
AIR TRANSPORT ASSOCIATION
2007 Economic Report
balancing | the aviation equation
smartskies
keeping pace in a changing world

Officers

James C. May
President and Chief Executive Officer

John M. Meenan
Executive Vice President and
Chief Operating Officer

Paul R. Archambeault
Vice President,
Chief Financial Officer and Treasurer

Basil J. Barimo
Vice President, Operations and Safety

Edward J. Barron
Vice President, Government Affairs
and Legislative Counsel

David A. Berg
Vice President,
General Counsel and Secretary

James L. Casey
Vice President, Industry Services
and Deputy General Counsel

David A. Castelveter
Vice President, Communications

Marc C. Gonzales
Vice President, Congressional Affairs

John P. Heimlich
Vice President and Chief Economist

Patricia G. Higginbotham
Vice President, Policy and Chief of Staff

Sharon L. Pinkerton
Vice President, Government Affairs

Nancy N. Young
Vice President, Environmental Affairs

U.S. Airlines by Operating Revenues – 2006

More Than $1 Billion

ABX Air
AirTran Airways
Alaska Airlines
American Airlines
American Eagle Airlines
Atlantic Southeast Airlines
Atlas Air/Polar Air Cargo
Comair
Continental Airlines
Delta Air Lines
FedEx Express
Frontier Airlines
JetBlue Airways
Mesa Airlines
Northwest Airlines
SkyWest Airlines
Southwest Airlines
United Airlines
UPS Airlines
US Airways

$100 Million to $1 Billion

Air Transport International
Air Wisconsin Airlines
Allegiant Air
Aloha Airlines
Amerijet International
ASTAR Air Cargo
ATA Airlines
Champion Air
Continental Micronesia
Evergreen International
Executive Airlines
ExpressJet Airlines
Florida West Airlines
Gemini Air Cargo
GoJet Airlines
Hawaiian Airlines
Horizon Air
Kalitta Air
Mesaba Airlines
Midwest Airlines
North American Airlines
Omni Air International
Pinnacle Airlines
PSA Airlines
Ryan International Airlines
Southern Air
Spirit Airlines
Sun Country Airlines
Trans States Airlines
USA 3000 Airlines
USA Jet Airlines
World Airways

Less Than $100 Million

40-Mile Air
Aerodynamics
Air Midwest
Alaska Central Express
Alaska Seaplane Service
Ameristar Air Cargo
Arctic Circle Air Service
Arctic Transportation
Arrow Air
Asia Pacific Airlines
Bemidji Airlines
Bering Air
Big Sky Airlines
Boston-Maine Airways
Cape Air
Capital Cargo International
Cargo 360
Caribbean Sun Airlines
Centurion Air Cargo
Chautauqua Airlines
Colgan Air
CommutAir
Ellis Air Taxi
Empire Airlines
ERA Aviation
Everts Air
Express.Net Airlines
Falcon Air Express
Focus Air
Freedom Air
Freedom Airlines
Frontier Flying Service
Grand Canyon Helicopters
Grant Aviation
Great Lakes Airlines
Gulf & Caribbean Air
Gulfstream International Airlines
Hageland Aviation Services
Harris Air Services
Homer Air
Iliamna Air Taxi
Inland Aviation Services
Island Air
Katmai Air
Kenmore Air
Kitty Hawk Air Cargo
L.A.B. Flying Service
Lynden Air Cargo
M&N Aviation
MAXjet Airways
Miami Air International
NetJets
New England Airlines
Northern Air Cargo
Pace Airlines
Pacific Airways
Pacific Wings Airlines
PenAir
Piedmont Airlines
Primaris Airlines
Promech Air
RegionsAir
Republic Airlines
Salmon Air
Scenic Airlines
Seaborne Airlines
Servant Air
Shuttle America
Sierra Pacific Airlines
Skagway Air
Sky King
Skyway Airlines
Smokey Bay Air
Spernak Airways
Tanana Air Service
Taquan Air
Tradewind Aviation
Tradewinds Airlines
US Helicopter
Victory Air Transport
Vieques Air Link
Vintage Props & Jets
Warbelow's Air Ventures
Ward Air
West Isle Air
Wings of Alaska
Wright Air Service
Xtra Airways
Yute Air Alaska

■ Member, Air Transport Association

Report Content

Unless otherwise noted, the data provided in this report reflects the worldwide operations of the 141 U.S. passenger and cargo airlines shown on this page, as recorded by the U.S. Department of Transportation (DOT) in 2006, under Chapter 411 of Title 49 of the U.S. Code.

Due to rounding, in some cases, the sum of numbers in this report may not match the printed total. Also, certain historical data has been restated to reflect the most current information available.

For a glossary of terms and other information regarding this report, visit www.airlines.org.

Mission

Consistent with its founding principles, the Air Transport Association of America, Inc. (ATA) 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 to improve safety, service and efficiency
- Advocating fair airline taxation and regulation worldwide to foster a healthy, competitive industry
- Developing and coordinating industry actions that are environmentally beneficial, economically reasonable and technologically feasible

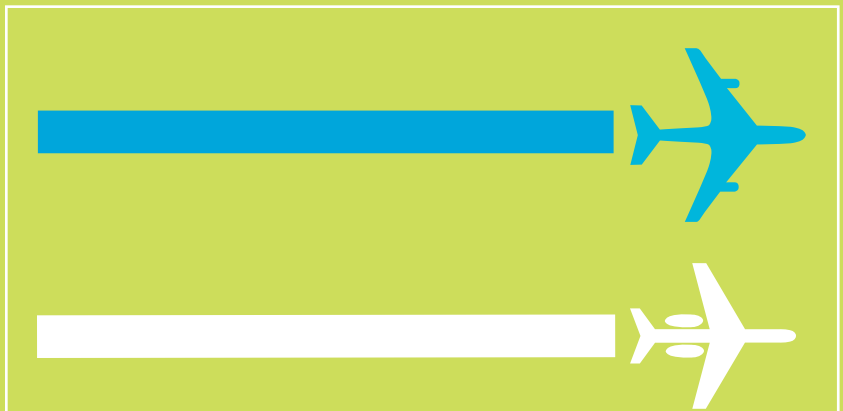
Founded in 1936, the Air Transport Association of America is the nation's oldest and largest airline trade association. The association's fundamental purpose is to foster a business and regulatory environment that ensures safe and secure air transportation and enables U.S. airlines to flourish, stimulating economic growth locally, nationally and internationally.

By working with its members in the technical, legal and political arenas, ATA leads industry efforts to fashion crucial aviation policy and supports measures that enhance aviation safety, security and well-being. ATA goals include:

- Championing the world's safest transportation system
- Protecting airline passengers, crew members, aircraft and cargo, working collaboratively with the Department of Homeland Security (DHS) and the Transportation Security Administration (TSA)
- Modernizing the U.S. air traffic management system via the Federal Aviation Administration (FAA)
- Challenging government policies that impose unwise regulatory burdens or impinge on marketplace freedoms
- Reducing the disproportionate share of taxes and fees paid by airlines and their customers
- Improving the industry's ability to attract the capital necessary to meet future demands
- Shaping international aviation policy to ensure that U.S. and foreign carriers can compete on equal terms

During its more than 70-year history, ATA has seen the airline industry grow from the small, pioneering companies of the 1930s into indispensable facilitators of the global economy. ATA and its members continue to play a vital role in shaping the future of air transportation.

Contents



If two jets – one airline, one corporate – left Chicago for Denver at 6:35 p.m. and traveled 800 miles, both arriving at 8:05 p.m., which plane would have used more air traffic control services?

Answer: Neither. Both would have used the same services.

On a given route, all high-performance aircraft – regardless of size, speed, weight or number of passengers – use the same air traffic control services. In the air traffic controllers' world, a blip is a blip, whether routing a passenger jet with 200 passengers, a cargo jet with 100 tons of freight or a corporate jet with only one passenger. However, while the demands on the air traffic control system are equal, not all users pay equally. Building a system that can meet the needs of the 21st century requires us to balance the aviation equation – matching the costs that users impose with the taxes that they pay for air traffic control services.

Like so much in life, success in the airline business is often a matter of balance – that is what brings affordable air travel, reliable shipping, customer satisfaction, reduced delays, improved fuel efficiency, minimized emissions, a healthy economy and, ultimately, the type of air transportation on which we all rely. By the numbers, 2006 was a year of real improvement for the nation's airlines – a welcome return to profitability after five years of record losses.

The industry's profit margin of 1.9 percent, given the near tripling of the price of jet fuel over the past four years and with fuel costs for the first time exceeding labor costs (previously the largest cost center), is a strong testament to the tremendous commitment and effort put forward by the people of the airlines. That effort has involved scrutinizing literally every detail of airline expenses and operations to maximize safety and efficiency.

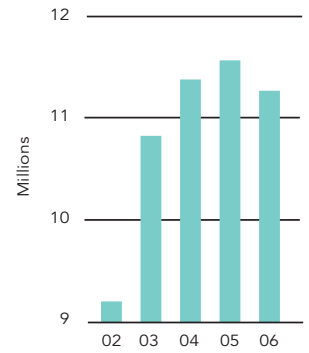
Though this report provides a snapshot of what has been accomplished across a broad spectrum of industry issues, I would like to direct your attention to one key issue: the growing imbalance between the demand for air traffic control (ATC) services and the ability of the Federal Aviation Administration (FAA) to supply those services. If we do not act quickly to transform our nation's ATC system to a satellite-based, information-centric, digital system, that imbalance will result in system gridlock within the next few years. Without action, the FAA says delays in 2014 could be 62 percent greater than 2004 levels – and that estimate may be low. This issue is covered in further detail in the Smart Skies insert on Page 15 and in the full-page graphics throughout the report, which clearly illustrate the problem and attainable solutions.

We need a 21st century air traffic control system that will safely, efficiently and equitably meet the growing needs of consumers. Beyond the needed transformation of technology and procedures, this also involves establishing a dynamic funding system to pay for the ATC services that everyone uses. ATA member airlines are asking for a system in which they and their customers pay fairly for the services and facilities they use, but they are also asking for an end to the subsidies that airlines and their customers are paying to support other ATC system users. For more information about this formula for success and to learn how you can lend your support, please visit www.smartskies.org.

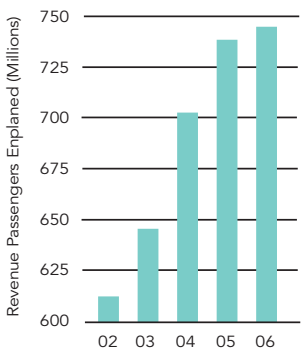
We look forward to working with Congress in our efforts to balance the aviation equation and to continue to provide safe, secure, affordable, reliable and environmentally friendly air transportation.

