



A I R

TRANSPORT

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THE ANNUAL REPORT  
OF THE U.S. SCHEDULED  
AIRLINE INDUSTRY



## PRESIDENT'S MESSAGE

1993 was marked as another year of intense public, press and government interest in the financial condition of the U.S. airline industry. The formation and work of President Clinton's National Commission to Ensure a Strong Competitive Airline Industry was the backdrop for most of the year's activities. The Commission's efforts included numerous public hearings to examine the many problems and issues facing U.S. airlines, and was highlighted by its August report which outlined recommendations and changes in public policy that would improve the financial future of this industry so critical to the nation's economy.

Unfortunately, because of competing interests and budgetary constraints, few of the Commission's suggestions have actually been implemented. So while the National Airline Commission helped to frame the problems of the industry on the national economic agenda, 1993 saw the industry experience its fourth consecutive year of financial losses. By year's end U.S. airlines had collectively lost \$2.1 billion, bringing the total to \$12.8 billion in losses since 1990.

The airline industry has never asked for or expected a "bail-out" by the U.S. government. However, it does expect the government to foster an environment that limits the taxes and other burdens imposed on airlines and their customers, all of which drive up the cost of air transportation. The industry knows its return to profitability will be accomplished through painful and difficult business decisions, which have already resulted in service cutbacks in marginal markets, aircraft order cancellations and employee layoffs and wage adjustments. Airlines are also looking to improving efficiency through employee work rule changes and better use of their aircraft. Aircraft are, after all, very expensive, and their value is optimized when they are transporting passengers and cargo, rather than sitting on the ground.

These cost-cutting measures and efficiency improvements are, in large part, in response to the demands of the public, which wants inexpensive, frequent and convenient airline service.

Inexpensive is the overriding priority, however. In order to respond to the demands of the consumer for low fares, no aspect of airline service is being overlooked, and no item in the industry's cost structure can afford to be ignored. We continue to be concerned, for instance, about the spiraling rise in airport costs, which have increased at twice the rate of inflation over the past decade. In this critical time of planning for the industry's financial future, airline executives know that the industry's recovery will only be complete when all segments of the industry share in the reevaluation and transformation of how we do business.

As has been the case the past several years, Wall Street started off 1994 with predictions of an airline industry turnaround. Those past predictions have obviously not come to fruition, and we are still not at the point where the industry can be comfortable about its future. Operating profits did improve in 1993, but after interest and taxes, the industry continued to lose money. Even with an eventual return to profitability, it will take many years to repair the damage done to the airlines' balance sheets. This year will continue to see changes in the industry as it struggles to find economic stability.



James E. Landry  
President  
Air Transport Association

June, 1994

## 1993 HIGHLIGHTS

	1992	1993	Percent Change
<b>TRAFFIC</b>			
Passengers Enplaned (000)	475,108	487,249	2.6
Domestic Service	431,693	441,902	2.4
International Service	43,415	45,347	4.5
Revenue Passenger Miles (000)	478,553,708	489,137,135	2.2
Available Seat Miles (000)	752,772,435	770,830,560	2.4
Passenger Load Factor (%)	63.6	63.5	
Aircraft Departures	7,050,633	7,230,304	2.5
Cargo Revenue Ton Miles (000)	13,198,674	14,089,149	6.7
Freight and Express Revenue Ton Miles (000)	11,129,712	11,914,794	7.1
Mail Revenue Ton Miles (000)	2,068,962	2,174,355	5.1
Total Revenue Ton Miles (000)	61,054,043	63,002,862	3.2

	1992	1993	Percent Change
<b>FINANCIAL (\$000)</b>			
Passenger Revenue	59,828,487	63,950,548	6.9
Domestic Service	44,724,328	48,698,084	8.9
International Service	15,104,159	15,252,464	1.0
Freight and Express Revenues	5,915,350	6,320,531	6.8
Mail Revenues	1,184,205	1,242,222	4.9
Total Operating Revenues	78,140,243	83,791,731	7.2
Total Operating Expenses	80,584,703	82,357,718	2.2
Operating Profit	(2,444,460)	1,434,013	
Net Profit*	(4,791,284)	(2,137,659)	
Rate of Return on Investment (%)	-9.3	-0.4	
Operating Profit Margin (%)	-3.1	1.7	
Net Profit Margin (%)	-6.1	-2.6	

