr. Delta Air Lines	Richard J. Ferris United Airlines
Frank Borman Eastern Air Lines	Edwin I. Colodny USAir
Thomas F. Grojean Flying Tiger Line	Neil Bergt Western Airlines
Glen L. Ryland Frontier Airlines	James J. Flood Wien Air Alaska
M. J. Lapensky Northwest Airlines	

ATA Officers

Paul R. Ignatius President & Chief Executive Officer	William M. Hawkins Vice President, Finance & Taxation	Larry P. Barnett Assistant Vice President, Legislative Affairs
Norman J. Phillion Executive Vice President	Jack B. Hempstead Vice President, Travel Agency Administration	J. Roger Fleming Assistant Vice President, Operations
George W. James Senior Vice President, Economics & Finance	Daniel Z. Henkin Vice President, Public Information	William T. Hardaker Assistant Vice President, Air Navigation/Traffic Control
James E. Landry Senior Vice President & General Counsel	Lee R. Howard Vice President, Economics	Joseph F. Hintersehr Treasurer
Gabriel Phillips Senior Vice President, Traffic Services	Paul C. Leonard Regional Vice President	K. William Horn Assistant Vice President, Research
John E. Ralph Senior Vice President, Operations & Technical Support	Warren N. Martin Vice President, Public Affairs	William E. Jackman Assistant Vice President, Public Information
George A. Buchanan Vice President, Industry Affairs	James V. McGinn Vice President, Regional Operations	James T. Murphy Assistant Vice President, Airports & Materials
William J. Burhop Vice President, Federal Affairs	Nestor N. Pylypec Vice President, Traffic Services	Sally J. Moser Assistant Secretary
Donald C. Comlish Vice President, International Affairs	Edwin L. Thomas Vice President, Engineering	
Walter J. Ferrari Regional Vice President	Kathleen O. Argiropoulos Assistant Vice President, Law & Secretary	

19

ATA Member Airlines — 1982

Robert W. Clifford
President
 Air California
 3636 Birch Street
 Newport Beach, California 92660

Eli Timoner
Chairman, President & Chief Executive Officer
 Air Florida
 Suite 501
 3900 N.W. 79th Avenue
 Miami, Florida 33166

Bruce R. Kennedy
Chairman, Chief Executive Officer & President
 Alaska Airlines, Inc.
 P.O. Box 68900
 Seattle-Tacoma International Airport
 Seattle, Washington 98188

Edward E. Swofford
President & Chief Executive Officer
 Aloha Airlines, Inc.
 P.O. Box 30028
 Honolulu, Hawaii 96820

Lamar Muse
Chairman & Chief Executive Officer
 Muse Air Corporation
 Suite 700
 3300 West Mockingbird Lane
 Dallas, Texas 75235

M. J. Lapensky
President & Chief Executive Officer
 Northwest Airlines, Inc.
 Minneapolis-St. Paul International Airport
 St. Paul, Minnesota 55111

Edward J. Crane
President & Chief Executive Officer
 Ozark Airlines, Inc.
 Lambert Field
 St. Louis, Missouri 63145

C. Edward Acker
Chairman & Chief Executive Officer
 Pan American World Airways, Inc.
 PanAm Building
 New York, New York 10166

Albert V. Casey
Chairman of the Board
 American Airlines, Inc.
 P.O. Box 61616
 Dallas-Ft. Worth Airport
 Texas 75261

Howard D. Putnam
Chairman of the Board and President
 Braniff International
 P.O. Box 61747
 Dallas-Ft. Worth Airport
 Texas 75261

George E. Batchelor
Chairman & Chief Executive Officer
 Capitol Air, Inc.
 Smyrna Airport
 Smyrna, Tennessee 37167

George A. Warde
President & Chief Executive Officer
 Continental Airlines, Inc.
 Los Angeles International Airport
 Los Angeles, California 90009

T. H. Davis
Chairman & Chief Executive Officer
 Piedmont Airlines
 P.O. Box 2720
 Smith Reynolds Airport
 Winston-Salem, North Carolina 27156

William R. Shimp
Chairman of the Board & Chief Executive Officer
 PSA-Pacific Southwest Airlines
 3225 North Harbor Drive
 San Diego, California 92101

Bernard Sweet
Vice Chairman of the Board
 Republic Airlines, Inc.
 7500 Airline Drive
 Minneapolis, Minnesota 55450

Robert J. Carney
Chairman & Chief Executive Officer
 Texas International Airlines, Inc.
 P.O. Box 12788
 Houston, Texas 77017

David C. Garrett, Jr.
President & Chief Executive Officer
 Delta Air Lines, Inc.
 Hartsfield Atlanta International Airport
 Atlanta, Georgia 30320

Frank Borman
Chairman, President & Chief Executive Officer
 Eastern Air Lines, Inc.
 Miami International Airport
 Miami, Florida 33148

Ward R. Eason
President
 Evergreen International Airlines, Inc.
 1621 North Baker Street
 McMinnville, Oregon 97128

Thomas F. Grojean
President
 The Flying Tiger Line, Inc.
 7401 World Way West
 Los Angeles, California 90009

C. E. Meyer, Jr.
President & Chief Executive Officer
 Trans World Airlines, Inc.
 605 Third Avenue
 New York, New York 10158

Richard J. Ferris
Chairman & Chief Executive Officer
 United Airlines, Inc.
 P.O. Box 66100
 Chicago, Illinois 60666

Edwin I. Colodny
Chairman of the Board & President
 USAir, Inc.
 Washington National Airport
 Washington, D.C. 20001

Neil Bergt
Chairman & Chief Executive Officer
 Western Airlines, Inc.
 P.O. Box 92005
 World Way Postal Center
 Los Angeles, California 90009

Glen L. Ryland
Chairman, President & Chief Executive Officer
 Frontier Airlines, Inc.
 8250 Smith Road
 Denver, Colorado 80207

John H. Magoon, Jr.
Chairman of the Board, President & Chief Executive Officer
 Hawaiian Airlines, Inc.
 P.O. Box 30008
 Honolulu International Airport
 Honolulu, Hawaii 96820

Gordon Linkon
President
 Midway Airlines, Inc.
 Midway Airport
 5700 South Cicero Avenue
 Chicago, Illinois 60638

James J. Flood
President, Chairman of the Board & Chief Executive Officer
 Wien Air Alaska, Inc.
 4100 West International Airport Road
 Anchorage, Alaska 99502

Associate Members

Claude I. Taylor
President & Chief Executive Officer
 Air Canada
 41st Floor, 1 Place Ville Marie
 Montreal, P.Q., Canada H3B 3P7

Ian A. Gray
President & Chief Executive Officer
 CP Air
 One Grant McConachie Way
 Vancouver International Airport
 B.C. Canada V7B 1V1