James C. May
President and Chief Executive Officer

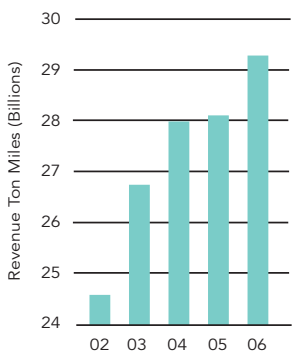
Aircraft Departures
Scheduled Service



Passenger Volumes
Scheduled Service



Cargo Volumes
Scheduled Service



Operational Highlights

U.S. Airlines – Scheduled Service (In millions, except as noted)

	2005	2006	Change (%)
Passengers Enplaned	738.6	**744.6**	0.8
Revenue Passenger Miles (RPMs)	779,014	**797,422**	2.4
Cargo Revenue Ton Miles (RTMs)	28,036	**29,283**	4.4
Aircraft Departures (Thousands)	11,562	**11,268**	(2.5)
Aircraft Miles	7,887	**7,912**	0.3
Aircraft Hours (Thousands)	19,112	**19,067**	(0.2)
Available Seat Miles (ASMs)	1,003,336	**1,006,391**	0.3
Average Passenger Load Factor (%)	77.6	**79.2**	1.6 pts.
Average On-Flight Trip Length (Miles)	1,055	**1,071**	1.5
Average Flight Stage Length (Miles)	682	**702**	2.9

Financial Highlights

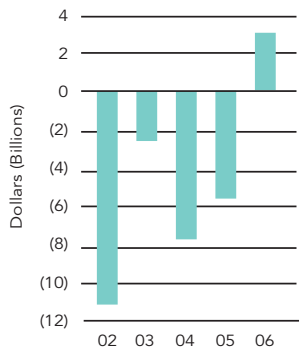
U.S. Airlines (In millions, except as noted)

	2005	2006	Change (%)
Operating Revenues	$151,255	**$163,824**	8.3
Passenger[1]	93,500	**101,208**	8.2
Cargo[1]	20,704	**22,544**	8.9
Charter	6,074	**5,562**	(8.4)
Other	30,976	**34,510**	11.4
Operating Expenses	150,828	**156,279**	3.6
Operating Profit (Loss)	427	**7,545**	1,668.1
Net Profit (Loss)[2]	($5,782)	**$3,045**	nm
Passenger Yield (¢/RPM)[1]	12.00	**12.69**	5.7
Passenger Unit Revenue (¢/ASM)[1]	9.32	**10.06**	7.9
Cargo Yield (¢/RTM)[1]	73.85	**76.99**	4.3
Operating Profit Margin (%)	0.3	**4.6**	4.3 pts.
Net Profit Margin (%)[2]	(3.8)	**1.9**	5.7 pts.

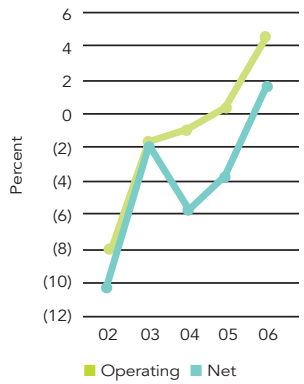
1 Scheduled service only.
2 Excludes bankruptcy-related charges (reorganization expenses and fresh-start accounting gains).
nm = not meaningful

Real Fares
Adjusted for Inflation

Net Profit (Loss)



Profit Margins



Eleven-Year Summary

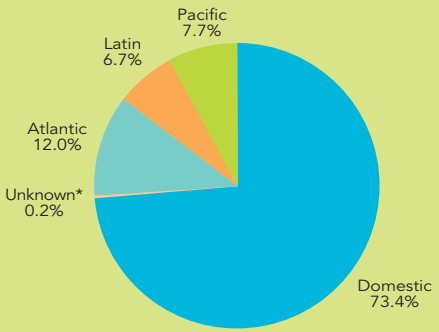
U.S. Airlines

	1996	1997	1998	1999	2000	2001[3]	2002[3]	2003[4]	2004	2005	2006
Traffic and Capacity[1]											
Passengers Enplaned (Millions)	581.2	594.7	612.9	636.0	666.2	622.1	612.9	646.3	702.9	738.6	**744.6**
Revenue Passenger Miles (Millions)	578,663	603,419	618,087	652,047	692,757	651,700	641,102	656,909	733,680	779,014	**797,422**
Cargo Revenue Ton Miles (Millions)	17,755	20,514	20,496	21,613	23,888	22,004	24,591	26,735	27,978	28,036	**29,283**
Aircraft Departures (Thousands)	8,230	8,127	8,292	8,627	9,035	8,788	9,187	10,839	11,401	11,562	**11,268**
Aircraft Miles (Millions)	5,501	5,659	5,838	6,168	6,574	6,514	6,556	7,070	7,647	7,887	**7,912**
Aircraft Hours (Thousands)	13,590	13,982	14,370	15,077	15,680	15,416	15,561	17,208	18,335	19,112	**19,067**
Available Seat Miles (Millions)	835,071	857,232	874,089	918,419	956,950	930,511	892,554	893,824	971,466	1,003,336	**1,006,391**
Operating Statistics[1]											
Average Passenger Load Factor (%)	69.3	70.4	70.7	71.0	72.4	70.0	71.8	73.5	75.5	77.6	**79.2**
Average On-Flight Trip Length (Miles)	996	1,015	1,008	1,025	1,040	1,048	1,046	1,016	1,044	1,055	**1,071**
Average Flight Stage Length (Miles)	668	696	704	715	728	741	714	652	671	682	**702**
Income Statement (Millions)											
Operating Revenues	$102,444	$109,917	$113,810	$119,455	$130,839	$115,526	$106,985	$117,920	$134,462	$151,255	**$163,824**
Passenger[1]	75,515	79,540	81,052	84,383	93,622	80,947	73,577	77,379	85,646	93,500	**101,208**
Cargo[1]	10,958	11,839	12,405	13,154	14,456	13,129	13,525	15,003	17,441	20,704	**22,544**
Charter	3,675	3,748	4,059	4,284	4,913	4,449	4,225	5,589	5,679	6,074	**5,562**
Other	12,296	14,790	16,294	17,634	17,848	17,000	15,659	19,948	25,696	30,976	**34,510**
Operating Expenses	96,300	101,375	104,528	111,119	123,840	125,852	115,552	120,028	135,953	150,828	**156,279**
Operating Profit (Loss)	6,143	8,542	9,283	8,337	6,999	(10,326)	(8,566)	(2,108)	(1,491)	427	**7,545**
Interest Income (Expense)	(1,989)	(1,738)	(1,753)	(1,833)	(2,193)	(2,506)	(3,263)	(3,442)	(3,715)	(4,209)	**(4,147)**
Other Income (Expense)[2]	(1,427)	(1,686)	(2,682)	(1,226)	(2,320)	4,557	821	3,179	(2,437)	(1,999)	**(352)**
Net Profit (Loss)[2]	2,727	5,119	4,847	5,277	2,486	(8,275)	(11,008)	(2,371)	(7,643)	(5,782)	**3,045**
Financial Ratios											
Passenger Yield (¢/RPM)[1]	13.05	13.18	13.11	12.94	13.51	12.42	11.48	11.78	11.67	12.00	**12.69**
Passenger Unit Revenue (¢/ASM)[1]	9.04	9.28	9.27	9.19	9.78	8.70	8.24	8.66	8.82	9.32	**10.06**
Cargo Yield (¢/RTM)[1]	61.72	57.71	60.52	60.86	60.52	59.67	55.00	56.12	62.34	73.85	**76.99**
Operating Profit Margin (%)	6.0	7.8	8.2	7.0	5.3	(8.9)	(8.0)	(1.8)	(1.1)	0.3	**4.6**
Net Profit Margin (%)[2]	2.7	4.7	4.3	4.4	1.9	(7.2)	(10.3)	(2.0)	(5.7)	(3.8)	**1.9**
Employment											
Average Full-Time Equivalents (FTEs)	564,425	586,509	621,064	646,410	679,967	671,969	601,355	569,778	569,498	562,467	**544,540**
Safety [1,5]											
Accidents – Total	31	43	42	40	49	41	35	51	24	34	**25**
Accidents – Fatal	3	3	1	2	2	6	0	2	1	3	**2**
Fatal Accident Rate	0.038	0.030	0.009	0.018	0.018	0.019	0.000	0.020	0.009	0.027	**0.018**
Fatalities	342	3	1	12	89	531	0	22	13	22	**50**

1 Scheduled service only.
2 Excludes bankruptcy-related charges (reorganization expenses and fresh-start accounting gains).
3 Financial results include cash compensation remitted to air carriers under the Air Transportation Safety and System Stabilization Act (P.L. 107-42).
4 Financial results include security cost reimbursements remitted to carriers under P.L. 108-11.
5 Data from the National Transportation Safety Board reflecting scheduled operations under 14 CFR 121; fatal accident rate per 100,000 departures, excluding incidents resulting from illegal acts.

Passenger Traffic by Region

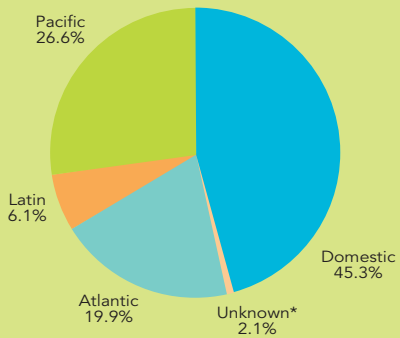
Revenue Passenger Miles – Scheduled Service



* International traffic not assigned to a specific region

Cargo Traffic by Region

Revenue Ton Miles – Scheduled Service



* International traffic not assigned to a specific region

Results by Region – 2006

U.S. Airlines (In millions, except as noted)

	Domestic	Atlantic	Latin	Pacific	International[1]	System
Scheduled Service						
Passengers Enplaned	671.7	22.8	34.6	13.9	72.8	**744.6**
Revenue Passenger Miles	585,392	95,720	53,277	61,309	212,030	**797,422**
Revenue Ton Miles – Passenger	58,539	9,572	5,328	6,131	21,203	**79,742**
Revenue Ton Miles – Cargo	13,274	5,836	1,772	7,794	16,008	**29,283**
Revenue Ton Miles – Total	71,814	15,408	7,100	13,925	37,211	**109,025**
Passenger Revenue	$76,074	$11,198	$7,175	$6,686	$25,134	**$101,208**
Cargo Revenue	$11,126	$3,541	$1,283	$5,602	$11,419	**$22,544**
Aircraft Departures (Thousands)	10,569	166	381	118	699	**11,268**
Aircraft Miles	6,490	568	462	362	1,422	**7,912**
Aircraft Hours (Thousands)	16,149	1,121	1,026	704	2,918	**19,067**
Available Seat Miles	740,953	118,404	70,783	73,964	265,437	**1,006,391**
Passenger Load Factor (%)[2]	79.0	80.8	75.3	82.9	79.9	**79.2**
On-Flight Trip Length (Miles)[2]	871	4,190	1,539	4,411	2,911	**1,071**
Flight Stage Length (Miles)[2]	614	3,414	1,214	3,073	2,035	**702**
Passenger Yield (¢/RPM)[2]	13.00	11.70	13.47	10.90	11.85	**12.69**
Passenger Unit Revenue (¢/ASM)[2]	10.27	9.46	10.14	9.04	9.47	**10.06**
Cargo Yield (¢/RTM)[2]	83.81	60.67	72.38	71.87	71.33	**76.99**
Nonscheduled Service						
Passengers Enplaned	3.5	0.2	0.5	0.0	2.6	**6.1**
Revenue Ton Miles – Passenger	524	175	114	2	744	**1,268**
Revenue Ton Miles – Other	2,585	242	221	1,855	7,801	**10,387**
Revenue Ton Miles – Total	3,109	416	335	1,857	8,545	**11,655**
Aircraft Departures (Thousands)	197	9	12	11	83	**280**
Charter Revenue	$3,829	$467	$75	$82	$1,733	**$5,562**
All Services						
Revenue Ton Miles – Passenger	59,063	9,747	5,442	6,133	21,947	**81,010**
Revenue Ton Miles – Other	15,860	6,078	1,993	9,650	23,810	**39,669**
Revenue Ton Miles – Total	74,923	15,825	7,435	15,782	45,757	**120,680**
Available Ton Miles – Total	124,489	25,892	12,623	25,746	74,684	**199,174**
Aircraft Departures (Thousands)	10,766	175	392	129	782	**11,548**
Operating Revenues – Total	$119,967	$17,659	$10,122	$13,569	$43,857	**$163,824**
Weight Load Factor – Total (%)[2]	60.2	61.1	58.9	61.3	61.3	**60.6**

1 Includes some non-domestic service not reflected in the Atlantic, Latin or Pacific entities due to varying Department of Transportation (DOT) reporting requirements.
2 Average.