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

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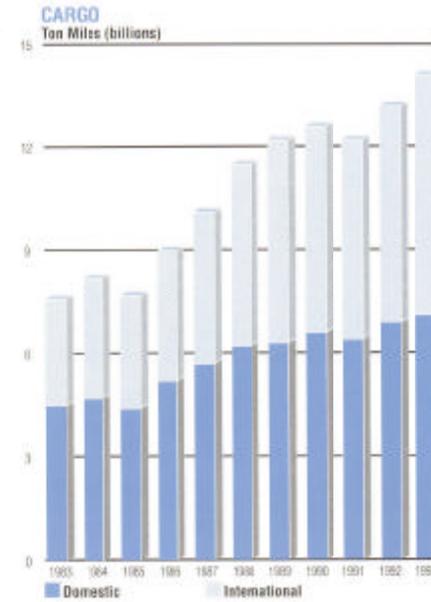
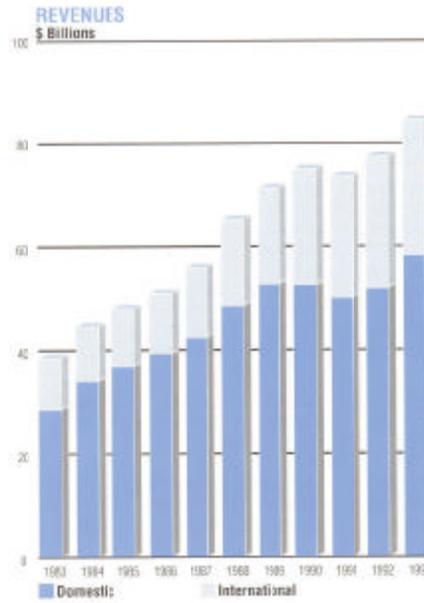
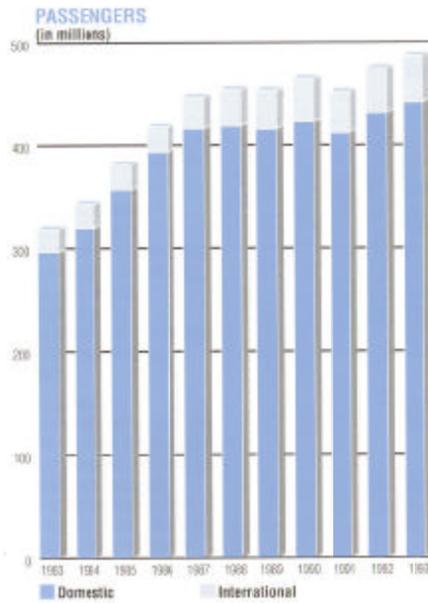
## 1983-1993 SUMMARY U.S. Scheduled Airlines

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
<b>Traffic-Scheduled Service</b>											
Revenue passengers enplaned (000)	318,638	344,683	382,022	418,946	447,678	454,614	453,692	465,560	452,301	475,108	487,249
Revenue passenger miles (000)	281,829,148	305,115,855	336,403,021	366,545,655	404,471,484	423,301,559	432,714,309	457,926,286	447,954,829	478,553,708	489,137,135
Available seat miles (000)	464,537,979	515,323,339	547,788,432	607,435,847	648,720,938	678,802,328	684,375,876	733,374,893	715,99,140	752,772,435	770,830,560
Revenue passenger load factor (%)	60.7	59.2	61.4	60.3	62.3	62.5	63.2	62.4	62.6	63.6	63.5
Average passenger trip length (miles)	884	885	881	875	903	931	954	984	990	1,007	1,004
Freight and express ton miles (000)	6,092,932	6,566,571	6,030,543	7,344,054	8,260,278	8,632,219	10,275,002	10,546,329	10,225,199	11,129,712	11,914,794
Aircraft departures	5,033,906	5,448,150	5,835,474	6,426,970	6,581,309	6,699,564	6,622,080	6,923,593	6,782,782	7,050,633	7,230,304
<b>Financial</b>											
Passenger revenue (\$000)	32,744,318	36,939,345	39,235,809	40,056,893	44,940,391	50,296,686	53,802,067	58,453,215	57,091,675	59,828,487	63,950,548
Freight and express revenue (\$000)	2,592,167	2,859,419	2,680,715	5,627,996	6,398,156	7,477,731	6,892,754	5,431,627	5,908,572	5,915,350	6,320,531
Mail revenue (\$000)	653,129	712,070	889,575	838,278	923,022	971,807	955,455	970,475	957,077	1,184,205	1,242,222
Charter revenue (\$000)	1,075,428	1,112,050	1,279,812	1,268,899	1,611,673	1,697,793	2,051,882	2,876,581	3,717,358	2,801,163	3,045,294
Total operating revenue (\$000)	38,953,572	43,825,047	46,664,414	50,524,933	56,965,709	63,748,886	69,315,854	76,141,739	75,158,493	78,140,243	83,791,731
Total operating expense (\$000)	38,643,262	41,673,536	45,238,150	49,201,832	54,516,820	60,312,383	67,504,587	78,054,094	76,943,234	80,584,703	82,357,718
Operating profit (\$000)	310,110	2,151,511	1,426,264	1,323,101	2,468,889	3,436,503	1,811,267	(1,912,355)	(1,784,741)	(2,444,460)	1,434,013
Interest expense (\$000)	1,482,352	1,540,377	1,588,306	1,692,548	1,665,368	1,845,762	1,944,388	1,978,163	1,776,994	1,742,841	2,023,596
Net profit (\$000)*	(188,251)	\$24,668	862,715	(234,909)	563,398	1,685,599	127,902	(3,921,002)	(1,340,157)	(4,791,284)	(2,137,659)
Revenue per passenger mile (¢)	11.6	12.1	11.7	10.9	11.1	11.9	12.4	12.8	12.7	12.5	13.1
Rate of return on investment (%)	6.0	9.9	9.6	4.9	7.2	10.8	6.3	(6.0)	(0.5)	(9.3)	(0.4)
Operating profit margin (%)	0.8	4.9	3.1	2.6	4.3	5.4	2.6	(2.5)	(2.4)	(3.1)	1.7
Net profit margin (%)	(0.5)	1.9	1.8	(0.5)	1.0	2.6	0.2	(5.1)	(2.6)	(6.1)	(2.6)
<b>Employees</b>	328,648	345,079	355,113	421,636	457,349	480,553	506,726	545,809	533,565	540,413	537,111

