

Air Transport Association of America / 1709 New York Avenue, N.W. / Washington, D.C. 20006-5206 / 202/626-4175



AIR TRANSPORT 1989 The Annual Report of the U.S. Scheduled Airline Industry

# Air Transport 1989

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

## 1988 Highlights

TRAFFIC	1987	1988	Percent Change
Passengers Enplaned (000)	447,678	454,614	1.5
Domestic Service	416,831	419,210	0.6
International Service	30,847	35,404	14.8
Revenue Passenger Miles (000)	404,471,484	423,301,559	4.7
Available Seat Miles (000)	648,720,938	676,802,327	4.3
Passenger Load Factor (%)	62.3	62.5	
Aircraft Departures	6,581,309	6,699,627	1.8
Cargo Ton Miles (000)	10,016,111	11,469,193	14.5
Freight and Express Ton Miles (000)	8,260,278	9,632,219	16.6
Mail Ton Miles (000)	1,721,263	1,809,959	5.2
Total Revenue Ton Miles (000)	50,468,761	53,799,650	6.6

FINANCIAL	1987	1988	Percent Change
Passenger Revenue (\$000)	44,940,391	50,555,591	12.5
Domestic Service (\$000)	37,164,983	40,802,708	9.8
International Service (\$000)	7,775,408	9,752,882	25.4
Freight and Express Revenues (\$000)	6,398,156	8,020,297	25.4
Mail Revenues (\$000)	923,022	972,383	5.3
Total Operating Revenues (\$000)	56,985,709	64,571,936	13.3
Total Operating Expenses (\$000)	54,516,820	61,114,729	12.1
Operating Profit (\$000)	2,468,889	3,457,207	40.0
Net Profit (\$000)	593,398	1,705,687	187.4
Rate of Return on Investment (%)	7.2	10.9	
Operating Profit Margin (%)	4.3	5.4	
Net Profit Margin (%)	1.0	2.6	

## Deregulation Demythologized

1988 marked the 10th year for the airlines operating under deregulation. All the important indicators point to a remarkably successful decade for this bold initiative.

- First and foremost, air safety has improved. There were far fewer accidents and fatalities in the last decade than there were the 10 years before—even with thousands more flights each day.
- Fares, while rising some this year, actually declined in real terms in seven of the last 10 years and have risen half as fast as the Consumer Price Index since 1978.
- Airline service has been greatly expanded through development of hub and spoke operations throughout the nation offering 40% more flights than 10 years ago.

Despite these impressive achievements, deregulation continues to be blamed for every real or imagined air travel problem of the day. Delays and congestion are said to be a product of deregulation. But one need only recall the Conga lines of jets at New York, Washington and Chicago in 1968 to realize that delays and congestion at our airports will soon be entering their fourth decade. The failure of our government leaders to build an airport and air traffic control infrastructure that would keep up to even minimal growth is the real culprit here.

The hub and spoke system has become the target for many complaints, despite the fact that more communities now have more service than ever before.

One often heard hub and spoke/deregulation myth is that there is much more changing of planes than there was in the "good old days". But a recent analysis of hub operations conducted for ATA by Simat, Helliesen and Eichner (SH&E) shows that in 1978 more than one third of airline passengers made connections to another flight. Half of those connections were to another air carrier. Today, the same one third of airline passengers make connections but nearly all are made more conveniently on the same air carrier.

Another myth is that since deregulation airplanes are overworked in serving the airlines' hub and spoke systems. But the facts show that the average number of daily departures per aircraft has *declined* from six in 1978 to five per day in 1988, that average hours of aircraft utilization have remained the same, and that the average passenger trip distance is *longer*.

Finally, it is assumed that "fortress" hubs built through mergers have led to less competition and higher prices in the industry. Again, empirical data tells a different story. In the SH&E study it was found that far more routes are served competitively today and average fares paid at hubs are not significantly affected by the presence of a dominant air carrier. As a matter of fact, fares at single carrier hubs in recent years have shown the same favorable pattern as those at non-hub, or multi-carrier airports.

It's time we all realized that deregulation, while not perfect, is a dramatic success and of true value to the consumer. Given that, maybe we can all begin to work together to tackle the real problem—getting our governments, federal, state and local, motivated to provide the enhanced air traffic control and airport system capacity needed to meet aviation safety and growth requirements in the years ahead. That's the real challenge.