Note: For reporting related to the conduct of scheduled service by passenger and cargo airlines, the DOT established, in 14 CFR 241, four separate air-carrier entities:
- Domestic – all operations within and between the 50 U.S. states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands, and Canadian trans-border operations
- Atlantic – all operations via the Atlantic Ocean (excluding Bermuda)
- Latin – all operations within, to or from Latin American areas, including the non-U.S. Caribbean (including Bermuda and the Guianas), Mexico and South/Central America
- Pacific – all operations via the Pacific Ocean, including the North/Central Pacific, South Pacific (including Australia) and the Trust Territories.

After five consecutive years of net losses, totaling $35.1 billion, U.S. passenger and cargo airlines recorded their first profitable year of the millennium in 2006. The industry posted net income of $3.0 billion on $163.8 billion in revenues, yielding a profit margin of 1.9 percent. This turnaround reflects years of comprehensive restructuring in the face of soaring fuel prices, a growing tax and security-cost burden and a decline in spending on air travel relative to the nation's economy. Notably, airlines continued their already impressive record of safety and achieved further gains in fuel efficiency.

Safety

According to National Safety Council data, airlines are consistently the safest mode of intercity travel. In 2006, the National Transportation Safety Board (NTSB) recorded 0.018 fatal airline accidents per 100,000 departures. Together with the Federal Aviation Administration (FAA), the NTSB, and the International Civil Aviation Organization (ICAO), airlines are moving rapidly to adopt integrated Safety Management Systems (SMS) featuring data-driven safety risk-assessment and management programs to maximize the safety of passengers and crew members. Participation in the Commercial Aviation Safety Team (CAST), a unique organization comprising airlines, manufacturers, labor associations and regulators, will ensure that targeted voluntary safety enhancements, based on data sharing, trend analysis, hazard identification and emerging technologies, are continually developed and implemented.

Environment

Contrary to many forecasts, the price of jet fuel rose again in 2006. In response, the airline industry intensified its efforts to increase fuel efficiency – the most effective means of reducing emissions. In addition to retiring less fuel-efficient aircraft, many U.S. airlines retrofitted remaining aircraft with winglets, which improve aerodynamics; employed more efficient operational procedures where possible; and reduced aircraft weight. In addition, the carriers are aggressively pursuing the modernization of the U.S. air traffic control system to enable more efficient aircraft routings. Remarkably, they were able to carry 12 percent more passengers and 23 percent more cargo despite using 3.5 percent fewer gallons of jet fuel than in 2000. As the industry continues to invest in quieter and cleaner jets and as engine and airframe technologies evolve, per-operation noise and air quality impacts will continue to improve. In addition to exploring the development of alternative fuels, ATA member airlines are also engaged with ICAO in working on measures to further address aviation noise and emissions.

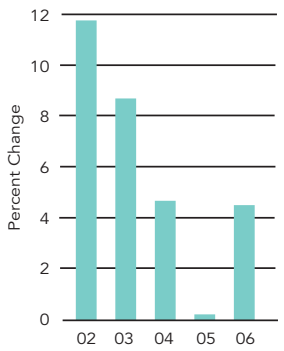
E-Business

Since the late 1950s, ATA has led a global collaborative program to establish standards for improving business processes and information exchange between airlines and their suppliers in support of engineering, maintenance, materiel management and flight operations. The mission of the program is to establish an information framework that facilitates improved business agility, reduces costs, increases the speed of business and maintains the highest level of safety. These international standards have evolved to meet the changing needs of the industry

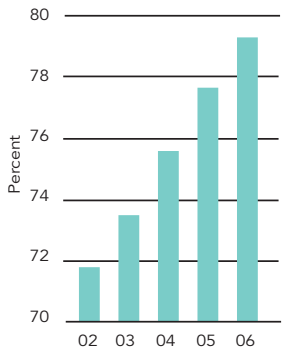
and to embrace the latest technological advances in information exchange.

In 2006, more than 1,300 representatives from 130 companies registered to participate in this collaborative effort. As a result of this standardization, airlines and suppliers have seen dramatic improvements in data efficiency, security and consistency, and have experienced a significant reduction in the time and costs required for delivery and retrieval of operationally critical information. Member companies include airlines, aerospace manufacturers, distributors, suppliers, repair agencies, software providers and consultants.

Cargo Traffic Growth
Revenue Ton Miles – Scheduled Service



Passenger Load Factor
Scheduled Service



Fleet

According to the FAA, the U.S. airline fleet included 7,626 aircraft at the end of 2006, comprising 6,629 (3,886 mainline and 2,743 regional) passenger aircraft and 997 cargo jets. ATA members operated 4,339 passenger and cargo jets, spanning 21 aircraft types produced by three manufacturers. The Boeing 737 and Boeing 757 were the most prevalent, followed by the MD-80 and the Airbus A320.

Operations

U.S. airlines posted record passenger and cargo traffic in 2006. Some 744.6 million passengers took to the skies on U.S. airlines, a 0.8 percent increase over 2005. Domestic and international enplanements grew 0.2 percent and 6.8 percent, respectively. Passenger traffic, as measured in systemwide revenue passenger miles (RPMs), grew 2.4 percent. Domestic RPMs increased 1.0 percent, well below the prior year's growth rate of 5.0 percent. International traffic increased an impressive 6.4 percent, but trailed the 2005 growth rate of 9.7 percent. Traffic growth was particularly strong in the Latin marketplace, where RPMs rose 10.6 percent. In 2006, systemwide available seat miles (ASMs) rose only 0.3 percent – the slowest pace since 2002. Domestic ASMs actually fell 1.5 percent. In contrast, international ASMs rose 5.8 percent as many carriers continued to reorient their networks toward more lucrative overseas markets.

With RPMs growing nearly eight times as fast as ASMs, industry capacity utilization gained another 1.6 points, reaching a modern record of 79.2 percent. The average domestic load factor rose 2.0 points to 79.0 percent; the average international load factor rose 0.4 points to 79.9 percent. It is interesting to note that, domestically, the industry filled a substantially greater

Passenger Yield

U.S. Airlines

		1978[1]	2005	2006	2006 vs. 1978 (%)	2006 vs. 2005 (%)
Current Yield	Domestic	8.49	12.29	**13.00**	53.1	**5.7**
	International	7.49	11.16	**11.85**	58.3	**6.2**
	Total	8.29	12.00	**12.69**	53.1	**5.7**
	U.S. CPI	65.2	195.3	**201.6**	209.2	**3.2**
Constant Yield (2006 Cents)	Domestic	26.25	12.69	**13.00**	(50.5)	**2.4**
	International	23.16	11.53	**11.85**	(48.8)	**2.9**
	Total	25.63	12.39	**12.69**	(50.5)	**2.4**

1 Congress enacted legislation deregulating domestic airline passenger service in October 1978.

Note: Yield is measured in cents paid by an airline passenger, excluding taxes, to fly one mile.
Source: Air Transport Association and U.S. Bureau of Labor Statistics

share of its seats than it did just five years earlier, only to achieve the most modest of profit margins.

As the largest air-travel market in the United States, the New York metropolitan area appeared in each of the top 11 domestic city pairs in origin-destination (local) passengers, led by New York-Fort Lauderdale (averaging 5,182 passengers per day, each way). Honolulu appeared in five of the top 40 domestic city pairs, four of which were inter-island in nature.

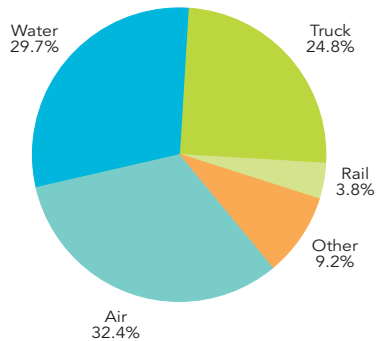
Atlanta (ATL) ranked number one in annual arriving and departing passengers (84.8 million) and aircraft takeoffs and landings (976,000). Chicago O'Hare (ORD) ranked second in both categories, with 77.0 million passengers and 959,000 aircraft movements. Memphis (MEM) remained the busiest air cargo facility, processing 3.7 million metric tons of freight and mail, followed by Anchorage (ANC), Louisville (SDF), Los Angeles (LAX) and Miami (MIA).

Air cargo traffic increased 4.4 percent in 2006, as a 1.6 percent drop in domestic scheduled revenue ton miles (RTMs) offset 1.9 percent growth in international markets. Notably, the aviation sector transported 32.4 percent of U.S. export value, again surpassing maritime, trucking, rail and pipeline.

Looking forward, the FAA projects that U.S. airlines will carry more than one billion passengers in scheduled service in 2015, with enplanements expected to increase 3.5 percent annually between

Passenger Traffic and Capacity Growth
Scheduled Service

U.S. Export Value by Transport Mode – 2006



Source: U.S Bureau of Transportation Statistics

fiscal year 2006 and fiscal year 2020. The aviation community – indeed the country – must prepare for this growth by investing in the Next Generation Air Transportation System (NextGen), the successor to today's antiquated air traffic control system. To put the urgency of this need in perspective, the Department of Transportation (DOT) estimates that delays are costing airline customers $10 billion annually. Meanwhile, at a rate of $66 per aircraft operating minute, ATA estimates that the 116.5 million delay minutes experienced by U.S. airlines in 2006 cost the industry $7.7 billion.

Revenues

Industry operating revenues rose 8.3 percent to $163.8 billion, on the heels of solid growth in passenger, cargo and ancillary revenues, and against a backdrop of 3.3 percent growth in real U.S. gross domestic product (GDP). Passenger revenue rose 8.2 percent as traffic growth was accompanied by a 5.7 percent gain in systemwide yield, which constituted the largest jump in yield since 1988. Domestic yield rose 5.7 percent, its biggest leap since 1993, and international yield chalked up a fourth consecutive year of growth, at 6.2 percent, its largest gain since 1988.

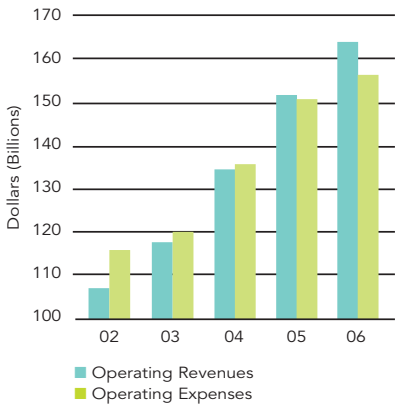
These advances in pricing strength played an unmistakable role in repairing industry finances after years of soft demand. In turn, passenger revenue inched up to 0.75 percent of U.S. GDP, a modest bump from 2005, but still well below the pre-9/11 average of 0.95 percent. That gap, applied to the nation's 2006 GDP, translated to $26.5 billion in "missing" passenger revenue for U.S. airlines.

Meanwhile, the price paid by U.S. consumers for a market basket of goods and services – measured by the consumer price index (CPI) – rose 3.2 percent, meaning that inflation-adjusted (real) airfares, measured by passenger yield, rose 2.4 percent domestically and 2.9 percent internationally. The domestic increase in real yield was the first since 2000.