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

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

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## TOP 25 AIRLINES IN 1993

### Scheduled Service

Carriers certificated under Section 401, Federal Aviation Act

	Passengers (000)	Revenue Passenger Miles (000)	Freight Ton Miles (000)	Total Operating Revenues (\$000)	
1 Delta	84,813	1 United	100,990,652	1 Federal Express	3,857,879
2 American	82,536	2 American	97,061,729	2 United Parcel Service*	2,491,728
3 United	69,672	3 Delta	82,862,795	3 Northwest	1,913,142
4 USAir	53,679	4 Northwest	58,032,588	4 United	1,544,372
5 Northwest	44,098	5 Continental	39,858,526	5 American	1,470,125
6 Southwest	37,517	6 USAir	35,220,452	6 Delta	901,986
7 Continental	37,290	7 Trans World	22,664,443	7 Continental	482,557
8 Trans World	18,938	8 Southwest	16,715,741	8 Evergreen*	332,013
9 America West	14,730	9 America West	11,188,293	9 Trans World	297,069
10 Alaska	6,351	10 Alaska	5,447,426	10 DHL	204,135
11 Aloha	4,734	11 Hawaiian	2,867,670	11 USAir	147,992
12 Hawaiian	4,327	12 Continental Micronesia	2,465,228	12 Challenge Air Cargo	144,253
13 Simmons	4,147	13 Tower	2,054,472	13 Southern Air	118,536
14 Horizon Air	2,752	14 American Trans Air	1,638,642	14 Tower	54,024
15 Morris	2,232	15 Morris	1,131,126	15 Alaska	49,047
16 Air Wisconsin	2,066	16 Markair	1,079,195	16 Arrow	45,370
17 Business Express	2,027	17 Reno	925,052	17 Continental Micronesia	40,628
18 Reno	1,861	18 Carnival	861,848	18 America West	37,622
19 Atlantic Southeast	1,460	19 Simmons	827,556	19 Southwest	22,753
20 Trans States	1,388	20 Midwest Express	785,500	20 Hawaiian	22,634
21 Continental Micronesia	1,346	21 Aloha	628,990	21 Amerijet	19,346
22 USAir Shuttle	1,238	22 Horizon Air	560,743	22 Zantop	14,175
23 American Trans Air	1,199	23 Kwi	556,618	23 American Intl	10,568
24 Markair	1,107	24 Business Express	429,193	24 Northern Air	8,502
25 Westair	1,052	25 Air Wisconsin	379,463	25 Aloha	8,377

\* Includes non-scheduled service

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### TOP 30 DOMESTIC AIRLINE MARKETS\*

#### Passengers – Outbound plus Inbound

(Twelve Months Ended December, 1993)

1 New York	Los Angeles	2,735,140	16 Chicago	Detroit	1,357,100
2 New York	Chicago	2,483,940	17 Los Angeles	Oakland	1,295,530
3 New York	Boston	2,473,660	18 Los Angeles	Honolulu	1,276,860
4 Honolulu	Kahului, Maui	2,427,790	19 Honolulu	Lihue, Kauai	1,249,600
5 New York	Miami	2,357,870	20 Honolulu	Kona, Hawaii	1,225,650
6 New York	Washington	2,285,290	21 New York	West Palm Beach	1,138,870
7 Dallas/Ft. Worth	Houston	2,186,940	22 Chicago	Las Angeles	1,107,200
8 Los Angeles	San Francisco	2,037,710	23 Honolulu	Hilo, Hawaii	1,104,910
9 New York	San Francisco	1,903,390	24 San Francisco	San Diego	1,045,680
10 New York	Orlando	1,879,430	25 Boston	Washington	1,037,640
11 New York	Fl. Lauderdale	1,763,910	26 San Francisco	Honolulu	1,033,640
12 New York	San Juan	1,589,570	27 Chicago	St. Louis	1,007,120
13 New York	Atlanta	1,581,160	28 New York	Dallas/Ft. Worth	970,000
14 Los Angeles	Las Vegas	1,457,300	29 Los Angeles	Seattle	936,460
15 Los Angeles	Phoenix	1,359,650	30 Chicago	Minneapolis	919,450

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

Source: DOT Origin/Destination Survey.



### LEADING U.S. AIRPORTS – 1993

#### PASSENGERS (Arriving & Departing)

Chicago (O'Hare)	65,091,168	Boston	24,038,178
Dallas/Ft. Worth	49,654,730	Phoenix	23,542,372
Los Angeles	47,844,794	Minneapolis/St. Paul	23,402,412
Atlanta	47,751,000	Las Vegas	22,492,156
Denver	32,626,956	Honolulu	22,061,953
San Francisco	32,042,186	Orlando	21,466,033
Miami	28,660,396	Houston	20,251,212
New York (Kennedy)	26,796,036	St. Louis	19,923,774
Newark	25,809,413	New York (La Guardia)	19,804,566
Detroit	24,170,570	Seattle	18,800,524