June, 1989

Robert J. Aaronson  
President  
Air Transport Association

# 1978-1988 Summary

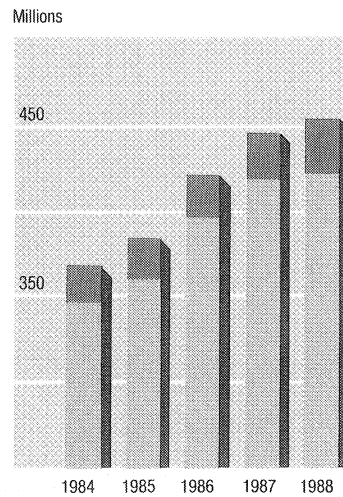
## U.S. Scheduled Airlines

	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
<b>Traffic—Scheduled Service</b>											
Revenue passengers enplaned (000)	274,719	316,683	296,903	285,976	294,102	318,638	344,683	382,022	418,946	447,678	454,614
Revenue passenger miles (000)	226,781,368	262,023,375	255,192,114	248,887,801	259,643,870	281,829,148	305,115,855	336,403,021	366,545,855	404,471,484	423,301,559
Available seat miles (000)	368,750,530	416,126,429	432,535,103	424,897,230	440,119,206	464,537,979	515,323,339	547,788,432	607,435,847	648,720,938	676,802,327
Revenue passenger load factor (%)	61.5	63.0	59.0	58.6	59.0	60.7	59.2	61.4	60.3	62.3	62.5
Average passenger trip length (miles)	826	827	860	870	883	884	885	881	875	903	931
Freight and express ton miles (000)	5,819,708	5,963,925	5,741,567	5,686,087	5,482,198	6,092,932	6,566,571	6,030,543	7,344,054	8,260,278	9,632,219
Aircraft departures	5,013,169	5,399,652	5,352,927	5,211,867	4,963,794	5,033,906	5,448,150	5,835,474	6,426,970	6,581,309	6,699,627
<b>Financial</b>											
Passenger revenue (\$000)	18,806,247	22,791,390	28,048,689	30,722,629	30,549,719	32,744,618	36,939,345	39,235,809	40,056,093	44,940,391	50,555,591
Freight and express revenue (\$000)	1,986,820	2,211,321	2,431,926	2,596,850	2,437,703	2,592,567	2,859,419	2,680,715	5,627,996	6,398,156	8,020,297
Mail revenue (\$000)	386,639	452,021	610,996	653,996	688,675	653,129	712,070	889,575	838,278	923,022	972,838
Charter revenue (\$000)	578,285	520,916	1,160,524	1,175,154	1,085,537	1,075,428	1,112,050	1,279,812	1,268,899	1,611,673	1,642,108
Total operating revenue (\$000)	22,883,955	27,226,665	33,727,806	36,662,555	36,407,635	38,953,672	43,825,047	46,664,414	50,524,933	56,985,709	64,571,936
Total operating expense (\$000)	21,519,092	27,027,610	33,949,421	37,117,325	37,141,070	38,643,262	41,673,536	45,238,150	49,201,832	54,516,820	61,114,729
Operating profit (\$000)	1,364,863	199,055	(221,615)	(454,770)	(733,435)	310,410	2,151,511	1,426,264	1,323,101	2,468,889	3,457,207
Interest expense (\$000)	538,642	618,446	967,719	1,209,461	1,384,084	1,482,352	1,540,377	1,588,306	1,692,548	1,695,388	1,859,117
Net profit (\$000)	1,196,537	346,845	17,414	(300,826)	(915,814)	(188,051)	824,668	862,715	(234,909)	593,398	1,705,687
Revenue per assenger mile (¢)	8.3	8.7	11.0	12.3	11.8	11.6	12.1	11.7	10.9	11.1	11.9
Rate of return on investment (%)	13.3	6.5	5.3	4.7	2.1	6.0	9.9	9.6	4.9	7.2	10.9
Operating profit margin (%)	6.0	0.7	(0.7)	(1.2)	(2.0)	0.8	4.9	3.1	2.6	4.3	5.4
Net profit margin (%)	5.2	1.3	0.1	(0.8)	(2.5)	(0.5)	1.9	1.8	(0.5)	1.0	2.6
Employees	329,303	340,696	360,517	349,864	330,495	328,648	345,079	355,113	421,686	457,349	480,553

Note: Federal Express began reporting as a Section 401 carrier in 1986 and is included in 1986 and later years.

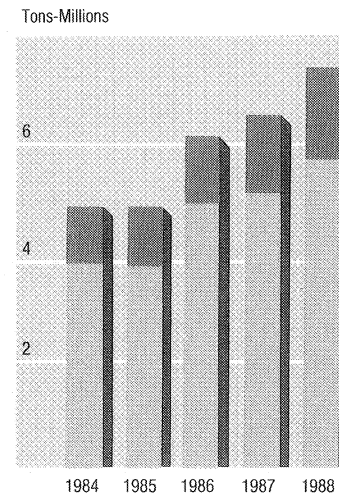
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### Passengers