Air travelers continue to benefit from the intense competition unleashed by the economic deregulation of domestic airline service in 1978. Since then, adjusted for inflation, domestic airfares have fallen 50.5 percent, helping drive the long-term growth of air travel. Since the dawn of the jet age, real airfares have declined due in part to technological advances and efficiency gains across the aviation sector. In 1978, the rate of decline accelerated with deregulation. After falling 2.1 percent per year from 1970 to 1978, real domestic airfares dropped 2.5 percent per year from 1978 to 2006. To put this trend into perspective, domestic airfares have grown just 53 percent in unadjusted terms since 1978, while the price of milk has risen 124 percent, new vehicles 340 percent, single-family homes 343 percent and public college tuition 748 percent.

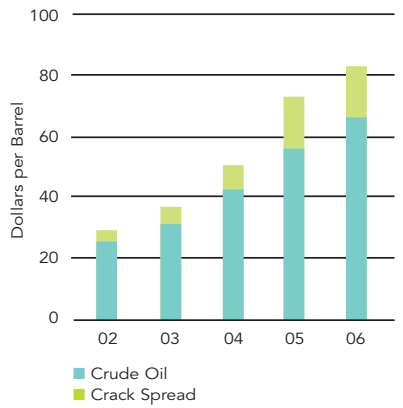
Cargo revenue rose 8.9 percent to $22.5 billion on 9.0 percent greater domestic sales and 8.8 percent more international business. Charter revenue, which constituted 3.4 percent of total industry sales, fell 8.4 percent. Transport-related revenues rose 11.5 percent to $32.1 billion as regional carriers performed more flying on behalf of their mainline partners. Other revenue rose 9.9 percent to $2.4 billion.

Operating Revenues and Expenses



Fuel Prices

U.S. Marketplace for Jet



Expenses

Industry operating expenses increased 3.6 percent to $156.3 billion. Flying operations expenses climbed 7.6 percent to $59.2 billion. Fuel drove the lion's share of this category. Crude oil prices averaged $66.02 per barrel in 2006, up $9.54 from 2005, and the average jet fuel crack spread – the additional amount charged for refining – rose from $15.84 to $16.64. Consequently, even after factoring in the airlines' fuel hedging programs, the average price paid for jet fuel surged 18 percent, from $1.66 per gallon in 2005 to $1.97 per gallon in 2006. To combat this price spike, passenger airlines increased fuel efficiency 6.5 percent to 48.9 passenger miles per gallon.

Transport-related expenses, principally payments from mainline carriers to their regional airline partners, rose to $26.5 billion. Demand for regional airline capacity remained strong as mainline carriers continued to align capacity more closely with demand. Thanks in part to widespread deployment of automation and increasing customer acceptance of self-service options, passenger service costs fell 6.9 percent while promotion and sales expenses declined 3.0 percent.

U.S. passenger airlines reported a 0.9 percent increase in salaries and wages that, combined with a 2.1 percent increase in benefits and pension expenses, drove average labor costs

per full-time equivalent (FTE) employee up 1.1 percent to $73,197. Salaries and wages composed 72 percent of total compensation. The higher cost of employment was partially offset by a 4.1 percent jump in labor productivity.

Earnings

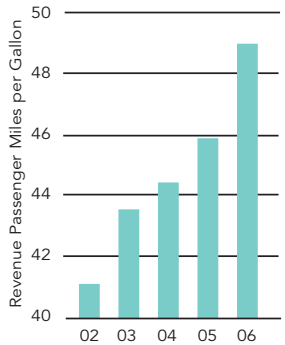
Since 2000, airline profit margins have been negative. However, in 2006, U.S. airlines generated an operating margin of 4.6 percent on operating profits of $7.5 billion. After factoring in $4.1 billion in interest expenses, $653 million in income taxes and $301 million in miscellaneous non-operating income, the industry posted net earnings of $3.0 billion and a net profit margin of only 1.9 percent. While this is well below the average for U.S. corporations, it is encouraging.

Impressively, passenger airlines utilized nearly four-fifths of seating capacity in 2006. Equally important, rising passenger yield and aggressive cost control drove the average break-even load factor down four points to 79 percent. While notable, that threshold remains untenably high, allowing for only the slimmest of profit margins.

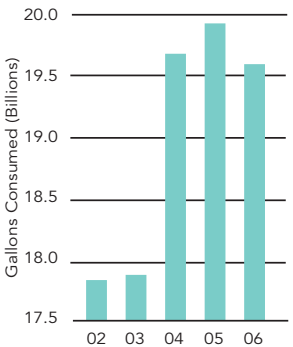
Capital Structure

By the end of 2006, the net value of airline investments in aircraft, facilities and equipment had reached $96.3 billion out of assets totaling $177.8 billion. Though current liabilities and long-term debt remained unchanged at $95.1 billion, other noncurrent liabilities plunged $16.5 billion to $56.6 billion.

Fuel Efficiency
Passenger Operations



Fuel Consumption
All Services



Net stockholders' equity swung back into the black, due to a combination of net income, new stock issuance and restructuring through bankruptcy as some carriers were able to write off a portion of retained losses.

Unfortunately, the industry's year-end balance sheet included retained losses of $11.0 billion. Consequently, the industry remains highly leveraged, especially after factoring in the airlines' sizable off-balance-sheet debt associated with aircraft operating leases.

Even though the industry is recovering, it will take years to reduce its debt load to an acceptable level. Notably, of the 10 U.S. passenger airlines rated by Standard & Poor's, only one is considered "investment grade." In the airfreight arena, two U.S. airlines carry investment-grade credit, helping them borrow money at reasonable interest rates. In contrast, 74 of the 76 U.S. airport authorities rated by Standard & Poor's enjoy investment-grade credit.

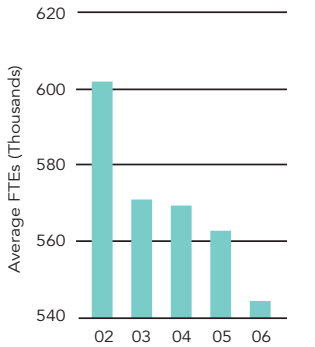
Jobs

After growing consistently from 1994 through 2000, airline employment fell for the sixth consecutive year. The 3.2 percent decline resulted in a workforce that averaged 135,000 FTEs below the 2000 peak. Though flight attendants experienced an estimated 9.6 percent employment gain, pilots, mechanics, aircraft and traffic service personnel, and office employees all experienced declines.

Outlook

While 2006 performance was unquestionably a step in the right direction, it is worth noting that the deregulated (post-1978) U.S. airline industry has never matched the profitability of even the average U.S. corporation. While conditions have improved and the overall financial outlook is guardedly optimistic, debt levels remain high, leaving the airlines vulnerable to fuel spikes, recession or exogenous shocks (e.g., terrorism, pandemics, natural disasters), let alone ill-advised public policies or increasingly onerous tax regimes. The challenge is to achieve meaningful and sustainable profits, and to improve credit ratings to the point where airlines can weather normal economic turbulence while simultaneously investing in the future and in the service that customers expect.

Employees
Passenger and Cargo Airlines



Employment Cost
Passenger Airlines

Employment

U.S. Airlines – Average Full-Time Equivalents (FTEs)

	2005	2006	Change (%)
Pilots and Copilots	74,478	**69,181**	(7.1)
Other Flight Personnel	5,440	**4,824**	(11.3)
Flight Attendants	70,173	**76,919**	9.6
Mechanics	51,469	**47,335**	(8.0)
Aircraft and Traffic Service Personnel	288,542	**275,523**	(4.5)
Office Employees	36,537	**34,876**	(4.5)
All Other	35,827	**35,882**	0.2
Total Employment	562,467	**544,540**	(3.2)
Average Compensation[1]			
Salaries and Wages	$52,374	**$52,830**	0.9
Benefits and Pensions	15,931	**16,268**	2.1
Payroll Taxes	4,126	**4,100**	(0.6)
Total Compensation	$72,431	**$73,197**	1.1

1 Passenger airlines only.

To enhance the travel experience, renew fleets, refurbish facilities, expand customer-interface tools, retain talented employees and promote economic stability – in other words, to invest in the future – the industry must reestablish its financial health. This means not just a quarter or two – or even a year or two – but many years of profitability. We are talking about achieving a normal rate of return – at least covering the industry's cost of capital.

Airlines, which help drive 8.8 percent of the nation's employment, are working hard to achieve some sort of financial normalcy, a reasonable goal whose realization would benefit the U.S. economy. Central to this effort will be the transformation of the National Airspace System (NAS).

In just a few years, we will look back on 2007 as a watershed year for aviation. For now, the jury is out as to whether that look back will be one with positive or negative implications. The reason: air traffic control (ATC) system gridlock is coming – we see it and the Federal Aviation Administration (FAA) is warning of it, with delays predicted to increase an overwhelming 62 percent over just the next seven years. Unfortunately, our nation's response remains uncertain – and, so far, tenuous – with some not recognizing the severity of the problem and others seeking to avoid even modest investments, proportionate to their use of the system, despite the threat of economically paralyzing delays.

Congressional action in the months ahead on the reauthorization of Airport and Airway Trust Fund taxes, along with the future direction taken by the FAA, will determine the answer. The Air Transport Association (ATA), acting on behalf of its member airlines and their passengers and shippers, is urging strong, visionary leadership – leadership that will result in a safer, more efficient, economically vibrant and environmentally friendly aviation system. That is why our Smart Skies campaign is so very important.

What is Smart Skies? It is the airline industry's call for the rapid transition to a satellite/global positioning system-based, information-centric, digitally enabled air traffic management system to replace our increasingly constrained World War II-era ATC technology. With this new "smart" system, aircraft will be able to fly optimal routes, cutting unnecessary time and emissions.

Perhaps most importantly, we will be far better able to deal with the number-one cause of delays: adverse weather conditions. Such a system will enable us to reduce wasted time and resources, and to get ahead of gridlock as the number of daily operations increase – benefiting all aviation system users and our nation's economy.

Smart Skies is also about "smart" funding. We support a new funding model that establishes a permanent relationship between the demand for air traffic services and the revenues available to meet system costs. We are urging Congress to "balance the equation," so that all aircraft operating in controlled airspace would provide an appropriate, fair share of system funding. This contrasts with today's out-of-date funding model, which relies on grossly disproportionate taxes imposed on airline passengers – while subsidizing business jets.

In the end, Smart Skies is about investing prudently and fairly in our future. It is about accelerating the deployment of 21st century ATC technology and procedures to meet 21st century aviation system requirements, and revamping the system funding model so that all users contribute fairly to its support. It is about making the wise choices necessary to continue our nation's historic leadership of aviation excellence.

We support a new funding model that establishes a permanent relationship between the demand for air traffic services and the revenues available to meet system costs.

smart skies

Keeping Pace in a Changing World

Connecting Your World

protecting our planet

In 2006, ATA members continued to improve their environmental performance, transporting more passengers and freight farther with fewer emissions and less noise. Arguably, no industry has done or is doing more to reduce air emissions. The most effective means of reducing air emissions has been, and will remain, improving fuel efficiency. Here airlines' economic and environmental imperatives align. With the inexorable rise in fuel prices, fuel has become the airlines' largest cost center. Making the right investments to enhance fuel efficiency brings dual rewards in both reduced emissions and improved financial performance – a true win-win result.

Airlines' success in meeting this dual challenge is unparalleled. Using means as diverse as acquiring new engines and airframes, installing winglets, introducing software to improve aircraft routings and reducing onboard aircraft weight, U.S. passenger and cargo airlines improved fuel efficiency 22 percent from 2000 to 2006. In turn, airlines in 2006 used 719 million fewer gallons of fuel than in 2000, thus emitting 15 billion fewer pounds of carbon dioxide – even though they transported 12 percent more passengers and 23 percent more cargo. Importantly, these achievements also translate into reductions of emissions of most concern to localities.