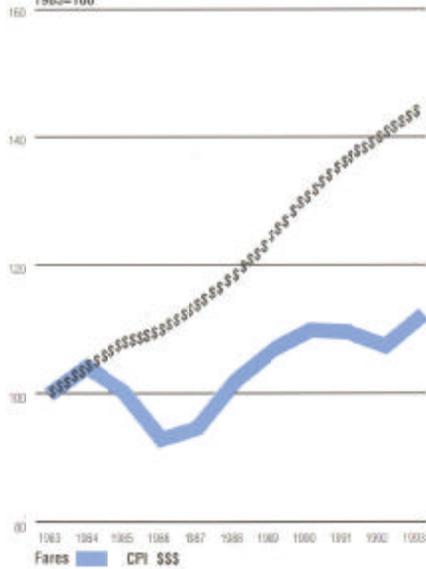
#### CARGO TONS (Enplaned & Deplaned)

Memphis	1,393,971	Anchorage	611,159
New York (Kennedy)	1,381,781	Indianapolis	535,969
Los Angeles	1,326,333	Dayton	529,173
Louisville	1,231,052	Oakland	429,327
Miami	1,178,690	Philadelphia	396,728
Chicago (O'Hare)	1,146,520	Honolulu	387,188
Newark	696,751	Seattle	381,541
Dallas/Ft. Worth	657,618	Boston	379,746
San Francisco	616,807	Denver	365,098
Atlanta	614,758	Minneapolis/St. Paul	320,893

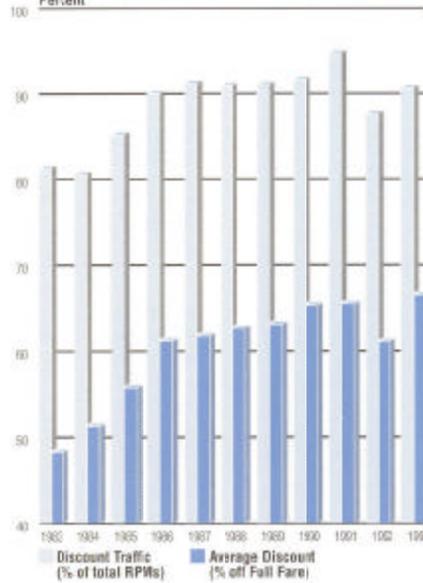
Source: Airports Council International



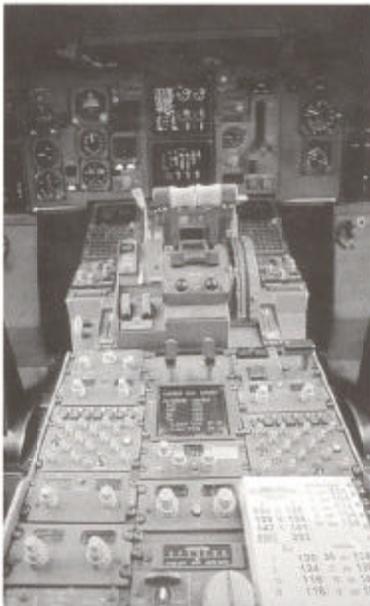
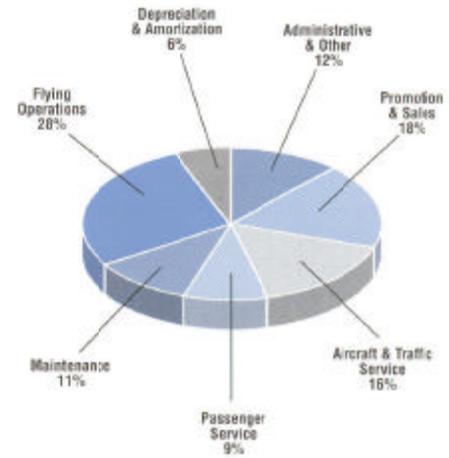
**FARES vs CONSUMER PRICES**  
1983=100



**DISCOUNT TRAFFIC**  
Percent



**EXPENSES**



**SAFETY**

**U.S. Air Carriers  
Scheduled Service**

Year	Departures (Millions)	Fatal Accidents	Fatalities	Fatal Accidents Per 100,000 Departures
1983	5.0	4	15	0079
1984	5.4	1	4	0018
1985	5.8	4	197	0069
1986	6.4	2	5	0016*
1987	6.6	4	231	0046*
1988	6.7	3	285	0030*
1989	6.6	8	131	0012
1990	6.9	6	39	0087
1991	6.8	4	62	0059
1992	7.1	4	33	0057
1993	7.2	1	1	0014

\*Sabotage caused accidents are included in Accidents and Fatalities but not in the Accident Rates.

Source: National Transportation Safety Board



## 1993 AIR TRAVEL SURVEY

	1983	1992	1993
<b>Percent of adults who have:</b>			
Ever flown .....	66%	76%	77%
Flown in past 12 months .....	22	33	33
<b>Purpose of trips taken:</b>			
Business Trips .....	51	37	48
Pleasure/Personal Trips .....	49	63	52

Source: Gallup/ATA Survey

## FAA AVIATION FORECASTS

### Commercial Air Carriers FY 1994-2005

Year	Passengers (millions)	RPMs (billions)	Jet Aircraft	Departures (millions)
1994 .....	490.4	499.8	4,363	6.4
1995 .....	512.1	525.6	4,396	6.5
1996 .....	533.8	552.1	4,519	6.6
1997 .....	557.6	581.1	4,722	6.7
1998 .....	580.6	609.5	4,876	6.9
1999 .....	603.7	638.6	4,981	7.0
2000 .....	626.3	667.2	5,069	7.2
2001 .....	649.2	695.8	5,253	7.3
2002 .....	672.2	725.0	5,447	7.5
2003 .....	695.4	755.0	5,644	7.6
2004 .....	718.6	785.5	5,858	7.8
2005 .....	742.2	817.0	6,063	7.9