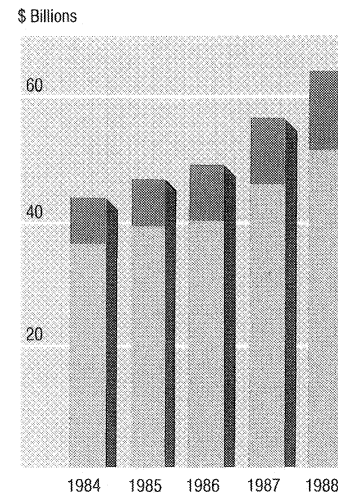
■ International □ Domestic

### Cargo



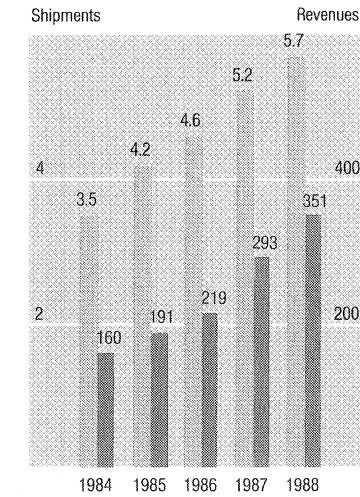
■ International □ Domestic

### Revenues



■ International □ Domestic

### Express Package



■ Shipments (Millions)  
■ Revenues (\$ Billions)

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## Top 30 Domestic Airline Markets\*

Passengers—Outbound plus Inbound  
(Twelve Months Ended September, 1988)

1	New York	Boston	3,300,400	16	Honolulu	Lihue, Kauai	1,272,020
2	New York	Los Angeles	3,044,050	17	New York	West Palm Beach	1,241,600
3	New York	Washington	2,970,670	18	Chicago	Los Angeles	1,158,500
4	New York	Chicago	2,789,550	19	Boston	Washington	1,109,500
5	New York	Miami	2,169,240	20	Los Angeles	Las Vegas	1,109,190
6	Los Angeles	San Francisco	2,036,190	21	New York	Dallas/Ft. Worth	1,080,470
7	Dallas/Ft. Worth	Houston	1,984,280	22	San Francisco	San Diego	1,037,380
8	New York	San Francisco	1,933,930	23	New York	Tampa	1,009,060
9	New York	Ft. Lauderdale	1,860,130	24	Los Angeles	San Jose	975,960
10	New York	Orlando	1,677,770	25	Chicago	Minneapolis	971,380
11	Honolulu	Kahului, Maui	1,545,090	26	New York	Detroit	939,490
12	Los Angeles	Honolulu	1,420,840	27	Chicago	St. Louis	868,710
13	Chicago	Detroit	1,347,390	28	New York	Buffalo	858,210
14	New York	Atlanta	1,339,340	29	New York	Pittsburgh	842,450
15	Los Angeles	Phoenix	1,288,790	30	Chicago	Washington	838,640

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

## Leading U.S. Airports—1988

Passengers (Arriving & Departing)

Chicago O'Hare	56,678,991	Newark	22,495,568
Atlanta	45,900,098	St. Louis	20,170,060
Los Angeles	44,398,611	Honolulu	20,155,834
Dallas/Ft. Worth	44,271,038	Detroit	19,780,029
New York (JFK)	31,165,676	Pittsburgh	17,987,040
San Francisco	30,506,794	Minneapolis/St. Paul	17,733,837
Denver	30,011,802	Orlando	16,354,215
Miami	24,525,302	Phoenix	15,924,698
New York (LGA)	24,158,780	Washington (DCA)	15,750,993
Boston	23,732,959	Philadelphia	15,639,558

Cargo Tons (Enplaned & Deplaned)

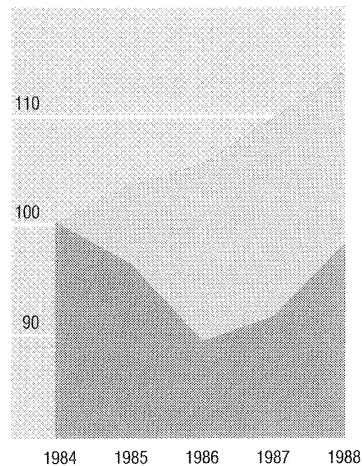
New York (JFK)	1,299,104	Atlanta	598,365
Los Angeles	1,099,522	San Francisco	575,249
Chicago O'Hare	906,928	Dayton	500,031
Miami	740,280	Newark	454,681
Louisville	701,502	Boston	355,201

Source: Airport Operators Council International

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## Fares vs. Consumer Prices

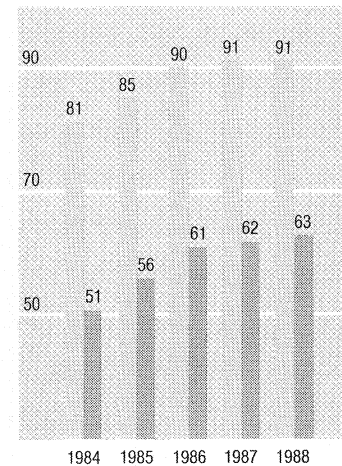
1984=100



□ Consumer Price Index    ■ Airline Fares Index

## Discount Traffic

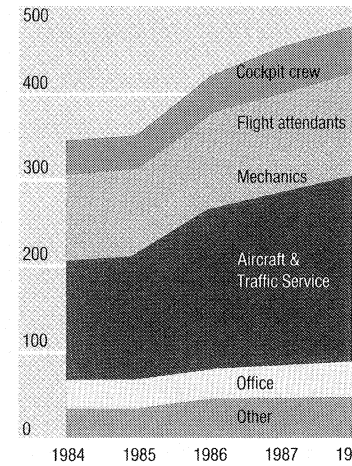
Percent



□ Discount Traffic (% of Total RPMs)  
■ Average Discount (% of Full Fare)