The most effective means of reducing air emissions has been, and will remain, improving fuel efficiency.

Airlines continue to implement noise abatement procedures consistent with safe and efficient operation of aircraft. Advances in navigation technology are particularly promising. Carriers are and have been installing equipment to take advantage of Area Navigation (RNAV) and Required Navigation Performance (RNP) procedures, which allow aircraft to fly optimal altitudes and more precise routes, valuable tools in managing noise and reducing flight times. These measures also will enable significant reductions in air emissions, because they will result in less fuel consumption. In short, relentlessly reducing emissions and noise is a fundamental principle of the airlines' business model. Over the last 35 years, U.S. passenger airlines have improved fuel efficiency by 225 percent. Since 1975, according to the FAA, the number of people in the United States affected by aircraft noise has diminished by 94 percent.

At the same time, policymakers need to do their part. Modernization of the air traffic control (ATC) system promises to improve the efficiency of aircraft routing and thereby curb aviation-related greenhouse gas emissions by an average of 10 percent to 15 percent. The government also must fund aeronautic research and development, giving airlines necessary tools to leverage emission and noise reduction practices and to maximize future improvements. Among those improvements that we strongly support is the pursuit of alternatives to traditional petroleum-based jet fuel. The unrelenting rise in jet fuel prices and the unstable worldwide fuel supply necessitate such a concerted effort.

ATA continues to collaborate with industry, agency and government partners to address environmental issues by:

- Playing key roles on the Committee on Aviation Environmental Protection (CAEP) of the International Civil Aviation Organization (ICAO) – the United Nations organization responsible for environmental measures affecting international aviation
- Serving on the Advisory Board for the Partnership for Air Transportation Noise and Emissions Reduction (PARTNER), a research center sponsored by the FAA, NASA and Transport Canada
- Representing its members on the FAA Joint Planning and Development Office (JPDO) Environmental Working Group (EWG), which works to maximize environmental benefits from the planned ATC modernization
- Supporting efforts to evaluate and encourage development of alternative fuels for aviation as a member of the steering committee of the Commercial Aviation Alternative Fuels Initiative (CAAFI)
- Helping oversee ongoing studies of environmental impacts of aviation that are funded through the Airport Cooperative Research Program (ACRP) and administered through the federal government's Transportation Research Board (TRB)

Aviation will continue to drive economic growth at home and abroad. As ATA and its members work hard to connect you to your world, we are working just as hard to protect our planet.

Continuous safety
a formula for success

The disciplined, analytical approach taken by CAST has yielded results that are both meaningful and unquestionable, and has been adopted by others around the world.

How safe is safe enough? The answer for the airline industry seems simple – there is no such thing as safe enough. However, as with most aspects of commercial aviation, much work lies behind that simple answer.

Commercial air travel is incredibly safe and getting safer every day. Investments, not only in cutting-edge technologies like advanced navigation and propulsion systems, but also, more importantly, in people have yielded dramatic safety benefits. Creating and maintaining a culture of safety has been arguably the single biggest contributor to the industry's remarkable safety record. The culture is intolerant of risk and demands that the effect of every decision and every action be considered in the context of safety.

Several decades ago, aviation safety in many ways seemed simpler, although not as encouraging. While accidents were rare, they still occurred too regularly, while aviation safety experts worked tirelessly to understand why accidents occurred and how to prevent them from recurring – and they did it well. Enhancing safety is more difficult today; that, ironically, is a very good development. Accidents in the U.S. airline industry have become rare and random events. The industry has evolved from the old "fix and fly" approach to one that looks ahead to prevent accidents. This is a profound change in how safety is pursued and reflects the extraordinary improvements in safety that have occurred in our industry.

Today, aviation safety experts deal in terms of risk – working to predict future threats to safety and taking preemptive action to eliminate them. In an environment where the accident rate continues to decline, this means that we and our counterparts in labor, among aircraft manufacturers and in the government, scrutinize data, closely analyze trends and collaboratively identify areas where action needs to be taken. A preeminent example of this sophisticated strategy has been implemented in the United States with remarkable success. The Commercial Aviation Safety Team, or CAST, as this joint industry-government effort is known, continues to lead the world in applying science to the risk-management process. The disciplined, analytical approach taken by CAST has yielded real results and has been adopted by others around the world. Airlines continue to invest significant resources in CAST as it works to leverage new, shared information sources to target emerging risks.

To place all of this in perspective, nearly 10 years ago the federal government challenged the U.S. airline industry to reduce its accident rate by 80 percent over the next decade. That was a daunting challenge; some knowledgeable observers questioned whether it could be accomplished. We, however, are about to achieve a reduction of that magnitude. That exceptional achievement is undeniable testimony to the commercial aviation community's dedication to safety.

The decision to operate an airline brings with it enormous responsibility – responsibility that ATA member airlines and each of their employees take very seriously. The result is a culture that demands the highest level of safety – an uncompromising commitment to customers and to each other – coupled with a system that seeks out and eliminates risks. It should come as no surprise that commercial aviation is, by far, the safest mode of transportation.

cargo security

The Achievable Balance

In striving to maintain the delicate balance between the timely movement of goods and an iron-clad cargo security program, we must remain mindful of the importance of preserving this vital segment of the transportation system.

The security of our passengers, employees, aircraft and cargo remains a top priority for our member airlines. Each day, U.S. airlines work to identify operational efficiencies to make passenger and cargo transport as effortless as possible while ensuring the highest level of security. In striving to maintain the delicate balance between the timely movement of goods and an iron-clad cargo security program, we must remain mindful of the importance of preserving this vital segment of the transportation system.

Many of the common conveniences to which we have grown accustomed – millions of overnight deliveries of time-sensitive goods and documents, perishables such as food and flowers, and critical components and products – could disappear if misplaced steps are taken to change the nature of the air cargo inspection regime. Imagine an emergency situation in which critical medical supplies did not arrive on time or an automotive production line that is idled due to a lack of available parts, because of redundant cargo-inspection requirements that do not enhance existing security measures nor consider the volume and time sensitivity of airfreight. These are very real concerns that must be carefully evaluated – the U.S. and global economies depend on robust, efficient cargo transport.

Recognition must be given to the significant cargo security enhancements implemented in recent years. Necessarily, many aspects of cargo security cannot be disclosed without jeopardizing the integrity of the system. Currently, a multi-layered, effective program is in place to evaluate whether each shipment should be transported. Additionally, all shipments are subject to random screening and many are screened via multiple techniques and technologies.

Although ATA member airlines have worked for years with the government to evaluate today's screening methods, no technology to effectively and efficiently screen air cargo has been certified by the government. Extensive testing in the operational environment has demonstrated that the lowest-tech solution is actually the most effective: Canines have proven to be an extraordinarily effective method of screening air cargo; they are nimble and, unlike current technology, can screen large amounts of cargo regardless of the size, weight, weather conditions, orientation or commodity type.

While recommending additional measures to bolster cargo security, the 9/11 Commission recognized that the U.S. government should "set risk-based priorities for defending" critical transportation assets. This type of analytical decision-making is critical when evaluating additional measures. Many, however, simply rush to judgment and do not consider existing comprehensive cargo security programs and limited industry and government resources when contemplating new cargo security policies. Any new requirements should add value and be soundly based on a risk-managed process that fully evaluates the current security layers while contemplating the benefits and costs.

Effective cargo security programs should provide the highest level of security while ensuring the smooth flow of commerce. Without maintaining this balance, we run the risk of harming an essential element of the nation's and the world's economy, and adversely impacting the global marketplace and our quality of life. With vigilance and deliberation, this is an achievable balance.

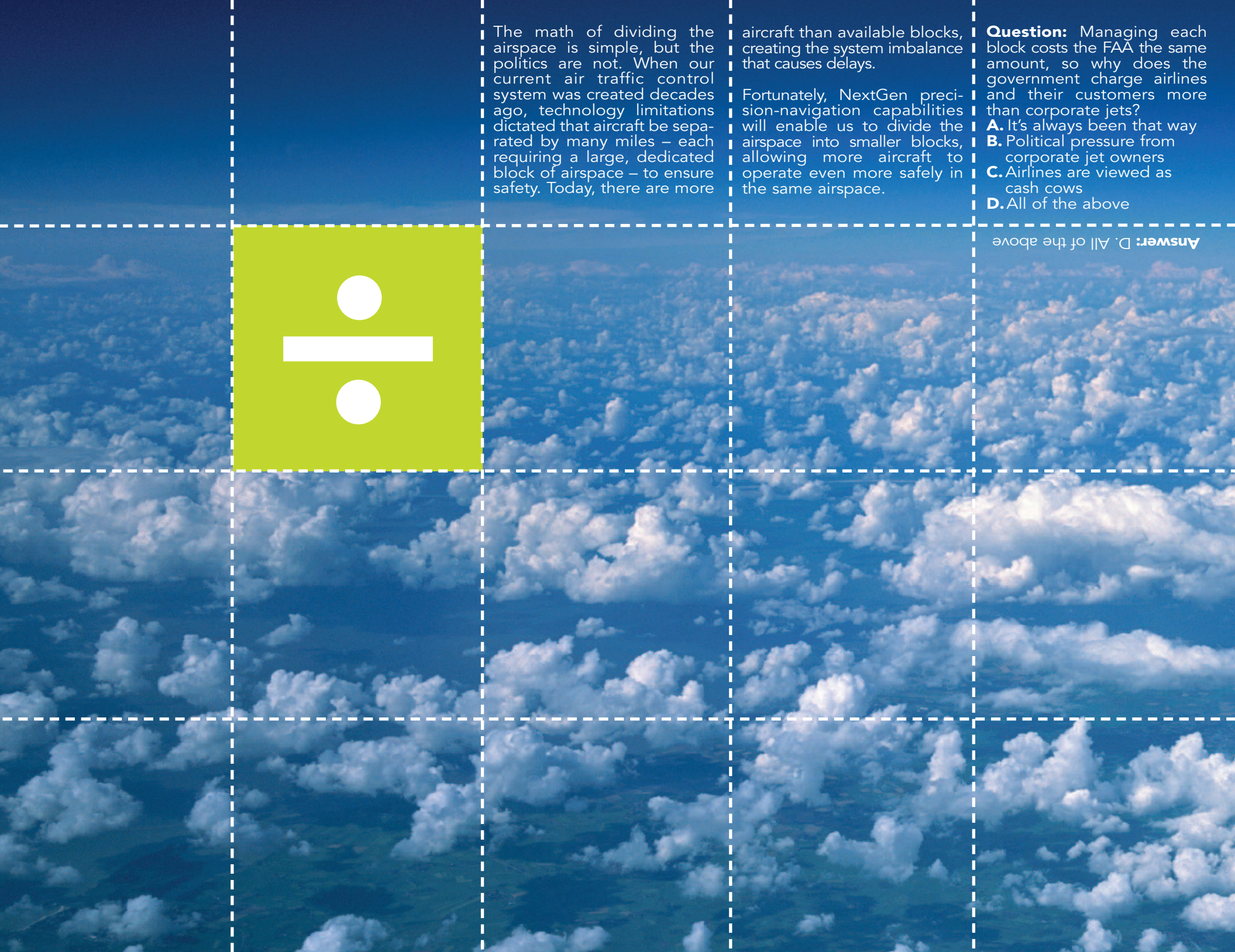
(Growth) - (Modernization) = x
Solve for x

Corporate Jet

Airline Jet

Answer: x=Gridlock

(Growth) - (Modernization) = Gridlock Our nation's air transport system – vital to our economy and our lifestyle – depends on an air traffic control network that safely and efficiently delivers passengers and products to their destinations. Unfortunately, our airspace, much like our busy highways, has become increasingly congested. Burgeoning growth and an obsolescent air traffic control system threaten the speed, dependability and efficiency necessary to meet the 21st century demands of travelers and shippers. Minus modernization, gridlock is inevitable. Reducing delays depends on a satellite-based air traffic control system and fair and reliable funding to support it.