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## EMPLOYMENT

U.S. Scheduled Airlines	1983	1992	1993
Pilots and Copilots .....	28,109	51,057	52,066
Other Flight Personnel .....	6,852	8,196	8,094
Flight Attendants .....	55,739	86,267	84,977
Mechanics .....	40,396	58,616	57,454
<b>Aircraft and Traffic</b>			
Service Personnel .....	95,079	243,074	242,791
Office Employees .....	70,157	40,474	39,617
All Other .....	32,316	52,709	52,092
<b>Total Employment .....</b>	<b>328,648</b>	<b>540,413</b>	<b>537,111</b>

### Average Compensation per Employee

Salaries and Wages .....	\$33,745	\$40,462	\$41,428
Benefits and Pensions .....	5,919	8,688	9,932
Payroll Taxes .....	2,169	3,038	3,090
<b>Total Compensation .....</b>	<b>\$41,833</b>	<b>\$52,188</b>	<b>\$54,450</b>

## PASSENGER YIELD

Revenue per Passenger Mile (¢)	1983	1992	1993
Domestic .....	12.1	12.9	13.8
International .....	9.9	11.6	11.3
<b>Total .....</b>	<b>11.7</b>	<b>12.5</b>	<b>13.1</b>

## FREIGHT AND EXPRESS YIELD

Revenue per Freight & Express Ton Mile (¢)	1983	1992	1993
Domestic .....	49.4	54.1	56.2
International .....	35.3	43.3	42.0
<b>Total .....</b>	<b>43.1</b>	<b>53.2</b>	<b>53.1</b>



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## ATA AIRLINE STATISTICS – 1993

	Number of Aircraft	Employees	Aircraft Departures	Passengers (000)	Revenue Passenger Miles (000)	Passenger Revenues (\$000)	Cargo Revenues (\$000)	Total Operating Revenues (\$100)	Operating Profit/ (Loss) (\$000)	Net Profit/ (Loss) (\$000)
Alaska	66	6,033	110,819	6,351	5,447,426	582,492	61,456	698,398	(4,995)	(10,100)
Alpha	16	1,775	71,694	4,704	628,990	75,342	31,030	213,964	2,883	960
American	667	90,835	942,683	82,536	97,061,729	12,894,498	636,572	14,737,243	583,662	23,326
American Trans Air	34	2,571	10,308	1,199	1,698,642	38,077	—	467,875	5,667	3,035
Continental**	289	36,423	470,487	37,280	39,858,536	4,551,644	214,031	5,085,676	(46,245)	(869,545)
Delta	563	70,066	992,970	84,813	82,862,795	11,325,884	736,294	12,375,559	(274,908)	(849,539)
DHL	22	NA	61,652	—	—	—	NA	NA	NA	NA
Evergreen*	24	698	7,523	—	—	—	130,479	312,606	19,579	(8,118)
Federal Express	464	81,201	265,409	—	—	—	3,115,227	8,152,410	449,390	153,784
Hawaiian	20	2,360	54,846	4,327	2,867,670	264,289	13,183	304,036	(10,415)	(66,969)
Northwest	358	42,562	537,667	44,098	58,092,588	7,314,029	734,824	8,447,950	330,794	81,152
Raeve Aleutian	5	292	3,210	51	40,538	13,287	8,886	24,423	(3,308)	(521)
Southwest	178	12,521	506,967	37,517	16,715,741	1,991,762	41,753	2,067,371	281,236	165,073
Trans World**	182	26,330	264,492	18,938	22,664,443	2,571,423	135,624	3,094,133	(248,303)	(284,713)
United	544	78,519	745,414	69,672	100,990,652	12,528,725	960,465	14,353,937	295,191	(35,618)
United Parcel Service*	148	3,284	87,009	—	—	—	173,817	1,273,611	59,653	26,141
USAir	443	45,986	862,358	53,679	35,220,452	6,081,788	170,500	6,623,049	(128,740)	(418,795)
<b>Associate Members</b>										
Air Canada	106	18,184	146,996	9,500	13,768,090	2,649,000	335,000	3,598,000	77,000	(326,000)
Canadian	82	14,747	111,055	7,631	13,417,078	2,133,900	212,800	2,520,800	(102,400)	(296,100)
KLM-Royal Dutch	110	28,911	NA	9,497	20,532,744	2,943,000	656,000	4,222,000	49,000	(235,000)

\* Includes non-scheduled service. NA = Not Available

\*\*Excludes fresh start accounting extraordinary gains of Continental and Trans World.