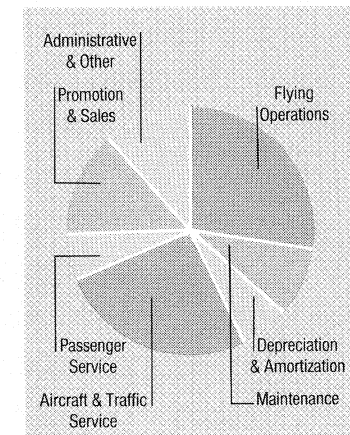
## Employees

Thousands



1984 1985 1986 1987 1988

## Expenses



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## ATA Airline Statistics—1988

	Number of Aircraft	Employees	Aircraft Departures	Passengers (000)	Revenue Passenger Miles (000)	Passenger Revenues (\$000)	Cargo Revenues (\$000)	Total Operating Revenues (\$000)	Operating Profit/ (Loss) (\$000)	Net Profit/ (Loss) (\$000)
Alaska	50	4,475	97,611	4,772	3,559,508	611,445	55,516	708,856	61,946	37,600
Aloha	13	1,117	56,858	3,426	450,472	101,551	17,546	134,213	10,172	8,938
American	468	65,340	763,624	64,296	64,752,866	7,553,296	287,803	8,550,586	800,995	449,445
Braniff	54	2,537	51,453	4,322	4,047,099	369,552	6,506	414,733	(13,082)	(19,812)
Continental	334	30,217	521,037	37,636	40,498,243	4,074,315	207,967	4,553,349	83,462	(315,520)
Delta	390	56,901	802,190	59,969	51,652,125	6,839,290	368,497	7,393,275	524,637	344,523
DHL	20	NA	NA	NA	NA	NA	NA	NA	NA	NA
Eastern	255	32,542	449,730	35,621	28,793,436	3,481,832	131,992	3,888,121	(209,437)	(335,351)
Evergreen*	28	689	39,276	—	—	—	94,883	208,909	44,278	19,632
Federal Express	247	53,055	176,859	—	—	—	4,191,812	4,301,551	421,358	210,107
Flying Tigers	40	6,287	26,506	—	—	—	1,066,143	1,294,894	146,966	74,406
Hawaiian	31	2,655	83,174	5,497	3,008,063	266,682	18,016	353,445	(4,754)	(8,484)
Midway	42	3,559	78,047	4,258	2,990,582	367,727	4,945	388,002	13,493	6,545
Northwest	321	34,973	487,987	35,784	40,148,340	4,815,771	590,121	5,587,783	195,638	162,789
Pan American	158	22,826	162,375	16,755	29,308,089	3,069,766	234,583	3,592,617	(105,293)	(118,254)
Piedmont	195	19,913	484,929	27,117	13,051,317	2,259,185	62,706	2,363,178	282,696	159,440
Southwest	85	6,467	274,733	16,842	7,711,064	828,344	14,432	860,447	86,079	57,400
Trans World	214	30,518	320,715	25,124	34,699,818	3,700,454	231,505	4,364,332	259,419	249,743
United	405	60,139	625,931	56,326	69,024,633	7,650,565	509,623	8,796,352	628,318	589,236
United Parcel Service	105	1,854	61,148	—	—	—	575,946	582,158	50,354	49,119
USAir	226	21,581	520,995	32,466	17,315,319	2,654,485	63,689	2,802,994	143,727	76,169
Air Canada**	114	22,600	164,142	11,900	15,553,000	2,596,000	503,000	3,426,000	125,000	96,000
Canadian**	85	13,985	167,832	8,808	11,181,095	1,597,818	189,134	2,125,743	77,800	30,300

\*Includes non-scheduled service \*\*Associate Members NA = Not Available

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## Safety

### U.S. Air Carriers Scheduled Service

	Departures (Millions)	Fatal Accidents	Fatalities	Fatal Accidents Per 100,000 Departures
1978	5.0	5	160	0.100
1979	5.4	4	351	0.074
1980	5.4	0	0	0.000
1981	5.2	4	4	0.077
1982	5.0	4	233	0.060
1983	5.0	4	15	0.079
1984	5.4	1	4	0.018
1985	5.8	4	197	0.069
1986	6.4	2	1	0.031
1987	6.6	4*	231	0.046*
1988	6.7	3*	285	0.030*

\*Sabotage caused accidents are included in the Accidents but not in the Accident rates.