The math of dividing the airspace is simple, but the politics are not. When our current air traffic control system was created decades ago, technology limitations dictated that aircraft be separated by many miles – each requiring a large, dedicated block of airspace – to ensure safety. Today, there are more aircraft than available blocks, creating the system imbalance that causes delays.

Fortunately, NextGen precision-navigation capabilities will enable us to divide the airspace into smaller blocks, allowing more aircraft to operate even more safely in the same airspace.

Question: Managing each block costs the FAA the same amount, so why does the government charge airlines and their customers more than corporate jets?

A. It's always been that way
B. Political pressure from corporate jet owners
C. Airlines are viewed as cash cows
D. All of the above

Answer: D. All of the above

Income Statement

U.S. Airlines (In millions, except as noted)

	2005	2006	Change (%)	Share (%)
Operating Revenues				
Passenger	$93,500	**$101,208**	8.2	**61.8**
Cargo	20,704	**22,544**	8.9	**13.8**
Charter (Passenger and Property)	6,074	**5,562**	(8.4)	**3.4**
Transport Related	28,765	**32,080**	11.5	**19.6**
Other	2,211	**2,430**	9.9	**1.5**
Total Operating Revenues	151,255	**163,824**	8.3	**100.0**
Operating Expenses				
Flying Operations	54,977	**59,179**	7.6	**37.9**
Maintenance	15,460	**15,669**	1.4	**10.0**
Passenger Service	9,323	**8,679**	(6.9)	**5.6**
Aircraft and Traffic Servicing	21,284	**21,151**	(0.6)	**13.5**
Promotion and Sales	8,649	**8,391**	(3.0)	**5.4**
General and Administrative	9,114	**9,781**	7.3	**6.3**
Depreciation and Amortization	6,772	**6,915**	2.1	**4.4**
Transport Related	25,249	**26,515**	5.0	**17.0**
Total Operating Expenses	150,828	**156,279**	3.6	**100.0**
Operating Profit (Loss)	427	**7,545**	1,668.1	**nm**
Interest Income (Expense)	(4,209)	**(4,147)**	1.5	**nm**
Income Tax Credit (Provision)	(1,377)	**(653)**	52.6	**nm**
Other[1]	(622)	**301**	nm	**nm**
Net Profit (Loss)[1]	(5,782)	**3,045**	nm	**nm**

1 Excludes bankruptcy-related charges (reorganization expenses and fresh-start accounting gains).
nm = not meaningful

Balance Sheet

U.S. Airlines (In millions)

	2005	2006
Assets		
Current Assets	$40,300	**$43,302**
Investments and Special Funds	13,112	**12,945**
Flight Equipment Owned	115,582	**115,791**
Ground Equipment and Property Owned	25,987	**23,345**
Reserve for Depreciation	(51,620)	**(48,107)**
Leased Equipment and Property Capitalized	8,767	**7,550**
Reserve for Amortization	(3,020)	**(2,291)**
Other Property	16,341	**22,680**
Deferred Charges	2,380	**2,585**
Total Assets	167,830	**177,799**
Liabilities and Stockholders' Equity		
Current Liabilities	$49,108	**$49,345**
Long-Term Debt	46,011	**45,767**
Other Noncurrent Liabilities	73,086	**56,558**
Deferred Credits	13,540	**14,674**
Stockholders' Equity – Net	(13,914)	**11,455**
Preferred Stock	402	**132**
Common Stock	4,830	**5,135**
Other Paid-In Capital	18,358	**17,802**
Retained Earnings	(35,699)	**(10,953)**
Less: Treasury Stock	1,806	**663**
Total Liabilities and Stockholders' Equity	167,830	**177,799**

Note: Values shown reflect airline balance sheets as of December 31.

ATA Member Airline Operating Fleet – 2006

		ABX (GB)	Alaska (AS)	Aloha (AQ)	American (AA)	ASTAR (ER)	Atlas/Polar (5Y/PO)	Continental (CO)	Delta (DL)	Evergreen Int'l (EZ)	FedEx Express (FX)	Hawaiian (HA)	JetBlue (B6)	Midwest (YX)	Northwest (NW)	Southwest (WN)	United (UA)	UPS (5X)	US Airways (US)	**Total**
Airbus	A300				34	6					56							53		**149**
	A310										66									**66**
	A319														66		55		93	**214**
	A320												96		73		97		75	**341**
	A321																		28	**28**
	A330														24				9	**33**
Boeing	B-717											11		25						**36**
	B-727					29					104							31		**164**
	B-737		91	24	77			264	71							481	94		96	**1,198**
	B-747						38			13					33		30	11		**125**
	B-757				142			58	121						66		97	75	46	**605**
	B-767	33			73			26	104			18					35	32	10	**331**
	B-777				46			18	8								52			**124**
	DC-8	5				9												46		**60**
	DC-9	61													107					**168**
	DC-10										31				2					**33**
	MD-10										52									**52**
	MD-11										58							34		**92**
	MD-80		23		325				120					11						**479**
	MD-90								16											**16**
Embraer	E190												23						2	**25**
Total		**99**	**114**	**24**	**697**	**44**	**38**	**366**	**440**	**13**	**367**	**29**	**119**	**36**	**371**	**481**	**460**	**282**	**359**	**4,339**

Note: Values reflect mainline aircraft counts as of December 31.
( ) Airline code
Source: Air Transport Association

ATA Member Airline Statistics – 2006

	Operating Aircraft (Year-End)	Employees (Full-Time Equivalents)	Aircraft Departures[1]	Passengers Enplaned[2] (Thousands)	Revenue Passenger Miles[2] (Millions)	Available Seat Miles[2] (Millions)	Cargo Revenue Ton Miles[1] (Millions)	Revenues ($Millions) Passenger[2]	Revenues ($Millions) Operating[1]	Profit (Loss) ($Millions) Operating[1]	Profit (Loss) ($Millions) Net[1,3]
Alaska	114	9,295	181,330	17,148	17,814	23,263	64	2,375	2,693	(104)	(56)
Aloha	24	2,649	55,701	3,470	1,813	2,397	8	309	395	(26)	(42)
American	697	73,638	789,342	98,142	139,392	173,940	2,231	17,843	22,493	816	164
Continental	366	34,094	393,968	46,738	76,251	93,512	1,006	9,303	13,010	410	343
Delta	440	45,556	573,181	73,524	98,769	125,100	1,239	11,660	17,339	31	89
Hawaiian	29	3,064	53,126	6,157	6,832	7,907	73	797	882	12	(5)
JetBlue	119	9,441	159,120	18,507	23,310	28,581	14	2,223	2,363	117	(1)
Midwest	36	2,024	55,225	3,870	3,829	4,984	14	492	572	4	11
Northwest	371	30,400	489,678	54,837	72,588	85,582	2,269	9,051	12,555	782	366
Southwest	481	31,920	1,093,090	96,276	67,691	92,662	171	8,546	9,086	934	499
United	460	53,060	563,994	69,265	117,247	142,780	2,048	13,890	19,334	451	(276)
US Airways	359	31,402	550,028	57,659	60,895	77,291	356	7,818	11,845	557	408
Subtotal	**3,496**	**326,543**	**4,957,783**	**545,593**	**686,432**	**857,999**	**9,493**	**84,307**	**112,568**	**3,985**	**1,501**
ABX	99	9,052	55,729	-	-	-	571	-	1,260	43	90
ASTAR	44	1,017	24,266	-	-	-	289	-	364	58	36
Atlas/Polar	38	1,831	23,866	-	-	-	5,342	-	1,360	140	45
Evergreen Int'l	13	496	5,108	-	-	-	840	-	558	69	17
FedEx Express	367	111,045	376,968	-	-	-	10,543	-	22,068	1,824	1,164
UPS	282	5,982	153,357	-	-	-	6,270	-	4,571	373	133
Subtotal	**843**	**129,423**	**639,294**	**-**	**-**	**-**	**23,855**	**-**	**30,182**	**2,508**	**1,485**
GRAND TOTAL	**4,339**	**455,966**	**5,597,077**	**545,593**	**686,432**	**857,999**	**33,348**	**84,307**	**142,750**	**6,493**	**2,987**

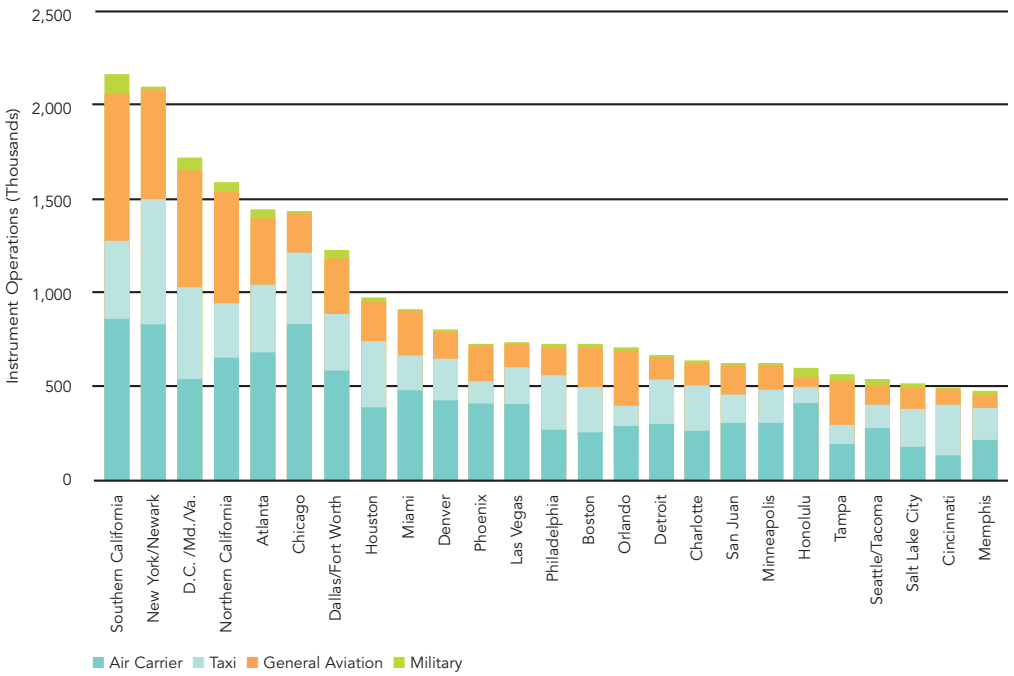
1 All services.
2 Scheduled services only.
3 Net profit excludes bankruptcy-related charges (reorganization expenses and fresh-start accounting gains).