737-400



MD-80

## AIRCRAFT OPERATING STATISTICS – 1993

Figures are averages for most commonly used models

	Number of Seats	Speed Airborne	Flight Length	Fuel (Gallons Per Hour)	Aircraft Operating Cost Per Hour
B747-400	398	533	4,331	3,356	\$3,939
B747-100	390	520	3,060	3,490	3,396
L-1011	298	496	1,498	2,384	4,564
DC-10-10	281	492	1,493	2,229	4,261
A300-600	256	473	1,207	1,938	4,332
MD-11	254	524	3,459	2,232	4,570
DC-10-30	248	520	2,947	2,612	4,816
B767-300ER	221	493	2,285	1,549	3,251
B757-200	186	457	1,086	1,004	2,303
B767-200ER	185	483	2,031	1,392	3,012
A320-100/200	149	445	974	771	1,816
B727-200	148	430	686	1,251	2,222
B737-400	144	406	615	775	1,779
MD-80	141	422	696	891	1,793
B737-300	131	414	613	748	1,818
DC-9-50	124	369	320	893	1,901
B737-500	113	408	532	708	1,594
B737-100/200	112	387	437	800	1,757
DC-9-30	100	383	447	798	1,690
F-100	97	366	409	737	1,681
DC-9-10	72	381	439	740	1,332



B-757



B-767

## OPERATING FLEET - ATA AIRLINES

As of December 31, 1993

	ALASKA	ALOHA	AMERICAN	AMERICAN TRANS AIR	CONTINENTAL	DELTA	DHL	EVERGREEN	FEDERAL EXPRESS	HAWAIIAN	NORTHWEST	REEVE ALEUTIAN	SOUTHWEST	TRANS WORLD	UNITED	UNITED PARCEL SERVICE	USAIR	AIR CANADA	CANADIAN	KLM	TOTAL
B-747					5			13	8		41			10	58	12		9	3	26	185
MD-11			19			9			13											1	42
DC-10			38		18				30		29				49				8	2	174
L-1011				12		56				7				20							95
B-767			64			55								10	42		12	22	11		216
A300			35		20															10	55
A310						25															35
DC-8							5	3										5			62
B-757			75	6		84					33				88	35	22			2	345
A320											50				5			34	12		101
B-727	5		114	16	67	141	17		167		58	2		51	75	52	8				773
MD-80	38		260		62	120					8			39							558
DC-9					32			8		9	139			52				35			348
B-737	23	16			85	73							178		227		236		48	35	921
F-100			62														40			6	108
Saab 340B																				12	12
F-50																				10	10
F-28																	21			4	25
F-27									32												32
L-189												3									3
DHC-7										4											4
CESSNA 208									216												216
<b>TOTALS</b>	<b>66</b>	<b>16</b>	<b>667</b>	<b>34</b>	<b>289</b>	<b>563</b>	<b>22</b>	<b>24</b>	<b>464</b>	<b>20</b>	<b>358</b>	<b>5</b>	<b>178</b>	<b>182</b>	<b>544</b>	<b>148</b>	<b>443</b>	<b>105</b>	<b>82</b>	<b>116</b>	<b>4320</b>

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B-747



B-737

## AIRCRAFT ON ORDER - ATA AIRLINES

As of December 31, 1993

Aircraft Type	Number		Firm Order Delivery Dates			
	Firm	Options	1994	1995	1996	1997 & Beyond
<b>Airbus</b>						
A300	25	46	6	6	4	9
A320	45	50	16	8	7	14
A330	36	20				36
<b>Boeing</b>						
B-737	263	433	43	22	21	177
B-747	4	52			2	2
B-757	137	186	32	31	25	49
B-767	56	77	3	16	10	27
B-777	39	41		11	5	23
<b>Fokker</b>						
100	13	75	13			
<b>McDonnell Douglas</b>						
MD-80	6		4	2		
MD-90	65	119		11	8	46
MD-11	6	44	2		2	2
<b>Totals</b>	<b>695</b>	<b>1143</b>	<b>119</b>	<b>107</b>	<b>84</b>	<b>385</b>

The value of firm aircraft orders was \$37.4 billion.



MD-11



A320

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## TRAFFIC AND OPERATIONS DATA

### U.S. Scheduled Airlines

	1992			1993		
	Domestic	International	Total	Domestic	International	Total
<b>Passenger Traffic – Scheduled Service</b>						
Revenue Passengers Enplaned (000)	431,693	43,415	475,108	441,902	45,347	487,249
Revenue Passenger Miles (000)	347,931,400	130,622,308	478,553,708	353,630,224	135,509,911	489,140,135
Available Seat Miles (000)	557,988,917	194,783,518	752,772,435	570,680,011	290,150,549	770,830,560
Revenue Passenger Load Factor (%)	62.4	67.1	63.6	62.0	67.7	63.5
Average Length of Haul (Miles)	806	3,009	1,067	800	2,988	1,004
<b>Cargo Traffic (Revenue Ton Miles) — Scheduled Service</b>						
Total (000)	6,857,044	6,341,630	13,198,674	7,115,561	6,973,588	14,089,149
Freight and Express (000)	5,284,389	5,845,324	11,129,712	5,444,681	6,470,113	11,914,794
U.S. Mail (000)	1,572,656	496,306	2,068,962	1,670,880	503,475	2,174,355
<b>Overall Traffic and Operations Data</b>						
Total Revenue Ton Miles - Charter service (000)	3,645,951	1,973,812	5,625,763	4,180,136	2,125,457	6,305,593
Total Revenue Ton Miles - All services (000)	45,206,134	21,383,675	66,679,809	46,658,726	22,649,736	69,308,462
Total Available Ton Miles - All services (000)	84,028,272	38,231,190	122,267,462	86,117,842	39,735,534	125,853,376
Ton Mile Load Factor - All services (%)	53.9	55.9	54.5	54.2	57.0	55.1
Revenue Aircraft Departures - Scheduled services	6,660,642	381,991	7,050,633	6,825,244	405,060	7,230,304
Revenue Aircraft Miles - Scheduled services (000)	3,889,553	871,915	4,769,468	4,020,756	877,256	4,898,012
Revenue Aircraft Hours - Scheduled services	9,446,798	1,663,662	11,110,460	9,788,394	1,752,171	11,540,565