Source: National Transportation Safety Board

## Intercity Passenger Travel in the United States

(Passenger Miles in millions)

	1978	1987	1988
Common Carriers			
Airlines	182,677	329,100	335,800
Amtrak	10,222	5,300	5,800
Motor Buses	25,100	23,000	23,000 <sup>e</sup>
Total	217,999	357,400	364,600
Air Share (%)	83.8	92.1	92.1
Private			
Automobiles	1,162,000 <sup>e</sup>	1,520,000	1,588,000
Total Common Carrier and Auto	1,379,999	1,877,400	1,952,600
Common Carrier			
Share (%)	15.8	19.0	18.7
Air Share (%)	13.2	17.5	17.2

<sup>e</sup> = Estimate

Source: Transportation Policy Associates

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## Aircraft On Order—ATA Airlines

As of December 31, 1988

Aircraft Type	Number on Order		Firm Order Delivery Dates		
	Firm	Options	1989	1990	1991 & Beyond
<b>Airbus</b>					
A300	12		12		
A310	2	2		2	
A320	126	162	16	22	88
A330		10			
A340		20			
<b>Boeing</b>					
B-737	163	96	61	67	35
B-747	28	4	10	9	9
B-757	118	160	27	55	36
B-767	19	55	2	13	4
<b>McDonnell Douglas</b>					
MD-80	161	202	57	57	47
MD-11	13	38		2	11
<b>Fokker</b>					
100	32	26	9	22	1
<b>Totals</b>	<b>674</b>	<b>775</b>	<b>194</b>	<b>249</b>	<b>231</b>

The value of firm aircraft orders was \$24.7 billion.

## Air Carrier and General Aviation Fleets

	1978	1987	1988
<b>U.S. Air Carriers*</b>			
Total Aircraft	2,266	4,326	5,022
Turbojet	2,128	2,973	3,479
Turboprop	114	1,035	1,239
Piston	21	312	296
Rotocraft	3	6	8
<b>General Aviation</b>			
Total Aircraft	198,776	220,100	217,200e
Turbojet	2,480	4,500	4,400
Turboprop	3,130	6,000	5,300
Piston	183,823	195,700	194,400
Rotocraft	5,315	6,900	6,300
Other	4,028	7,000	6,800

\* Includes scheduled, supplemental, commuter, air taxi and cargo carriers.

e = Estimate

Source: Federal Aviation Administration

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## Operating Fleet—ATA Airlines

As of Dec. 31, 1988

	ALASKA	ALOHA	AMERICAN	BRANIFF	CONTINENTAL	DELTA	DHL	EASTERN	EVERGREEN	FEDERAL EXPRESS	FLYING TIGERS	HAWAIIAN	MIDWAY	NORTHWEST	PAN AMERICAN	PIEDMONT	SOUTHWEST	TWA	UNITED	UNITED PARCEL SERVICE	USAIR	AIR CANADA	CANADIAN	TOTAL	
B-747			2		8				2		22				35				19	31		6	6	12	171
DC-10			61		15	3		2		24				20	10					55					202
L-1011						39		19				5							33				14		110
B-767			45			30										6			11	19			19	6	136
A300			13		12			20							12										57
A310															19										19
DC-8						5			5		6	6								29	37		6		94
B-757						42		25													15				115
B-727	25		164	25	96	130	8	110	13	85	12			33	69	34		72	148	36	10	33			1141
DC-9/MD80	18		153		106	67		79	8			12	29	147					79			105	36		839
B-737	7	13	24	11	97	74							13		5	110	85				79		65		706
BAC 1-11				18																		11			29
CV 580														10											10
BAe 146			6																		21				27
F-28																45									45
DHC-7												8													8
CESSNA 208										133															133
OTHER							12			5					8					11			2		38
<b>TOTALS</b>	<b>50</b>	<b>13</b>	<b>468</b>	<b>54</b>	<b>334</b>	<b>390</b>	<b>20</b>	<b>255</b>	<b>28</b>	<b>247</b>	<b>40</b>	<b>31</b>	<b>42</b>	<b>321</b>	<b>158</b>	<b>195</b>	<b>85</b>	<b>214</b>	<b>405</b>	<b>105</b>	<b>226</b>	<b>114</b>	<b>85</b>		<b>3880</b>

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## Top 30 Airlines in 1988\*