Top 40 U.S. Airlines – 2006

	Aircraft Departures[1]		Passengers Enplaned[2] (Thousands)		Revenue Passenger Miles[2] (Millions)		Cargo Revenue Ton Miles[1] (Millions)		Operating Revenues[1] (Millions)	
1	**Southwest**	**1,093,090**	**1**	**American**	**98,142**	**1**	**American**	**139,392**	**1**	**FedEx Express**	**10,543**	**1**	**American**	**22,493**
2	**American**	**789,342**	**2**	**Southwest**	**96,276**	**2**	**United**	**117,247**	**2**	**UPS**	**6,270**	**2**	**FedEx Express**	**22,068**
3	**Delta**	**573,181**	**3**	**Delta**	**73,524**	**3**	**Delta**	**98,769**	**3**	**Atlas/Polar**	**5,342**	**3**	**United**	**19,334**
4	**United**	**563,994**	**4**	**United**	**69,265**	**4**	**Continental**	**76,251**	**4**	**Northwest**	**2,269**	**4**	**Delta**	**17,339**
5	SkyWest	556,426	**5**	**US Airways**	**57,659**	**5**	**Northwest**	**72,588**	**5**	**American**	**2,231**	**5**	**Continental**	**13,010**
6	American Eagle	555,911	**6**	**Northwest**	**54,837**	**6**	**Southwest**	**67,691**	**6**	**United**	**2,048**	**6**	**Northwest**	**12,555**
7	**US Airways**	**550,028**	**7**	**Continental**	**46,738**	**7**	**US Airways**	**60,895**	**7**	**Delta**	**1,239**	**7**	**US Airways**	**11,845**
8	ExpressJet	491,740	8	AirTran	20,033	**8**	**JetBlue**	**23,310**	8	Kalitta	1,190	**8**	**Southwest**	**9,086**
9	**Northwest**	**489,678**	9	SkyWest	19,496	**9**	**Alaska**	**17,814**	**9**	**Continental**	**1,006**	**9**	**UPS**	**4,571**
10	**Continental**	**393,968**	10	American Eagle	18,765	10	AirTran	13,798	**10**	**Evergreen Int'l**	**840**	**10**	**Alaska**	**2,693**
11	**FedEx Express**	**376,968**	**11**	**JetBlue**	**18,507**	11	ExpressJet	10,296	11	Southern	784	**11**	**JetBlue**	**2,363**
12	Mesa	301,204	12	ExpressJet	17,962	12	SkyWest	9,497	12	Gemini	761	12	American Eagle	1,911
13	Atlantic Southeast	291,304	**13**	**Alaska**	**17,148**	13	American Eagle	8,420	13	World	745	13	AirTran	1,893
14	Comair	285,282	14	Mesa	13,316	14	Frontier	8,317	**14**	**ABX**	**571**	14	SkyWest	1,849
15	Pinnacle	249,644	15	Atlantic Southeast	11,814	**15**	**Hawaiian**	**6,832**	15	Tradewinds	412	15	ExpressJet	1,674
16	AirTran	237,114	16	Comair	10,590	16	Atlantic Southeast	6,276	**16**	**US Airways**	**356**	**16**	**Atlas/Polar**	**1,360**
17	Chautauqua	201,675	17	Pinnacle	9,018	17	Mesa	6,078	17	Focus	343	17	Atlantic Southeast	1,266
18	**Alaska**	**181,330**	18	Frontier	8,895	18	Comair	5,287	18	Omni	328	**18**	**ABX**	**1,260**
19	Horizon	179,300	19	Horizon	6,859	19	Spirit	4,569	19	Cargo 360	312	19	Comair	1,201
20	Air Wisconsin	168,159	20	Chautauqua	6,780	20	Pinnacle	4,304	**20**	**ASTAR**	**289**	20	Mesa	1,146
21	**JetBlue**	**159,120**	**21**	**Hawaiian**	**6,157**	21	ATA	4,064	21	Air Transport Int'l	259	21	Frontier	1,131
22	**UPS**	**153,357**	22	Air Wisconsin	5,790	**22**	**Midwest**	**3,829**	22	Centurion	189	**22**	**Hawaiian**	**882**
23	Mesaba	150,606	23	PSA	5,153	23	Continental Micronesia	2,944	23	Florida West	179	23	Pinnacle	825
24	Piedmont	148,060	24	Spirit	4,477	24	Chautauqua	2,822	**24**	**Southwest**	**171**	24	ATA	752
25	PSA	128,571	**25**	**Midwest**	**3,870**	25	Horizon	2,692	25	Express.Net	140	25	Horizon	644
26	Cape	122,470	26	Mesaba	3,792	26	Shuttle America	2,561	26	Kitty Hawk	113	26	Kalitta	636
27	Trans States	110,209	27	Trans States	3,704	27	Air Wisconsin	2,241	27	Capital	102	**27**	**Midwest**	**572**
28	Colgan	106,917	28	Shuttle America	3,646	28	Sun Country	2,082	28	Amerijet	88	28	Air Wisconsin	568
29	Frontier	94,152	**29**	**Aloha**	**3,470**	29	Allegiant	1,994	**29**	**Hawaiian**	**73**	**29**	**Evergreen Int'l**	**558**
30	Hageland	77,622	30	Piedmont	3,192	30	USA 3000	1,963	30	Continental Micronesia	70	30	Spirit	540
31	Gulfstream Int'l	73,953	31	Executive	2,628	31	PSA	1,833	**31**	**Alaska**	**64**	31	Continental Micronesia	485
32	Shuttle America	72,240	32	ATA	2,624	**32**	**Aloha**	**1,813**	32	Lynden	27	32	Omni	422
33	Executive	66,768	33	Republic	2,237	33	Trans States	1,589	33	Northern	17	**33**	**Aloha**	**395**
34	Great Lakes	61,820	34	Allegiant	1,943	34	Republic	1,233	34	Asia Pacific	14	34	Trans States	371
35	Skyway	55,935	35	Freedom	1,690	35	Mesaba	1,149	**35**	**JetBlue**	**14**	**35**	**ASTAR**	**364**
36	**ABX**	**55,729**	36	USA 3000	1,601	36	Freedom	778	**36**	**Midwest**	**14**	36	Mesaba	300
37	**Aloha**	**55,701**	37	Sun Country	1,550	37	GoJet	722	37	Everts	12	37	Executive	281
38	**Midwest**	**55,225**	38	Continental Micronesia	1,476	38	Piedmont	605	38	Frontier	9	38	World	274
39	**Hawaiian**	**53,126**	39	Colgan	1,454	39	Executive	547	**39**	**Aloha**	**8**	39	PSA	257
40	Air Midwest	51,960	40	GoJet	1,218	40	North American	518	40	Empire	7	40	Sun Country	226

1 All services.
2 Scheduled services only.
■ Member, Air Transport Association

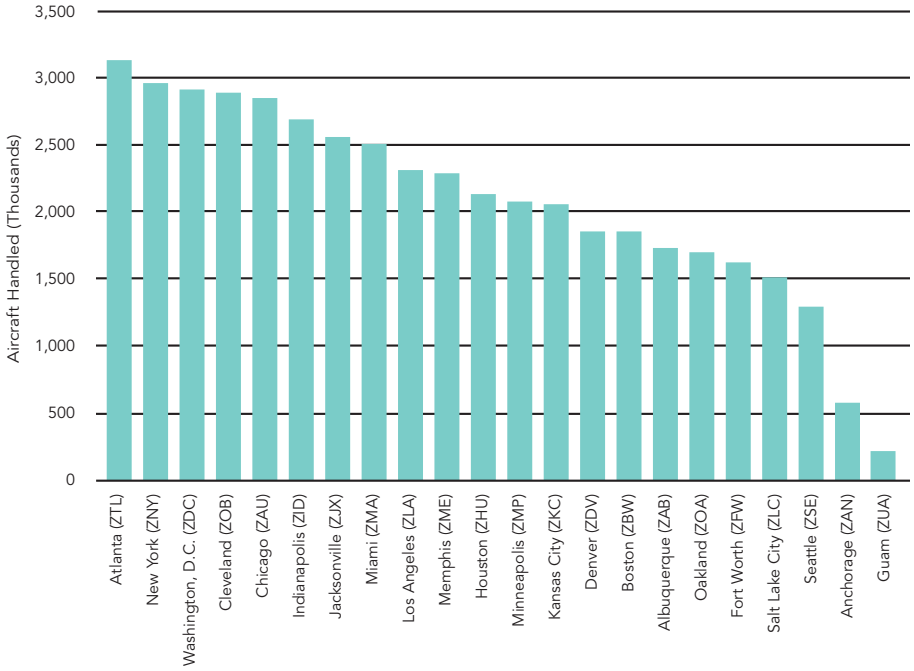
Top 25 FAA Terminal Areas[1] – 2006



1 As measured by instrument operations at radar approach control facilities.

Source: Federal Aviation Administration (FAA)

Activity at FAA En Route Centers – 2006



Source: Federal Aviation Administration (FAA)

In 1970, Congress created the Airport and Airway Trust Fund (AATF) with a user-tax, cost-based funding structure. At that time, airlines were the principal air traffic control system users while use by corporate aircraft was marginal. Today, that is no longer the case. Corporate aircraft – far from being marginal users – drive as much as 16 percent of system costs but contribute only 6 percent of funding. Airlines, on the other hand, contribute far more than their fair share of AATF revenues, driving an estimated 70 percent of ATC costs but contributing more than 90 percent of revenues. The taxes paid by users no longer reflect the costs that those users impose on the system. **What is the solution?**

Passenger Airline
Sample Flight: Fort Lauderdale-Boston
Estimated Trust Fund Contribution
$1,721

Corporate Jet
Sample Flight: Fort Lauderdale-Boston
Estimated Trust Fund Contribution
$273

Answer: It's time to balance the aviation equation and return to user-tax, cost-based financing.