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## INCOME STATEMENT (\$000)

### U.S. Scheduled Airlines

	1992			1993		
	Domestic	International	Total	Domestic	International	Total
<b>Operating Revenues:</b>						
Passenger	44,724,326	15,104,159	59,828,487	46,698,084	15,252,464	63,950,548
Freight and Express	3,386,347	2,529,303	5,915,650	3,602,156	2,718,375	6,320,531
Mail	936,706	247,499	1,184,205	972,260	269,962	1,242,222
Charter	1,790,241	1,610,922	2,801,163	1,966,366	1,078,928	3,045,294
Public Service Revenue	3,285	130	3,415	2,771	333	3,104
Other	6,813,486	1,593,837	8,407,323	7,580,684	1,649,348	9,230,032
Total Operating Revenues	57,654,393	20,485,850	78,140,243	62,822,321	20,969,410	83,791,731
<b>Operating Expenses:</b>						
Flying Operations	17,203,847	5,842,677	23,046,524	17,543,747	5,903,890	23,447,637
Maintenance	6,883,543	2,147,513	9,031,056	6,990,281	1,955,360	8,945,641
Passenger Service	5,327,228	2,203,965	7,531,193	5,241,777	2,174,581	7,416,358
Aircraft & Traffic Servicing	9,783,470	3,254,535	13,038,005	10,033,234	3,073,503	13,106,737
Promotion and Sales	8,936,477	5,228,702	14,165,179	9,361,696	5,396,007	14,897,703
Administrative	3,000,302	890,857	3,891,159	3,310,499	900,899	4,211,398
Transport Related	4,327,419	1,182,196	5,509,615	4,635,820	1,213,414	5,849,234
Depreciation and Amortization	3,339,621	1,033,131	4,372,752	3,608,345	1,074,665	4,683,010
Total Operating Expenses	58,801,077	21,783,596	80,584,673	60,725,399	21,632,319	82,357,718
<b>Operating Income or (Loss)</b>	<b>(1,146,714)</b>	<b>(1,297,746)</b>	<b>2,444,460)</b>	<b>2,096,922)</b>	<b>(662,909)</b>	<b>1,434,013)</b>
<b>Other Income or (Expense)</b>						
Interest Expense	(1,360,619)	(382,052)	(1,742,671)	(1,567,035)	(456,561)	(2,023,596)
Income Taxes	211,199	583,164	794,363	(478,478)	294,936	(183,542)
Other	(1,125,966)	(272,550)	(1,398,516)	(1,433,088)	66,492	(1,366,596)
<b>Net Profit or (Loss)*</b>	<b>(3,422,100)</b>	<b>(1,389,184)</b>	<b>4,791,284)</b>	<b>(1,379,679)</b>	<b>(757,980)</b>	<b>(2,137,659)</b>
<b>Operating Profit Margin (%)</b>	<b>-2.0</b>	<b>-6.3</b>	<b>-3.1</b>	<b>3.3</b>	<b>-3.2</b>	<b>1.7</b>
<b>Net Profit Margin (%)</b>	<b>-5.9</b>	<b>-6.7</b>	<b>-6.1</b>	<b>-2.2</b>	<b>-3.6</b>	<b>2.6</b>

\* Excludes fresh start accounting extraordinary gains of Continental and Trans World. These gains of \$1,509,000,000 and \$908,470,000 respectively were generated when debt was forgiven in the process of emerging from bankruptcy in 1993.

## BALANCE SHEET (\$000)

### U.S. Scheduled Airlines

	1992	1993
<b>Assets</b>		
Current Assets	15,705,326	17,689,224
Investments and special funds	4,891,985	5,213,870
Flight equipment owned	49,562,984	51,414,470
Ground equipment & property	15,211,399	15,298,803
Reserve for depreciation (Owned)	(24,445,293)	(24,817,297)
Leased equipment & property capitalized	6,782,829	6,371,076
Reserve for depreciation (Leased)	(2,563,799)	(2,218,684)
Other property	7,775,037	10,829,421
Deferred charges	3,497,623	2,361,634
Total assets	75,425,091	82,142,517
<b>Liabilities</b>		
Current liabilities	24,022,509	23,949,624
Long-term debt	14,001,553	18,375,179
Other non-current	19,689,964	18,515,483
Deferred credit	7,742,160	8,192,408
Stockholders' equity - net of Treasury Stock	9,971,905	13,109,823
Preferred stock	271,394	11,152
Common stock	313,643	401,810
Other paid-in capital	9,617,837	10,456,943
Retained earnings	92,228	2,537,915
Less: Treasury Stock	323,199	297,997
Total liabilities and stockholders' equity	75,425,091	82,142,517

## 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 origination, stopover or connecting passengers.

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

**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.

**Return on Investment.** Net profits plus interest expense (on long-term debt) divided by long-term debt plus stockholder's equity (net worth).