	Passengers (000)	Revenue Passenger Miles (000)	Freight Ton Miles (000)	Total Operating Revenues (000)			
1 American	64,296	1 United	69,024,633	1 Flying Tiger	2,792,107	1 United	8,796,352
2 Delta	59,969	2 American	64,752,866	2 Northwest	1,476,061	2 American	8,550,586
3 United	56,326	3 Delta	51,652,125	3 Federal Express	1,228,207	3 Delta	7,393,275
4 Continental	37,636	4 Continental	40,498,243	4 United	942,167	4 Northwest	5,587,783
5 Northwest	35,784	5 Northwest	40,148,340	5 Pan American	714,534	5 Continental	4,553,349
6 Eastern	35,621	6 Trans World	34,699,818	6 American	489,755	6 Trans World	4,364,332
7 USAir	32,466	7 Pan American	29,308,089	7 Continental	487,782	7 Federal Express	4,301,551
8 Piedmont	27,117	8 Eastern	28,793,436	8 Delta	476,429	8 Eastern	3,888,121
9 Trans World	25,124	9 USAir	17,315,319	9 Trans World	447,027	9 Pan American	3,592,617
10 Southwest	16,842	10 Piedmont	13,051,317	10 Eastern	164,484	10 USAir	2,802,994
11 Pan American	16,755	11 Southwest	7,711,064	11 Challenge Air Cargo	74,196	11 Piedmont	2,363,178
12 America West	12,651	12 America West	6,949,731	12 Piedmont	67,519	12 Flying Tiger	1,294,894
13 Hawaiian	5,497	13 Braniff	4,047,099	13 Zantop	62,909	13 Southwest	860,447
14 Alaska	4,772	14 Alaska	3,559,508	14 Rosenbalm	51,563	14 America West	781,460
15 Braniff	4,322	15 Hawaiian	3,008,063	15 Alaska	40,605	15 Alaska	708,856
16 Midway	4,258	16 Midway	2,990,582	16 USAir	22,329	16 United Parcel Service	582,158
17 Aloha	3,426	17 Tower	1,154,288	17 Arrow	19,081	17 Braniff	414,733
18 Air Wisconsin	2,420	18 PSA	915,641	18 America West	16,500	18 Midway	388,002
19 PSA	2,365	19 Air America	696,530	19 Braniff	13,902	19 Hawaiian	353,445
20 Horizon Air	1,397	20 Florida Express	564,218	20 Markair	11,664	20 PSA	333,089
21 Westair	1,218	21 Aloha	450,472	21 Hawaiian	9,217	21 American Trans Air	253,941
22 Florida Express	1,166	22 Air Wisconsin	421,328	22 Aloha	7,761	22 Evergreen	208,909
23 Aspen	878	23 Presidential	325,654	23 Northern Air	7,693	23 Air Wisconsin	184,566
24 Presidential	844	24 Horizon Air	285,176	24 Southwest	2,154	24 Southern Air	140,816
25 Midwest Express	402	25 Midwest Express	261,098	25 PSA	1,852	25 Aloha	134,213
26 Markair	357	26 Westair	231,273	26 Aerial	1,501	26 Tower	132,821
27 Air America	303	27 Aspen	157,716	27 Reeve	1,378	27 World	126,588
28 Tower	246	28 Markair	148,137	28 Horizon Air	591	28 Horizon Air	113,385
29 Sunworld	53	29 MGM Grand Air	66,916	29 Midwest Express	564	29 Markair	99,118
30 American Trans Air	40	30 Sunworld	41,778	30 Aspen	212	30 Zantop	89,959

\* Carriers certificated under Section 401, Federal Aviation Act

## Employment

### U.S. Scheduled Airlines

	1978	1987	1988
Pilots and Copilots	28,336	41,963	43,795
Other Flight Personnel	7,432	8,541	7,807
Flight Attendants	48,353	72,697	76,297
Mechanics	44,467	51,233	55,001
Aircraft and Traffic			
Service Personnel	96,428	198,892	211,795
Office Employees	66,679	40,690	40,611
All Other	37,608	43,333	45,247
Total Employment	329,303	457,349	480,553

## Passenger Yield

### Revenue per Passenger Mile (¢)

	1978	1987	1988
Domestic			
First Class	12.0	15.8	17.7
Coach	7.8	11.1	11.9
Total	8.5	11.4	12.3
International			
First Class	13.6	18.4	19.2
Coach	7.1	9.4	10.0
Total	7.5	9.9	10.4
Total	8.3	11.1	11.9

## Freight and Express Yield

### Revenue per Freight & Express Ton Mile (¢)

	1978*	1987	1988
Domestic	38.7	112.9	114.8
International	29.4	41.8	41.3
Total	35.0	79.3	78.6

\* Does not include Federal Express

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## Traffic and Operations Data

### U.S. Scheduled Airlines

	1987			1988		
	Domestic	International	Total	Domestic	International	Total
<b>Passenger Traffic—Scheduled Service</b>						
Revenue Passengers Enplaned (000)	416,831	30,847	447,678	419,210	35,404	454,614
Revenue Passenger Miles (000)	324,637,336	79,834,148	404,471,484	329,309,489	93,992,070	423,301,559
Available Seat Miles (000)	526,958,361	121,762,577	648,720,938	536,662,590	140,139,737	676,802,327
Revenue Passenger Load Factor (%)	61.6	65.6	62.3	61.4	67.1	62.5
Average Length of Haul (Miles)	779	2,588	903	786	2,655	931
<b>Cargo Traffic (Ton Miles)—Scheduled Service</b>						
Total (000)	5,652,673	4,363,438	10,016,111	6,210,052	5,259,141	11,469,193
Freight and Express (000)	4,339,534	3,920,744	8,260,278	4,842,997	4,789,222	9,632,219
U.S. Mail (000)	1,312,572	408,691	1,721,263	1,366,521	443,438	1,809,959
Foreign Mail (000)	567	34,003	34,570	534	26,481	27,015
<b>Overall Traffic and Operations Data</b>						
Total revenue ton miles—Charter service (000)	2,388,125	2,060,746	4,448,871	2,421,197	2,117,833	4,539,030
Total revenue ton miles—All services (000)	40,509,782	14,407,850	54,917,632	41,562,502	16,776,178	58,338,680
Total Available ton miles—All services (000)	75,741,397	23,411,398	99,152,795	78,203,055	27,067,741	105,270,796
Ton mile load factor—All services (%)	53.5	61.5	55.4	53.1	62.0	55.4
Revenue Aircraft Departures—Scheduled services	6,316,600	264,709	6,581,309	6,398,041	301,586	6,699,627
Revenue Aircraft Miles—Scheduled services (000)	3,529,048	459,057	3,988,105	3,603,017	537,894	4,140,911
Revenue Aircraft Hours—Scheduled services	8,538,955	929,112	9,468,067	8,801,744	1,091,564	9,893,308