Top 40 U.S. Airports – 2006

	Passengers (Arriving + Departing)	(Thousands)		Cargo Metric Tons[1] (Loaded + Unloaded)	(Thousands)		Operations (Takeoffs + Landings)	(Thousands)
1	Atlanta (ATL)	**84,847**	1	Memphis (MEM)	**3,692**	1	Atlanta (ATL)	**976**
2	Chicago (ORD)	**77,028**	2	Anchorage (ANC)	**2,691**	2	Chicago (ORD)	**959**
3	Los Angeles (LAX)	**61,041**	3	Louisville (SDF)	**1,983**	3	Dallas/Fort Worth (DFW)	**700**
4	Dallas/Fort Worth (DFW)	**60,226**	4	Los Angeles (LAX)	**1,907**	4	Los Angeles (LAX)	**657**
5	Denver (DEN)	**47,325**	5	Miami (MIA)	**1,831**	5	Las Vegas (LAS)	**619**
6	Las Vegas (LAS)	**46,193**	6	New York (JFK)	**1,636**	6	Houston (IAH)	**603**
7	New York (JFK)	**43,762**	7	Chicago (ORD)	**1,558**	7	Denver (DEN)	**598**
8	Houston (IAH)	**42,550**	8	Indianapolis (IND)	**987**	8	Phoenix (PHX)	**547**
9	Phoenix (PHX)	**41,437**	9	Newark (EWR)	**975**	9	Philadelphia (PHL)	**516**
10	Newark (EWR)	**36,724**	10	Dallas/Fort Worth (DFW)	**758**	10	Charlotte (CLT)	**510**
11	Detroit (DTW)	**35,973**	11	Atlanta (ATL)	**747**	11	Detroit (DTW)	**482**
12	Minneapolis/St. Paul (MSP)	**35,612**	12	Oakland (OAK)	**668**	12	Minneapolis/St. Paul (MSP)	**476**
13	Orlando (MCO)	**34,640**	13	San Francisco (SFO)	**595**	13	Newark (EWR)	**444**
14	San Francisco (SFO)	**33,575**	14	Philadelphia (PHL)	**532**	14	Salt Lake City (SLC)	**421**
15	Miami (MIA)	**32,534**	15	Honolulu (HNL)	**444**	15	Phoenix (DVT)	**407**
16	Philadelphia (PHL)	**31,768**	16	Houston (IAH)	**409**	16	Boston (BOS)	**406**
17	Seattle (SEA)	**29,979**	17	Toledo (TOL)	**354**	17	New York (LGA)	**400**
18	Charlotte (CLT)	**29,694**	18	Washington (IAD)	**351**	18	Los Angeles (VNY)	**395**
19	Boston (BOS)	**27,725**	19	Seattle (SEA)	**342**	19	Memphis (MEM)	**385**
20	New York (LGA)	**26,571**	20	Boston (BOS)	**325**	20	Miami (MIA)	**384**
21	Washington (IAD)	**22,813**	21	Phoenix (PHX)	**287**	21	Washington (IAD)	**380**
22	Salt Lake City (SLC)	**21,558**	22	Portsmouth (PSM)	**285**	22	New York (JFK)	**378**
23	Fort Lauderdale (FLL)	**21,370**	23	Portland (PDX)	**284**	23	Long Beach (LGB)	**370**
24	Baltimore (BWI)	**21,184**	24	Denver (DEN)	**282**	24	San Francisco (SFO)	**359**
25	Honolulu (HNL)	**20,068**	25	Minneapolis/St. Paul (MSP)	**275**	25	Orlando (MCO)	**350**
26	Tampa (TPA)	**18,868**	26	Fort Worth (AFW)	**250**	26	Santa Ana (SNA)	**347**
27	Chicago (MDW)	**18,681**	27	Detroit (DTW)	**214**	27	Cincinnati (CVG)	**346**
28	Washington (DCA)	**18,546**	28	Orlando (MCO)	**198**	28	Seattle (SEA)	**340**
29	San Diego (SAN)	**17,482**	29	San Diego (SAN)	**189**	29	Oakland (OAK)	**330**
30	Cincinnati (CVG)	**16,245**	30	Salt Lake City (SLC)	**181**	30	Sanford (SFB)	**319**
31	St. Louis (STL)	**15,206**	31	Hartford/Springfield (BDL)	**169**	31	Honolulu (HNL)	**317**
32	Oakland (OAK)	**14,693**	32	Dayton (DAY)	**151**	32	Baltimore (BWI)	**306**
33	Portland (PDX)	**14,043**	33	Charlotte (CLT)	**148**	33	Chicago (MDW)	**299**
34	Cleveland (CLE)	**11,321**	34	Fort Lauderdale (FLL)	**148**	34	Fort Lauderdale (FLL)	**297**
35	Kansas City (MCI)	**11,237**	35	Kansas City (MCI)	**135**	35	Daytona Beach (DAB)	**288**
36	Memphis (MEM)	**11,176**	36	San Antonio (SAT)	**129**	36	Anchorage (ANC)	**284**
37	San Jose (SJC)	**10,708**	37	Baltimore (BWI)	**124**	37	Phoenix (IWA)	**281**
38	Sacramento (SMF)	**10,363**	38	Fort Wayne (FWA)	**117**	38	Washington (DCA)	**276**
39	Pittsburgh (PIT)	**9,987**	39	Columbus (LCK)	**114**	39	St. Louis (STL)	**273**
40	Nashville (BNA)	**9,663**	40	Tampa (TPA)	**109**	40	Tucson (TUS)	**270**

1 A unit of weight equal to 1,000 kilograms or 2,204.6 pounds.

Note: Data reflects the scheduled and nonscheduled services of commercial, general and military aviation at Airports Council International-North America member airports only.
( ) Airport code
Source: Airports Council International-North America (www.aci-na.org)

Price of Air Travel versus Other Goods and Services

Product (Unit)	1978	1990	2006	Growth (1978-2006)
College Tuition – Public (Year)[1]	$688	$1,908	$5,836	8.5x
College Tuition – Private (Year)[1]	$2,958	$9,340	$22,218	7.5x
Prescription Drugs (Index)[2]	61.6	181.7	363.9	5.9x
New Single-Family Home[3]	$55,700	$122,900	$246,500	4.4x
New Vehicle[6]	$6,470	$15,900	$28,450	4.4x
Unleaded Gasoline (Gallon)[7]	$0.67	$1.16	$2.59	3.9x
U.S. Consumer Price Index (All Items)[2]	65.2	130.6	201.6	3.1x
First-Class Domestic Stamp[5]	$0.15	$0.25	$0.39	2.6x
Whole Milk (Index)[2]	81.0	124.4	181.6	2.2x
Grade-A Large Eggs (Dozen)[2]	$0.82	$1.01	$1.31	1.6x
Air Travel – International (Mile)[4]	**7.49¢**	**10.83¢**	**11.85¢**	**1.6x**
Air Travel – Domestic (Mile)[4]	**8.49¢**	**13.43¢**	**13.00¢**	**1.5x**
Television (Index)[2]	101.8	74.6	22.3	0.2x

1 The College Board (based on beginning of academic year).
2 U.S. Bureau of Labor Statistics (includes adjustments for changes in quality).
3 U.S. Census Bureau – www.census.gov/const/uspriceann.pdf (median).
4 ATA via U.S. Bureau of Transportation Statistics – www.airlines.org.
5 U.S. Postal Service – www.usps.com/postalhistory/welcome.htm, Publication 100.
6 National Automobile Dealers Association – www.nada.org (average retail selling price).
7 U.S. Department of Energy – www.eia.doe.gov/emeu/mer/pdf/mer.pdf, Table 9.4.

True or False?
(Modernization) + (Fair Funding) = The Smart Solution

Answer: True.

A modern, dependable air traffic control system – one that can efficiently and safely accommodate the expected surge in the number of daily flights – requires a fair and dependable funding stream. That funding should be based on four complementary principles: proportional cost-based usage taxes; a robust General Fund contribution; innovative financing, such as bonding; and the realization of efficiency-generated cost savings. Without fair and predictable funding, a 21st century system – regardless of its merit – cannot be implemented.

Top 40 U.S. City Pairs[1] – 2006

	Origin-Destination Airline Passengers (Outbound + Inbound)	(Thousands)
1	Fort Lauderdale-New York	**3,783**
2	New York-Orlando	**3,576**
3	Chicago-New York	**3,292**
4	Atlanta-New York	**2,654**
5	Los Angeles-New York	**2,642**
6	New York-West Palm Beach	**1,980**
7	Boston-New York	**1,867**
8	Las Vegas-New York	**1,786**
9	New York-Tampa	**1,776**
10	New York-San Francisco	**1,767**
11	Miami-New York	**1,735**
12	Honolulu-Kahului	**1,677**
13	New York-Washington	**1,672**
14	Chicago-Las Vegas	**1,617**
15	New York-San Juan	**1,589**
16	Dallas/Fort Worth-Houston	**1,580**
17	Chicago-Los Angeles	**1,565**
18	Dallas/Fort Worth-New York	**1,459**
19	Chicago-Orlando	**1,438**
20	Chicago-Phoenix	**1,386**
21	Chicago-Washington	**1,345**
22	Las Vegas-Los Angeles	**1,330**
23	Atlanta-Washington	**1,289**
24	Orlando-Philadelphia	**1,262**
25	Chicago-Dallas/Fort Worth	**1,261**
26	Boston-Washington	**1,247**
27	Chicago-Minneapolis/St.Paul	**1,212**
28	Houston-New York	**1,180**
29	Honolulu-Los Angeles	**1,179**
30	Denver-Phoenix	**1,155**
31	Chicago-Denver	**1,155**
32	Atlanta-Chicago	**1,146**
33	Honolulu-Lihue	**1,142**
34	Los Angeles-Oakland	**1,118**
35	Honolulu-Kona	**1,113**
36	Denver-New York	**1,079**
37	Oakland-San Diego	**1,074**
38	Detroit-New York	**1,064**
39	Hilo-Honolulu	**1,052**
40	Chicago-Philadelphia	**1,046**

1 Select cities include data for multiple airports: Chicago (MDW/ORD), Dallas (DAL/DFW), Houston (HOU/IAH), New York (EWR/JFK/LGA), Tampa (PIE/TPA) and Washington (DCA/IAD).

Index

Charts

Tables

Members

ABX Air, Inc.
Joseph C. Hete*
President and CEO
www.abxair.com

Alaska Airlines, Inc.
William S. Ayer*
Chairman, President and CEO
www.alaskaair.com

Aloha Airlines, Inc.
David A. Banmiller*
President and CEO
www.alohaairlines.com

American Airlines, Inc.
Gerard J. Arpey*
Chairman, President and CEO
American Airlines and AMR
www.aa.com

ASTAR Air Cargo, Inc.
John H. Dasburg*
Chairman, President and CEO
www.astaraircargo.us

Atlas Air, Inc.
William J. Flynn*
President and CEO
Atlas Air Worldwide Holdings, Inc.
www.atlasair.com

Continental Airlines, Inc.
Lawrence W. Kellner*
Chairman and CEO
www.continental.com

Delta Air Lines, Inc.
Gerald Grinstein*
CEO
www.delta.com

Evergreen International Airlines, Inc.
Brian T. Bauer*
President
www.evergreenaviation.com

Federal Express Corporation
William J. Logue*
Executive Vice President
FedEx Express
www.fedex.com

Hawaiian Airlines, Inc.
Mark B. Dunkerley*
President and CEO
www.hawaiianair.com

JetBlue Airways Corp.
David G. Neeleman*
Chairman
www.jetblue.com

Midwest Airlines
Timothy E. Hoeksema*
Chairman, President and CEO
www.midwestairlines.com

Northwest Airlines, Inc.
Douglas M. Steenland*
President and CEO
www.nwa.com

Southwest Airlines Co.
Gary C. Kelly*
Vice Chairman and CEO
www.southwest.com

United Airlines, Inc.
Glenn F. Tilton*
Chairman, President and CEO
www.united.com

UPS Airlines
David Abney*
President
www.ups.com

US Airways, Inc.
W. Douglas Parker*
Chairman and CEO
US Airways Group, Inc.
www.usairways.com

Associate Members

Air Canada
Robert A. Milton
Chairman, President and CEO
ACE Aviation Holdings, Inc.
www.aircanada.com

Air Jamaica Ltd.
Michael Conway
President and CEO
www.airjamaica.com

Mexicana
Manuel Borja Chico
CEO
www.mexicana.com

Industry Partners

Boeing Commercial Airplanes
Honeywell Aerospace

Industry Members

Aero Instruments & Avionics, Inc.
Aircraft Inventory Management
Airline Intelligence Systems Inc.
American Express Company
Arch Insurance Group
ARINC
ATR Aircraft
BAE Systems
Benfield Insurance
Bombardier Regional Aircraft
CAE
EmpowerMX
EMS Technologies
ENSCO, Inc.
Enservio
Innodata Isogen
IPC (USA), Inc.
Jeppesen
KPMG
Logistics Fuel Management
Metron Aviation
Pratt & Whitney
Priceline.com
RK Harrison Insurance Brokers Ltd.
The Royal Bank of Scotland, plc
Sensis Corporation
SITA
SolArc, Inc.
Spirit Aerosystems
TDG Aerospace
TIMCO Aviation Services
Transtech Airport Solutions
TravelPort
UGS
Unisys Global Transportation
Universal Air Travel Plan (UATP)
USI Insurance
WinWare, Inc.
World Fuel Services

* Member, Air Transport Association (ATA) Board of Directors

Note: Current as of July 2007. Visit www.airlines.org for a description of ATA membership categories.

AIR TRANSPORT ASSOCIATION

Air Transport Association of America, Inc.
1301 Pennsylvania Avenue, NW – Suite 1100
Washington, DC 20004-1707
USA
202-626-4000

www.airlines.org

07843H