## ATA OFFICERS

**James E. Landry**  
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**J. Roger Fleming**  
Senior Vice President,  
Operations & Services

**Edward A. Merlis**  
Senior Vice President,  
External Affairs

**Mary E. Downs**  
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& Secretary

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Air Traffic Management

**Michael Rioux**  
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Engineering, Maintenance  
& Material

**William T. Murphy**  
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Federal Affairs

**Nestor N. Pylpec**  
Vice President,  
Industry Services

**Nathaniel Wilson**  
Vice President,  
International Affairs

**Albert H. Prest**  
Vice President,  
Operations

**Richard T. Brandenburg**  
Treasurer and Chief Financial  
Officer

## U.S. SCHEDULED AIRLINES

Data for the following 80 carriers are included herein.

### Majors

(Annual revenues  
of over \$1 billion)

America West  
American  
Continental  
Delta  
Federal Express  
Northwest  
Southwest  
Trans World  
United  
United Parcel Service  
USAir

### Nationals

(Annual revenues of  
\$100 million to \$1 billion)

Air Wisconsin  
Alaska  
Aloha  
American Trans Air  
Atlantic Southeast  
Business Express  
DHL Airways  
Emery  
Evergreen  
Hawaiian  
Horizon Air  
Markair  
Midwest Express  
Southern Air  
Sun County  
Tower  
USAir Shuttle  
Westair  
World

### Regionals

AV Atlantic  
Aerial  
Air Transport Int'l  
Airmark  
American Int'l  
Amerijet  
Arrow  
Atlas Air  
Braniff Int'l  
Buffalo  
Carnival  
Casino Express  
Challenge Air Cargo  
Continental Micronesia  
Eagle Airlines  
Empire  
Executive Airlines  
Express One  
Fine Airlines  
Florida West  
Great Americans  
Int'l Cargo Xpress  
Jet Fleet  
Key  
Kiwi  
MGM Grand  
Miami Air  
Million  
Morris  
North American  
Northern Air  
Patriot  
Private Jet  
Reeve  
Reno  
Rich  
Ryan International  
Sierra Pacific  
Simmons  
Spirit Air  
Trans Air Link  
Trans American Charter  
Trans Continental  
Trans States  
UFS, Inc.  
Ultrail  
Wilbur's  
Worldwide  
Wrangler  
Zantop

## ATA BOARD OF DIRECTORS

**Raymond J. Vecci**  
Alaska Airlines

**Glenn R. Zander**  
Aloha Airlines

**Robert L. Crandall**  
American Airlines

**George Mikelsons**  
American Trans Air

**Robert R. Ferguson, III**  
Continental Airlines

**Ronald W. Allen**  
Delta Air Lines

**Patrick Foley**  
DHL Airways

**Delford M. Smith**  
Evergreen Int'l Airlines

**Frederick W. Smith**  
Federal Express

**Bruce R. Nobles**  
Hawaiian Airlines

**John H. Dasburg**  
Northwest Airlines

**Herbert D. Kelleher**  
Southwest Airlines

**Donald F. Craib, Jr.**  
Trans World Airlines

**Stephen M. Wolf**  
United Airlines

**Richard Oehme**  
United Parcel Service

**Seth E. Schofield**  
USAir

## ATA MEMBER AIRLINES - 1994

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

**Aloha Airlines**  
P.O. Box 90028  
Honolulu, Hawaii 96820-0228  
(808) 836-4101

**American Airlines**  
P.O. Box 619616  
DFW Airport, Texas 75261-9616  
(817) 963-1234

**American Trans Air**  
P.O. Box 51609  
Indianapolis International Airport  
Indianapolis, Indiana 46251-0609  
(317) 247-4000

**Continental Airlines**  
2929 Allen Parkway  
Houston, Texas 77019  
(713) 834-5000

**Delta Air Lines**  
Hartsfield Atlanta International Airport  
Atlanta, Georgia 30320-9998  
(404) 715-2600

**DHL Airways**  
P.O. Box 75122  
Cincinnati, Ohio 45275  
(606) 283-2232

**Evergreen International Airlines**  
3850 Three Mile Lane  
McMinnville, Oregon 97128-9496  
(503) 472-0011

**Federal Express**  
P.O. Box 727  
Memphis, Tennessee 38116  
(901) 369-3600

**Hawaiian Airlines**  
P.O. Box 30008  
Honolulu International Airport  
Honolulu, Hawaii 96820-0008  
(808) 525-5611

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

**Reeve Alutian Airways**  
4700 West International Airport Road  
Anchorage, Alaska 99502-1091  
(907) 243-1112

**Southwest Airlines**  
Box 38611, Love Field  
Dallas, Texas 75235-1625  
(214) 904-4000

**Trans World Airlines**  
One City Centre, 19th Floor  
St. Louis, Missouri 63101  
(314) 589-9000

**United Airlines**  
P.O. Box 86100  
Chicago, Illinois 60666-0100  
(708) 952-4000

**United Parcel Service**  
400 Perimeter Center  
Terraces North  
Atlanta, Georgia 30346  
(404) 913-6000

**USAir**  
2345 Crystal Drive  
Crystal Park 4  
Arlington, Virginia 22227  
(703) 418-7000

## Associate Members

**Air Canada**  
P.O. Box 14000  
Air Canada Center  
St. Laurent, Quebec  
Canada H4Y 1H4  
(514) 422-5000

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

**KLM - Royal Dutch Airlines**  
Amsterdamsweg 55  
Schiphol Airport  
1182 GP Amstelveen, The Netherlands  
31-20-649-9123