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## Income Statement (\$000)

### U.S. Scheduled Airlines

	1987			1988		
	Domestic	International	Total	Domestic	International	Total
<b>Operating Revenues</b>						
Passenger	37,164,983	7,775,408	44,940,391	40,802,708	9,752,882	50,555,591
Freight and Express	4,818,195	1,579,961	6,398,156	6,077,848	1,942,448	8,020,297
U.S. Mail	742,981	180,041	923,022	789,068	183,771	972,838
Foreign Mail	0	324,788	324,788	0	533,362	533,362
Charter	964,813	646,860	1,611,673	808,313	833,795	1,642,108
Public Service Revenue	2,268	0	2,268	3,289	0	3,289
Other	2,532,164	253,246	2,785,410	2,662,186	182,265	2,844,451
<b>Total Operating Revenues</b>	<b>46,225,405</b>	<b>10,760,304</b>	<b>56,985,709</b>	<b>51,143,413</b>	<b>13,428,523</b>	<b>64,571,936</b>
<b>Operating Expenses</b>						
Flying Operations	12,721,288	2,783,782	15,505,070	13,465,836	3,267,742	16,733,578
Maintenance	5,069,718	1,068,500	6,138,218	5,914,773	1,336,955	7,251,728
Passenger Service	4,165,071	1,057,934	5,223,005	4,472,152	1,282,664	5,754,816
Aircraft & Traffic Servicing	8,594,740	1,746,306	10,341,046	9,629,607	2,181,688	11,811,295
Promotion and Sales	7,402,606	2,091,167	9,493,773	8,280,697	2,748,850	11,029,547
Administrative	2,713,144	540,128	3,253,272	2,869,456	705,301	3,574,757
Transport Related	893,346	254,102	1,147,448	961,930	302,614	1,264,544
Depreciation and Amortization	2,884,702	530,286	3,414,988	3,070,620	623,845	3,694,464
<b>Total Operating Expenses</b>	<b>44,444,615</b>	<b>10,072,205</b>	<b>54,516,820</b>	<b>48,665,071</b>	<b>12,449,658</b>	<b>61,114,729</b>
<b>Operating Income or (Loss)</b>	<b>1,780,789</b>	<b>688,099</b>	<b>2,468,889</b>	<b>2,478,342</b>	<b>978,865</b>	<b>3,457,207</b>
<b>Other Income or (Expense)</b>						
Interest Expense	(1,358,970)	(336,418)	(1,695,388)	(1,455,478)	(403,639)	(1,859,117)
Income Taxes	(688,960)	(123,436)	(812,396)	(1,143,417)	(220,240)	(1,363,656)
Other	520,281	112,013	632,294	1,119,554	351,699	1,471,253
<b>Net Profit or (Loss)</b>	<b>253,140</b>	<b>340,258</b>	<b>593,398</b>	<b>999,002</b>	<b>706,685</b>	<b>1,705,687</b>
<b>Operating Profit Margin (%)</b>	<b>3.9</b>	<b>6.4</b>	<b>4.3</b>	<b>4.8</b>	<b>7.3</b>	<b>5.4</b>
<b>Net Profit Margin (%)</b>	<b>0.5</b>	<b>3.2</b>	<b>1.0</b>	<b>2.0</b>	<b>5.3</b>	<b>2.6</b>

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## Balance Sheet (\$000)

### U.S. Scheduled Airlines

	1987	1988
<b>Assets</b>		
Current Assets	13,827,523	14,723,781
Investments and special funds	2,056,565	2,711,928
Flight equipment owned	33,370,149	34,895,733
Ground equipment & property	10,794,161	11,635,798
Reserve for depreciation (Owned)	(16,129,269)	(17,547,029)
Leased equipment & property capitalized	6,787,063	6,815,811
Reserve for depreciation (Leased)	(1,904,314)	(2,097,628)
Other property	1,494,468	2,229,774
Deferred charges	3,601,917	3,547,008
<b>Total assets</b>	<b>53,898,264</b>	<b>56,915,176</b>
<b>Liabilities</b>		
Current liabilities	15,986,437	19,736,492
Long-term debt	12,317,408	10,383,221
Other non-current	6,839,342	6,848,737
Deferred credit	3,964,389	5,014,886
Stockholders' equity—net of Treasury Stock	14,790,688	14,931,840
Preferred stock	343,006	131,862
Common stock	426,764	315,184
Other paid-in capital	10,628,060	8,987,747
Retained earnings	3,416,836	5,573,365
Less: Treasury Stock	24,067	76,318
<b>Total liabilities and stockholders' equity</b>	<b>53,898,264</b>	<b>56,915,176</b>

## U.S. Scheduled Airlines

Data for the following 77 carriers are included herein.

Majors	Nationals	Regionals	InterState
(Annual revenues of over \$1 billion)	(Annual revenues of \$100 million to \$1 billion)	Aerial	Jet Fleet
American	Air Wisconsin	Aeron	Key
Continental	AirCal	Air America	Markair
Delta	Alaska	Air Transport International	MGM Grand Air
Eastern	Aloha	Amerijet	Mid Pacific
Federal Express	America West	Arrow	Midwest Express
Flying Tiger	American Trans Air	Aspen	Millon
Northwest	Braniff	Britt	Northern Air
Pan American	Hawaiian	Buffalo	Orion
Piedmont	Jet America	Challenge Air Cargo	Pacific Interstate
Trans World	Midway	Challenge Air International	Presidential
United	Pacific Southwest	Conner	Reeve
USAir	Southwest	Emerald	Rich
Western	United Parcel Service	Evergreen	Rosenbalm
	World	Express One	Sky World
	Zantop	Five Star	Southern Air
		Florida Express	Sun Coast
		Florida West	Sun Country
		Galaxy	Sunworld
		Great American	Tower
		Gulf Air Transport	Trans Air Link
		Horizon Air	Trans International
		Independent Air	TranStar
		International Air Service	West Air

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## ATA Member Airlines—1989

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P.O. Box 68900  
Seattle-Tacoma Int'l Airport  
Seattle, Washington 98168-0900  
(206) 433-3200

**Aloha Airlines**  
P.O. Box 30028  
Honolulu, Hawaii 96820-0028  
(808) 836-4101

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P.O. Box 619616  
DFW Airport, Texas 75261-9616  
(214) 358-1234

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P.O. Box 628099  
Orlando, Florida 32862-8099  
(214) 358-6011

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Houston, Texas 77210-4607  
(713) 630-5000

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Atlanta, Georgia 30320-9998  
(404) 765-2600

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333 Twin Dolphin Dr.  
Redwood City, California 94065-1515  
(415) 593-7474

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Miami, Florida 33148-0001  
(305) 873-2211

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3850 Three Mile Lane  
McMinnville, Oregon 97128-9408  
(503) 472-0011

**Federal Express**  
Box 727  
Memphis, Tennessee 38194-0001  
(901) 369-3600

**The Flying Tiger Line**  
P.O. Box 92935  
Los Angeles, California 90045-5830  
(213) 646-6161

**Hawaiian Airlines**  
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Honolulu International Airport  
Honolulu, Hawaii 96820-0008  
(808) 525-5511

**Midway Airlines**  
5959 South Cicero Avenue  
Chicago, Illinois 60638-3821  
(312) 838-0001

**Northwest Airlines**  
Minneapolis-St. Paul Int'l Airport  
St. Paul, Minnesota 55111-3075  
(612) 726-2111

**Pan American World Airways**  
Pan Am Building  
New York, New York 10166-0001  
(212) 880-1234

**Piedmont Airlines**  
One Piedmont Plaza  
Winston-Salem  
North Carolina 27156-1000  
(919) 770-8000

**Southwest Airlines**  
8008 Aviation Place  
Dallas, Texas 75235-1625  
(214) 902-1100

**Trans World Airlines**  
100 South Bedford Road  
Mt. Kisco, New York 10549  
(212) 692-3000

**United Airlines**  
P.O. Box 66100  
Chicago, Illinois 60666-0100  
(312) 952-4000

**United Parcel Service**  
51 Weaver St.  
Greenwich, Connecticut 06830-3160  
(203) 622-6000

**USAir**  
2345 Crystal Drive  
Arlington, Virginia 22227  
(703) 418-7000

**Associate Members**

**Air Canada**  
Place Air Canada  
Montreal, Canada H2Z 1X5  
(514) 879-7000

**Canadian Airlines International**  
Suite 2800, 700 2nd St., S.W.  
Calgary, Alberta  
Canada T2P 2W2  
(403) 294-2000

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## Definition of Terms

**U.S. Scheduled Airlines.** Carriers certificated by the Federal government under Section 401 of the Federal Aviation Act permitting the operation of large aircraft.

**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 and Express**—Commodities of all kinds—includes small package counter services, express services and priority reserved freight.
- 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 percent of operating revenues.

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